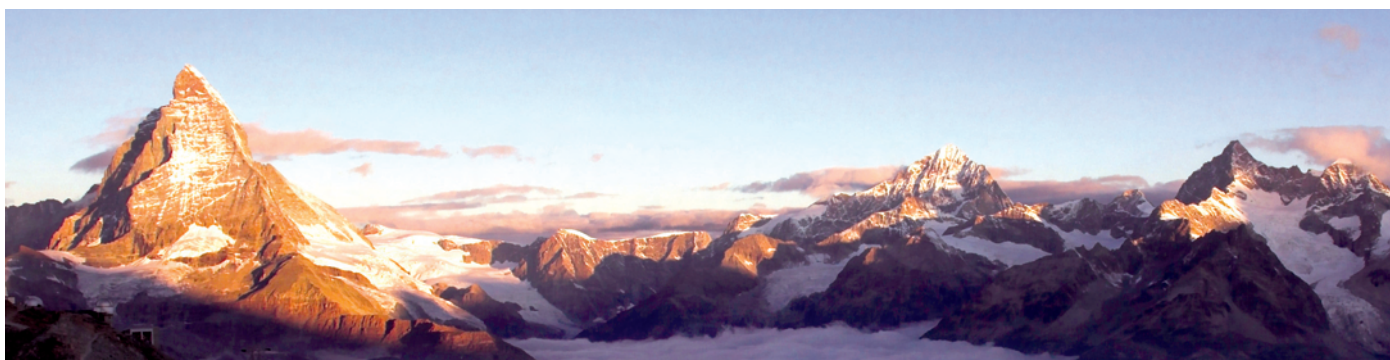


Matterhorn

CAPITAL MANAGEMENT, LLC



A Disciplined Investment Strategy



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- Corporate Overview
- Investment Philosophy

▀ Investment Process

- Process
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▀ Investment Team

- Juan Landa
- Stefan F. Gräter, PhD, CFA, CFP®
- Charles F. Hall, Jr.
- Harry M. Flavin, CFA
- Jeff P. Bailey
- Neala Moore

▀ Disclaimers



Introduction

- ▶ **Registered Investment Advisor
based in San Antonio, Texas**
- ▶ **Founded in February 2005**
- ▶ **Two investment styles;
multiple products**
 - Value Style
 - Growth Style
- ▶ **Independently owned**
- ▶ **Equity incentive**
- ▶ **Minority owned**



Asset Breakdown

As of
3/31/2012

Product	Total Value (\$ Million)	%
Equity	125.7	59%
U.S. Core	58.0	
Global Core	33.7	
International	28.7	
Other Equity	5.3	
Fixed Income	86.4	41%
Total	\$ 212.1	



Corporate Overview

- ▶ **Firm owned by three portfolio managers**
- ▶ **Structured as a Texas Limited Liability Corporation**
- ▶ **Registered Investment Advisor with the SEC**
- ▶ **Debt free and cash flow positive since inception**
- ▶ **Professional Liability (E&O) \$1 Million Policy and an Employee Dishonesty/Crime Bond (\$1 Million Policy), both underwritten by the Hartford**



Investment Philosophy

- ▶ **Two investment styles**
 - Value Style
 - Growth Style
- ▶ **Long only**
- ▶ **Equally weighted**
- ▶ **U.S. traded stocks**
- ▶ **All Cap**
- ▶ **Targeted low turnover**



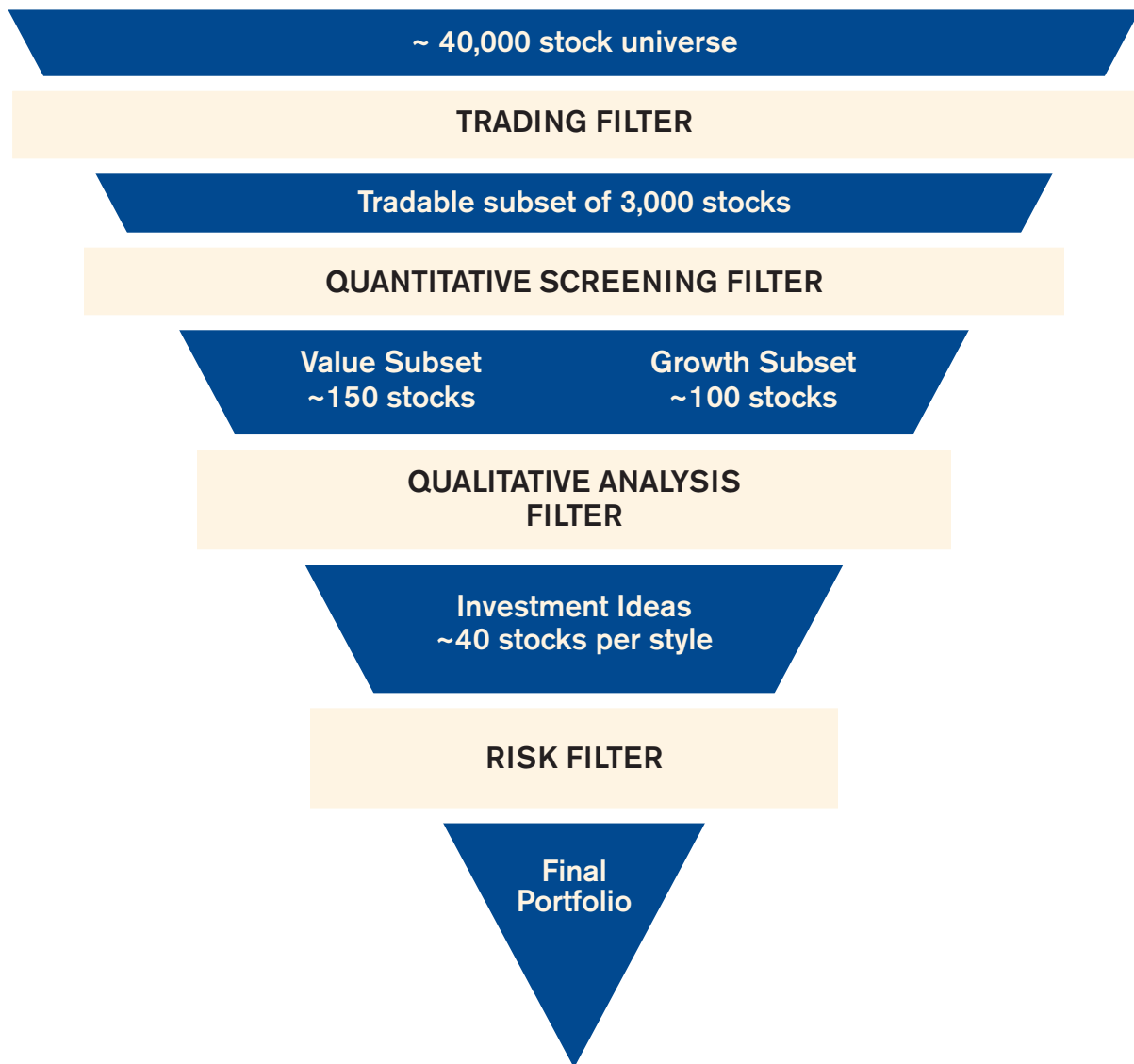
Investment Process

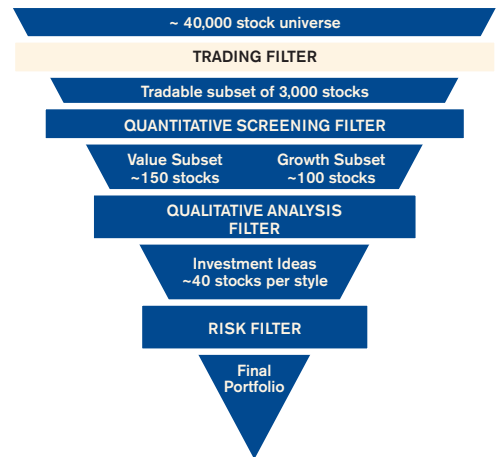
Though our process is primarily quantitative, we complement our company analysis with a qualitative risk and global theme overlay.





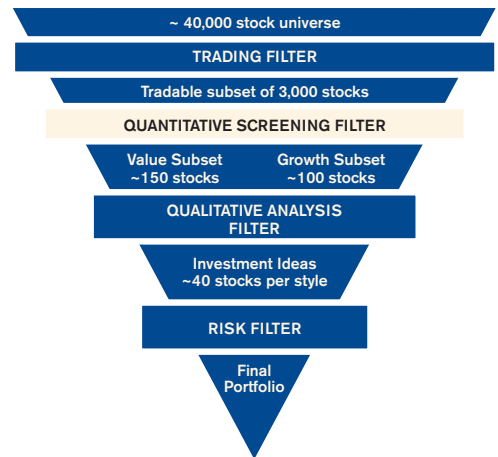
Investment Process - Buy Discipline





Buy Discipline
Trading
Filter

- ▶ Domestically Traded Stocks
- ▶ Liquidity > 3x firm daily trading volume
- ▶ Minimum Market Cap — \$250 million
- ▶ Stock Price > \$10 per share



Buy Discipline Value Style

Quantitative Screens

▀ Relative Value

- Stock compared to industry multiples

▀ Profitability

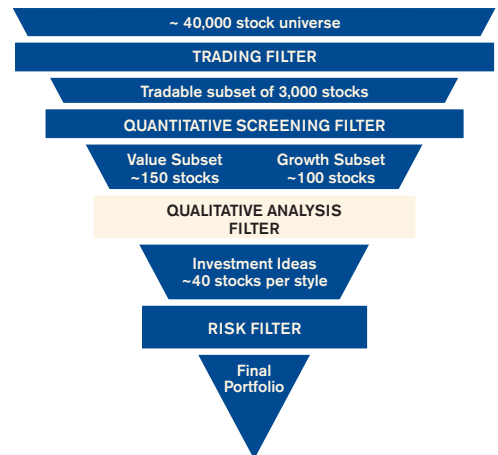
- Absolute returns on capital, relative margins

▀ Balance Sheet

- Debt structure, coverage & goodwill change

▀ Earnings Quality

- Accrual change, relative turnover, earnings retention



Buy Discipline Value Style

Qualitative Analysis

Ranking System

- Based on screening criteria

Discounted Cash Flow

- Minimum required to meet target price

Global Theme

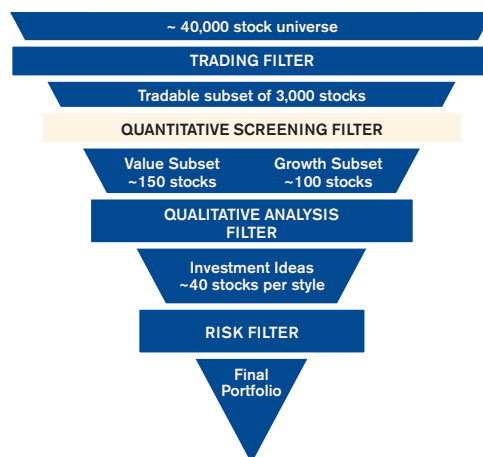
- Does the company fit into our global themes?

Cash Flow Generation

- Sources and uses of cash

Catalyst

- Out of favor? Turnaround?



Buy Discipline
Growth
Style

Quantitative Screens

▀ Relative Earnings Growth

- 1 yr and 3 yr Earnings Growth > Industry Average

▀ Relative Sales Growth

- 1 yr and 3 yr Sales Growth > Industry Average

▀ Relative Returns on Capital

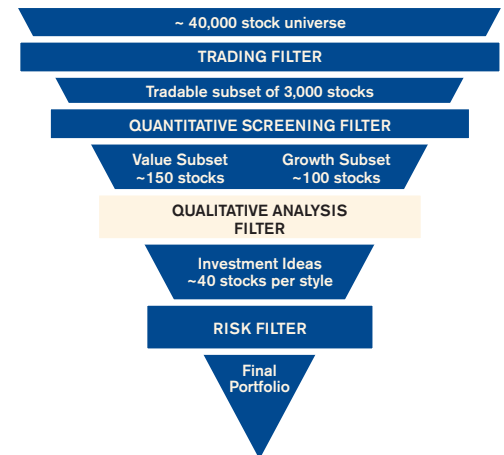
- ROE or ROIC > Industry Average

▀ Valuation

- Price to Earnings < Industry Average

▀ Margins

- Gross or Operating Margins > Industry Average



Buy Discipline
Growth
Style

Qualitative Screens

▶ Catalyst

- Identification of growth catalyst

▶ Sustainability of Growth Rate

- What do you have to believe for the company to sustain its projected growth rate?

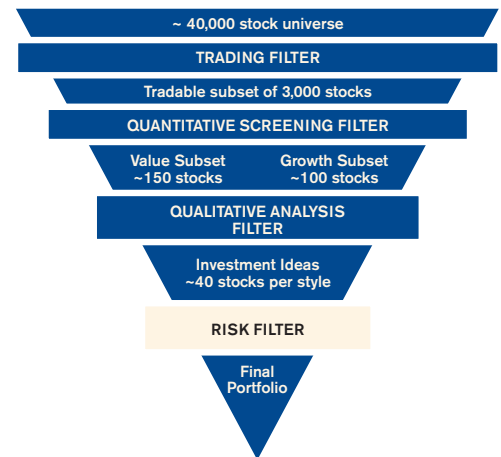
▶ Economic Moat

- How defensible is the company's product /service?

▶ Multiple Expansion

- Identify factors that could drive multiple expansion

▶ Unrealistic (Built In) Expectations



Risk Controls

▀ Sector Limits

- 25% on an individual portfolio basis

▀ Single Stock Limits

- 2x initial weight

▀ Market Capitalization Ranges

- Small and Mid Cap combined should not exceed 50% of portfolio



Investment
Process

**Sell
Discipline**

▶ **Price Target Methodology**

- Growth: Reversion to mean valuation
- Value: Discounted cash flow

▶ **20% Downside Review**

- High water mark since initial purchase

▶ **Fundamental Change to Investment Thesis**



MATTERHORN CAPITAL MANAGEMENT, LLC INTERNATIONAL EQUITY

Address: 3512 Paesanos Parkway, Ste. 301
San Antonio, TX, 78231

Firm Type: Independent Reg. Inv. Advisor

Legal Structure: Limited Liability

Year Founded: 2005

Firm GIPS Compliant: Yes

Firm/Product Assets: \$ 212.08 Million / \$ 28.66 Million

Firm/Product Accounts: 307 / 51

Parent Company: None

Investment Style: American Depository Receipts

Market Capitalization: All Capitalization

Decision Making: Bottom-Up Stock Selection

Portfolio Manager: Mr. Juan Landa

Manager Tenure: 1/2006

Mgr. Experience: 1996

Product Contact: Mr. Jeff Bailey

Phone: 210-694-4329

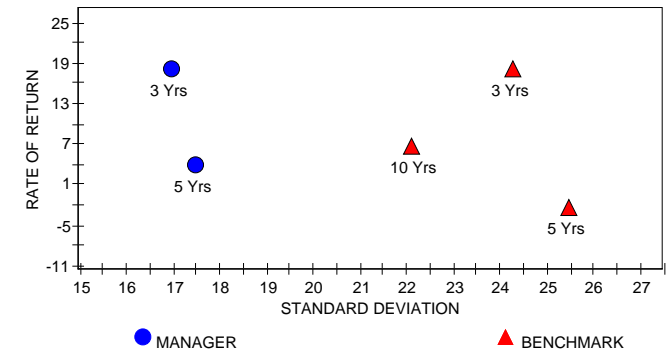
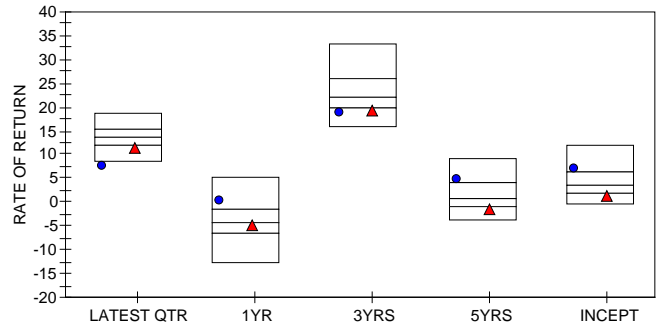
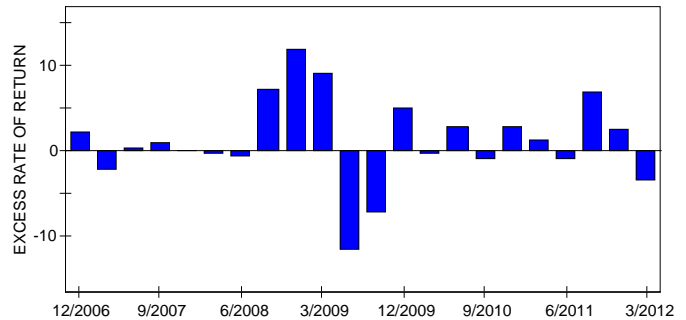
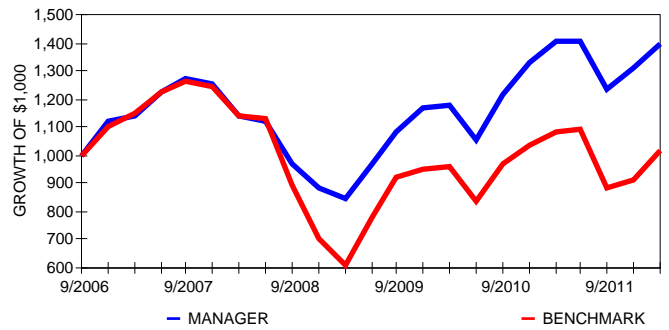
	Account Size	Annual Fees
Performance Incentive Fee:	--	US\$ 1 Mill
Individual Min Annual Fee:	--	US\$ 5 Mill
Individual Min Account Size:	\$250,000	US\$ 10 Mill
Offered As Mutual Funds:	--	US\$ 25 Mill
Offered As Commingled Funds:	--	US\$ 50 Mill
Commingled Min Annual Fee:	--	US\$ 100 Mill
Commingled Min Account Size:	--	US\$ 200 Mill

	MRQ	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Incept
Manager	6.87	-1.79	14.01	32.66	-29.86	11.70	--	--	--	--	--	6.27
Bnchmrk	10.50	-11.78	9.43	34.41	-43.23	12.91	26.23	14.95	20.84	40.02	-15.50	0.23
Excess	-3.63	9.99	4.58	-1.76	13.37	-1.21	--	--	--	--	--	6.04
90 TBill	0.02	0.06	0.14	0.15	1.27	4.42	4.88	3.30	1.44	1.01	1.59	1.32

PERIOD	ROR	STDEV	ALPHA	BETA	RSQR	TRCKERR	SHARPE	INFORATIO
3 Yrs	18.21	16.96	5.44	0.66	0.90	9.90	1.07	0.01
4 Yrs	5.19	18.46	6.16	0.63	0.91	11.57	0.26	0.70
5 Yrs	4.07	17.46	4.77	0.65	0.90	10.41	0.18	0.63
6 Yrs	--	--	--	--	--	--	--	--
7 Yrs	--	--	--	--	--	--	--	--
8 Yrs	--	--	--	--	--	--	--	--
9 Yrs	--	--	--	--	--	--	--	--
10 Yrs	--	--	--	--	--	--	--	--
Inception	6.27	17.26	5.07	0.66	0.89	10.04	0.29	0.60

GICS Sector Breakdown: 3/2012	%	Equity Characteristics: 3/2012	%
Materials	7.50	Beta(5 Year)	--
Energy	14.80	Dividend Yield	2.74
Consumer Staples	13.40	5 Year EPS Growth	22.01
Consumer Discretionary	4.60	Price/Book	0.72
Industrials	3.60	P/E (Proj next 12 mths)	13.76
Utilities	4.30	Return on Equity	9.67
Health Care	11.40	Market Capitalization:	
Information Technology	8.80	Wght Avg (\$ MM)	41482.00
Telecommunications Services	8.00	Median (\$ MM)	39236.00
Financials	4.10	Debt/Equity	64.53
Cash	19.50	Ann Fiscal YTD Turnover	--
Other	--	SEC-30-Day Yield	--

Ten Largest Holdings:3/2012	%	Firm Representative Client List
US DOLLARS	19.59	Confidential
ABV	4.93	--
CHKP	4.68	--
ALV	4.63	--
KOF	4.56	--
CPL	4.29	--
OTEX	4.07	--
BNS	4.05	--
BRGY	4.04	--
FMS	4.03	--



PERIOD	RATE OF RETURN			GROWTH OF \$1,000		
	MANAGER	BENCHMARK	EXCESS	MANAGER	BENCHMARK	PREMIUM
1 Yr	-0.28	-6.19	5.91	\$997	\$938	\$59
2 Yrs	8.88	2.55	6.33	\$1,185	\$1,052	\$134
3 Yrs	18.21	18.13	0.08	\$1,652	\$1,649	\$3
4 Yrs	5.19	-2.86	8.05	\$1,224	\$891	\$334
5 Yrs	4.07	-2.46	6.53	\$1,221	\$883	\$338
6 Yrs	--	0.98	--	--	\$1,060	--
7 Yrs	--	4.18	--	--	\$1,332	--
8 Yrs	--	5.59	--	--	\$1,545	--
9 Yrs	--	10.41	--	--	\$2,438	--
10 Yrs	--	6.60	--	--	\$1,895	--
Inception	6.27	0.23	6.04	\$1,397	\$1,013	\$385



MATTERHORN CAPITAL MANAGEMENT, LLC

U.S. CORE EQUITY

Address: 3512 Paesanos Parkway, Ste. 301
San Antonio, TX, 78231

Firm Type: Independent Reg. Inv. Advisor

Legal Structure: Limited Liability

Year Founded: 2005

Firm GIPS Compliant: Yes

Firm/Product Assets: \$ 212.08 Million / \$ 43.40 Million

Firm/Product Accounts: 307 / 82

Parent Company: None

Investment Style: Core-Diversified

Market Capitalization: All Capitalization

Decision Making: Bottom-Up Stock Selection

Portfolio Manager: Mr. Juan Landa

Manager Tenure: 1/2005

Mgr. Experience: 1996

Product Contact: Mr. Jeff Bailey

Phone: 210-694-4329

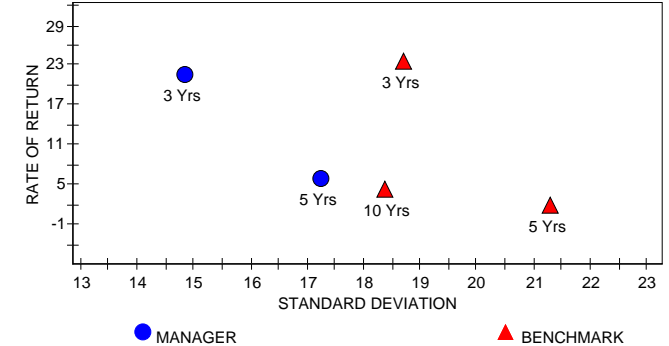
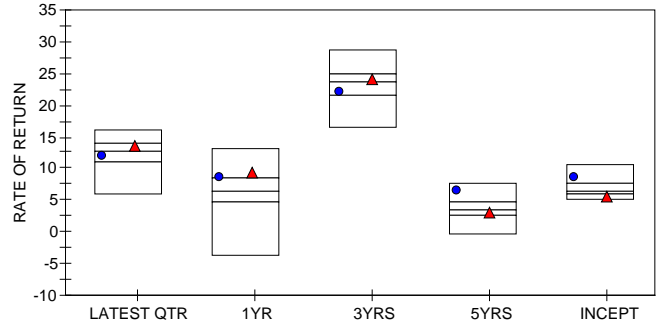
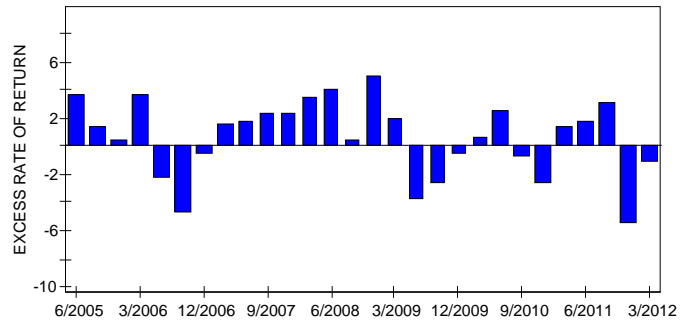
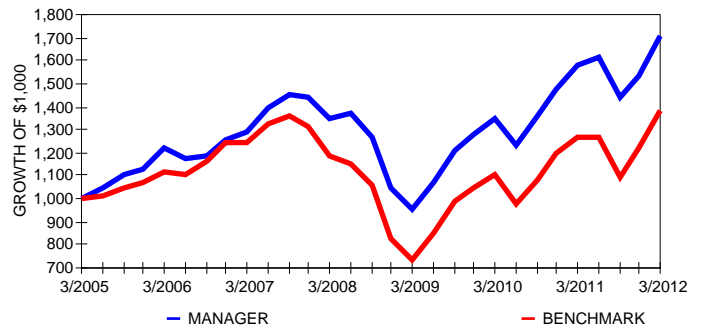
	Account Size	Annual Fees
Performance Incentive Fee:	--	US\$ 1 Mill
Individual Min Annual Fee:	--	US\$ 5 Mill
Individual Min Account Size:	\$250,000	US\$ 10 Mill
Offered As Mutual Funds:	--	US\$ 25 Mill
Offered As Commingled Funds:	--	US\$ 50 Mill
Commingled Min Annual Fee:	--	US\$ 100 Mill
Commingled Min Account Size:	--	US\$ 200 Mill

	MRQ	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Incept
Manager	11.52	3.91	15.47	21.76	-27.13	14.20	11.53	--	--	--	--	7.95
Bnchmrk	12.59	2.11	15.06	26.46	-37.00	5.49	15.79	4.91	10.88	28.68	-22.10	4.71
Excess	-1.06	1.80	0.41	-4.70	9.86	8.71	-4.27	--	--	--	--	3.24
90 TBill	0.02	0.06	0.14	0.15	1.27	4.42	4.88	3.30	1.44	1.01	1.59	1.92

PERIOD	ROR	STDEV	ALPHA	BETA	RSQR	TRCKERR	SHARPE	INFORATIO
3 Yrs	21.47	14.87	2.84	0.78	0.96	5.00	1.44	-0.39
4 Yrs	5.99	18.54	2.38	0.80	0.97	5.54	0.31	0.38
5 Yrs	5.81	17.25	3.62	0.80	0.97	5.30	0.28	0.72
6 Yrs	5.78	16.01	2.27	0.79	0.95	5.43	0.26	0.40
7 Yrs	7.95	15.08	3.48	0.80	0.94	5.31	0.40	0.61
8 Yrs	--	--	--	--	--	--	--	--
9 Yrs	--	--	--	--	--	--	--	--
10 Yrs	--	--	--	--	--	--	--	--
Inception	7.95	15.08	3.48	0.80	0.94	5.31	0.40	0.61

GICS Sector Breakdown: 3/2012	%	Equity Characteristics: 3/2012	%
Materials	4.50	Beta(5 Year)	--
Energy	4.20	Dividend Yield	1.56
Consumer Staples	7.40	5 Year EPS Growth	26.04
Consumer Discretionary	13.90	Price/Book	1.19
Industrials	4.60	P/E (Proj next 12 mths)	13.65
Utilities	4.50	Return on Equity	26.69
Health Care	10.00	Market Capitalization:	
Information Technology	21.10	Wght Avg (\$ MM)	61585.00
Telecommunications Services	--	Median (\$ MM)	26783.00
Financials	14.90	Debt/Equity	49.43
Cash	14.86	Ann Fiscal YTD Turnover	--
Other	--	SEC-30-Day Yield	--

Ten Largest Holdings:3/2012	%	Firm Representative Client List
CASH	14.85	Confidential
ISHARES GOLD TRUST	4.54	--
PRICELINE.COM	3.24	--
APPLE	3.06	--
DISCOVER FINANCIAL SERVICES	2.95	--
STARBUCKS	2.84	--
QUALCOMM	2.77	--
NIKE	2.76	--
ACCENTURE	2.74	--
HERBALIFE	2.72	--



PERIOD	RATE OF RETURN			GROWTH OF \$1,000		
	MANAGER	BENCHMARK	EXCESS	MANAGER	BENCHMARK	PREMIUM
1 Yr	7.97	8.54	-0.57	\$1,080	\$1,085	-\$6
2 Yrs	12.38	12.04	0.34	\$1,263	\$1,255	\$8
3 Yrs	21.47	23.42	-1.94	\$1,792	\$1,880	-\$87
4 Yrs	5.99	3.87	2.13	\$1,262	\$1,164	\$98
5 Yrs	5.81	2.01	3.80	\$1,326	\$1,105	\$222
6 Yrs	5.78	3.59	2.20	\$1,401	\$1,235	\$166
7 Yrs	7.95	4.71	3.24	\$1,708	\$1,380	\$328
8 Yrs	--	4.96	--	--	\$1,473	--
9 Yrs	--	7.95	--	--	\$1,990	--
10 Yrs	--	4.12	--	--	\$1,497	--
Inception	7.95	4.71	3.24	\$1,708	\$1,380	\$328



MATTERHORN CAPITAL MANAGEMENT, LLC U.S. CORE EQUITY

<u>Equity Personnel</u>	<u>Total</u>	<u>Firm Personnel</u>	<u>Total</u>
Portfolio Managers	2	Portfolio Managers	3
Research Analysts	0	Research Analysts	--
Traders	1	Traders	--
Marketing	1	Marketing	2
Total Equity	3	Client Service	--

EQUITY INVESTMENT PHILOSOPHY - Our investment philosophy is to implement sound, simple and historically proven investment principles in a consistent and disciplined manner to manage concentrated, long-only all-cap core portfolios. Our model portfolios are an aggregation of relative value and relative growth style securities picked by separate portfolio managers in separate processes. Portfolios are equally weighted in value and growth styles at all times and benchmarked against broad market indices, yet allowed ample room to deviate from index attributes. We are risk aware and are particularly focused on protecting the downside. In general, we look for securities of financially sound companies that have a proven management team, defensible products, and shareholder friendly corporate governance.

INVESTMENT DECISION-MAKING PROCESS - Our disciplined process mandates that investment recommendations be internally published and opened to documented challenges from all investment team members. The written purchase recommendations include three reasons for holding the stock, three potential risks and a target price. Target prices are calculated based on either discounted cash flow or reversion to mean valuation principles. Subject to risk controls, approved purchase recommendations are included in all portfolios when an entry price target is reached from which we expect a total return of twenty percent in one year. Positions are partially sold to rebalance weights or sold outright from all portfolios when the target price is achieved, the fundamental basis for owning the stock has changed or risks inherent in holding the stock are unacceptable. If any portfolio holding declines more than twenty percent from its high water mark, an investment recommendation to buy the stock has to be accepted to keep the holding. The portfolio manager for each investment style has final decision making authority for purchases and sales.

ORGANIZATION AND OWNERSHIP - Matterhorn Capital Management, LLC (MCM), is an independent investment management firm based in San Antonio, Texas. The firm was founded in 2005 and is a Registered Investment Adviser with the SEC. MCM is structured as an LLC and is independently owned by the portfolio managers with Juan Landa owning 54%, Stefan Grater owning 35%, Charles Hall owning 10% and Harry Flavin owning 1% of the firm. Matterhorn Capital Management is a minority owned business and qualifies as an emerging manager, both in terms of assets and ownership structure.

Offered WRAP/TAMP Program:

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Investment Team



Juan A. Landa **Principal, Equity Portfolio Manager**

Mr. Landa began his investing career as a financial analyst with the Wealth Management division of Goldman, Sachs & Co. in Houston, Texas. He was later promoted to the Asset Management group in Goldman, Sachs' Private Bank in Zurich, Switzerland, where he helped manage portfolios for high net worth individuals in Latin America, Europe and Asia. After graduate school, Mr. Landa spent several years as a senior associate in the corporate finance division of global management consulting firm McKinsey & Co., focusing on mergers and acquisitions in the technology and energy sectors. Prior to founding Matterhorn Capital Management, LLC in 2005, Mr. Landa spent a brief tenure as a senior equity analyst with South Texas Money Management, a boutique investment firm in San Antonio, Texas.

Mr. Landa received his MBA from Stanford University's Graduate School of Business, where he was a Toigo Fellow, and his BSM in Finance magna cum laude from Tulane University's A.B. Freeman School of Business. Mr. Landa currently serves on the Advisory Board for UTSA's College of Business and as a board member of the San Antonio Economic Development Corporation. He is a former advisory board member of Tulane University's Burkenroad Reports as well as a former trustee of the South Texas Business Fund.



Investment Team



Stefan F. Gräter, PhD, CFA, CFP® **Principal, Equity Portfolio Manager**

Dr. Gräter began his investment career as an analyst at Fleming Martin Securities (now J.P. Morgan) in Johannesburg, South Africa. As part of the financial services team, he was responsible for covering financial stocks listed on the Johannesburg Stock Exchange and marketing the research to institutional clients. After moving to San Antonio, Texas, Dr. Gräter joined South Texas Money Management as a senior equity analyst. An entrepreneurial spirit resulted in tenure at ATKG, a San Antonio-based CPA firm as an investment consultant and in him co-founding Matterhorn Capital in 2005. A native of South Africa, Dr. Gräter started his professional career with BKS Group as a civil engineer.

Dr. Gräter earned a Ph.D. and M.S. in civil engineering from The University of Texas at Austin, as well as a bachelor's degree in civil engineering from the University of Pretoria.



Investment Team



Charles F. Hall, Jr. **Principal, Fixed Income Portfolio Manager**

Mr. Hall began his career as a Senior Trust Officer with MaximBank in League City, Texas, where he managed the bank's fixed income investment portfolio of \$200 million. He later served as Vice Chairman of the Board, CEO, and Chief Investment Officer of MaximBank prior to the bank's sale to Southwest Bank of Texas (now a part of Zions Bancorp), where he served as Executive Vice President and Treasurer. His primary responsibilities included management of interest rate risk, liquidity, balance sheet, and merger and acquisition analysis. In addition, he consulted on the bank's fixed income strategies for its \$2 billion investment portfolio. While at Southwest Bank, Mr. Hall also chaired the bank's asset/liability committee. Prior to joining Matterhorn Capital, Mr. Hall spent a brief tenure as the Director of Fixed Income at South Texas Money Management, a boutique investment firm in San Antonio, Texas.

Mr. Hall earned a M.B.A. from the University of Houston-Clear Lake and a bachelor of business administration in finance from Texas State University. He formerly served on the University of Houston-Clear Lake President's Development Board and Advisory Council, as well as on the Board of Directors for the Bay Area Houston Economic Partnership.



Investment Team



Harry M. Flavin, CFA **Principal**

Mr. Flavin began his investing career as an equity research analyst for Rotan Mosle, Inc. for eleven years and then served as an equity research analyst for Merrill Lynch in their New York City Research Department. Mr. Flavin was recognized by Greenwich Associates as a top ranked equity analyst and also by Institutional Investor Magazine as an Equity Research All-American Team Member. He was a founding principal of Daniel Breen & Co., a Houston based money management firm, where he served as Chief Investment Strategist and Lead Analyst. The firm grew from start up to \$1.1 billion in assets in five years. Mr. Flavin arrived in San Antonio in 1988 and joined Ed Austin and John Calvert at Austin Calvert & Flavin, Inc. as a principal and a major shareholder. During his tenure he functioned as CEO and Chief Investment Officer; growing assets from \$500 million to \$1.8 billion before the firm sold to Waddell and Reed in 2000. He became Sr. Vice-President of the mutual fund and fund manager while remaining Chief Investment Officer of the San Antonio firm. He retired in February of 2006 and then joined Matterhorn in April of 2011.

Mr. Flavin received his M.B.A. from University of Pennsylvania, Wharton School of Business, majoring in finance. He earned a B.S. in Chemical Engineering from the University of Texas and is a CFA Charter holder.



Investment Team



Jeff P. Bailey **Relationship Manager**

Mr. Bailey began his career with JPMorgan Chase Bank as a commercial credit analyst. Upon completion of his training in New York City, he returned to San Antonio, Texas to join the commercial banking division. In this role he worked with top management and financial officers to provide ongoing support for their business and financial needs. In 2005, Mr. Bailey pursued an entrepreneurial venture as a partner in the formation, funding and development of Tootie Pie Company, a specialized baker and marketer of high-end desserts. He played a key role in the successful launch and growth of the business, managing all customer relationships and the marketing strategy. He was instrumental in taking the company public while serving in an investor relations capacity.

Mr. Bailey received a B.S. in Agriculture Systems Management from Texas A&M University in College Station, Texas. He currently serves in the community with the San Antonio Stock Show and Rodeo on the Wildlife and Natural Resources committee, is a member of the San Antonio Rotary Club sitting on their Young Member's Board of Directors and he serves on the board for the Founder's Council of the Texas Biomedical Research Institute.



Investment Team



Neala Moore **Chief Compliance Officer, Director of Operations**

A native of Birmingham, Michigan, Ms. Moore began her career in the private practice of law and specialized in estate planning, probate, bankruptcy and asset protection. She subsequently served as an associate with the boutique investment firm of Liberty Capital Management assisting in their operations department.

Upon arriving in San Antonio, Texas, Ms. Moore became a Financial Advisor with UBS Financial Services, Inc. At UBS, she provided financial planning services and implemented financial solutions for her clients. Additionally, she coordinated client strategies by working with outside attorneys, accountants, and third party administrators.

Ms. Moore is an avid community advocate who has served as the Treasurer for Impact San Antonio, Treasurer for the National Association of Women Business Owners – San Antonio; and as the President of the American Business Women's Association Connections Chapter.

Ms. Moore obtained her BA from the University of Chicago and her Law Degree from Wayne State University in Michigan.



Disclaimers

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