

Semi-Annual Board Update

WPC Diversified Global LargeCap Fund

Agenda

- Introduction
- Portfolio engineering methodology
- Fund composition
- Performance
- Current economic conditions and future rebalancing

Introduction

- Fund Manager – Joe Downs
 - Amol Agarwal
 - Andre Shearer
 - Andy Harper
 - Ben Hawthorne
 - Jameson Bennett
 - Jon Kielmeyer
 - Praveen Gujar

Objective

- Global diversification across asset classes
- Core portfolio to preserve capital
- Fundamental analysis overlay
 - Learning experience

Portfolio Engineering



Blend/Style/Focus
Research and
Gathering Data



Asset Allocation

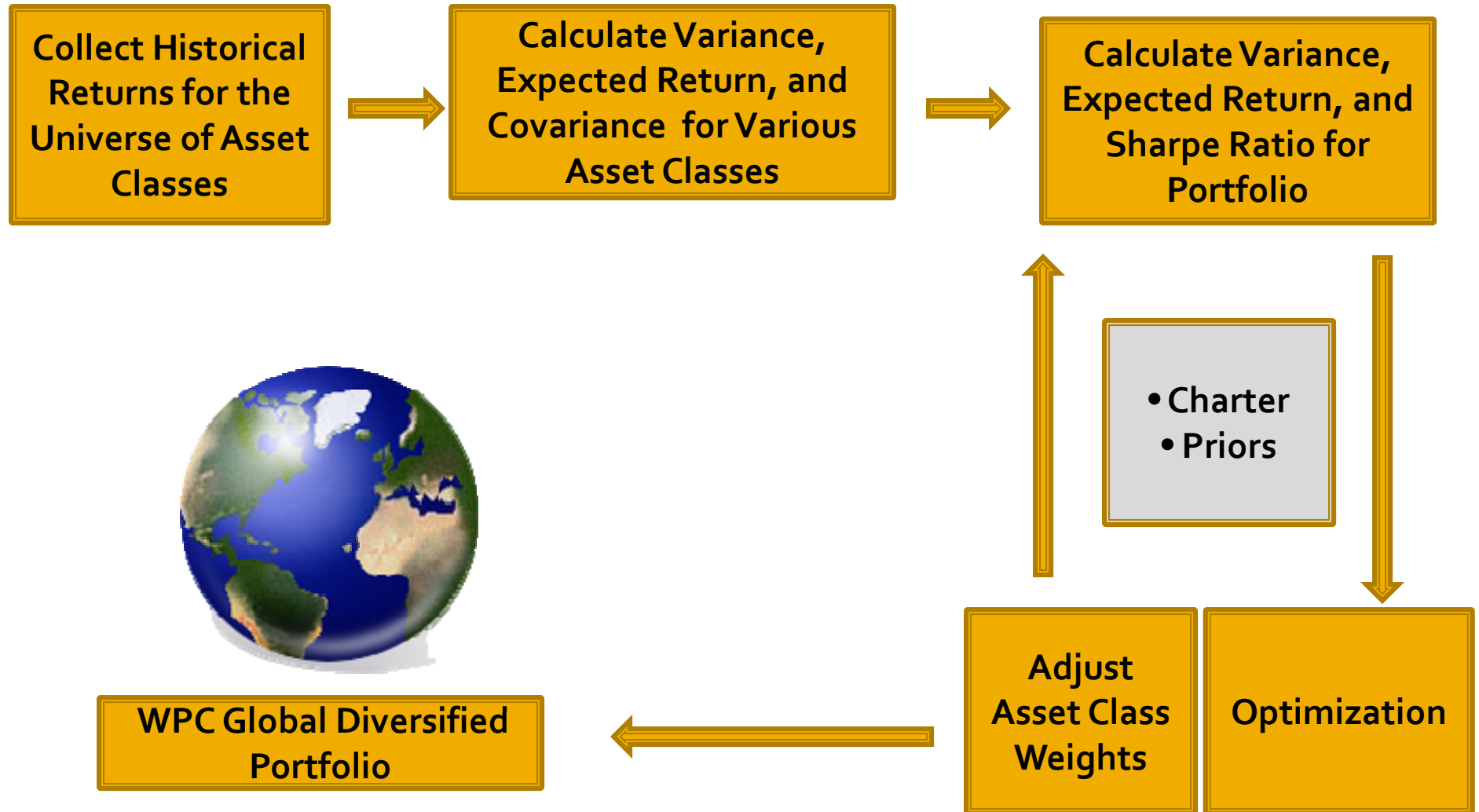


Industry Allocation



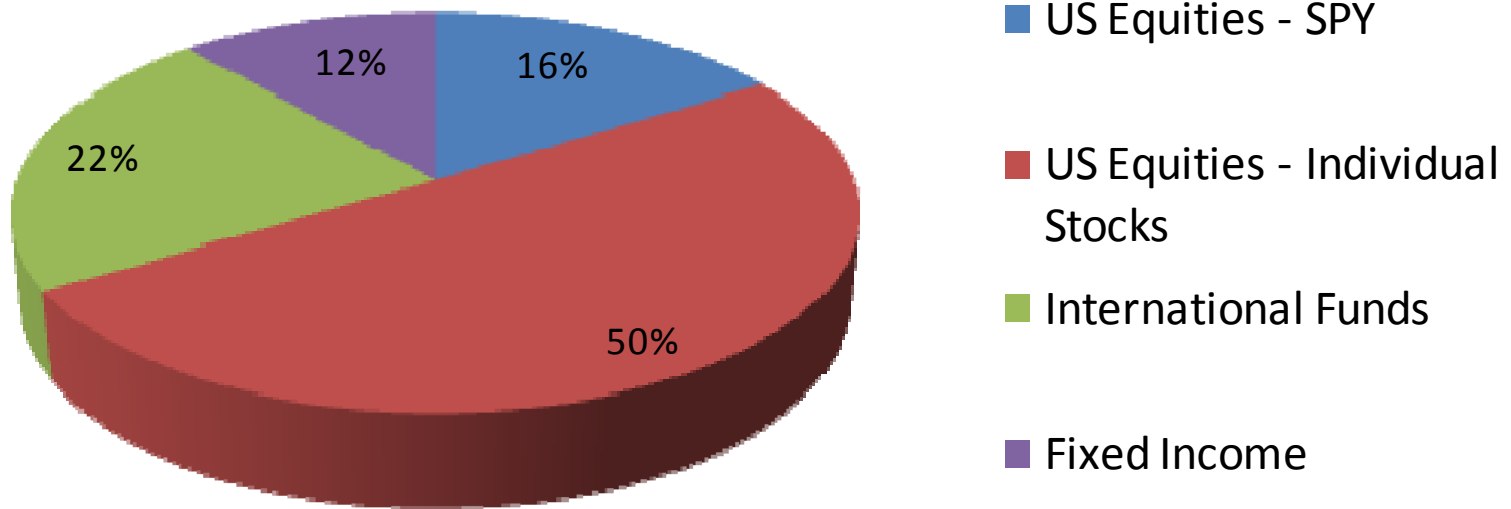
Fundamental
Analysis and
Security Selection

Portfolio Engineering Continued



Fund Composition - Seed

Fund Composition - Broad Asset Classes



International – Motivation

- Build a global diversified portfolio
- Gain exposure to markets with low covariance with US equities
- Gain access to emerging markets
 - Moderate US economic growth expectation

International - Approach

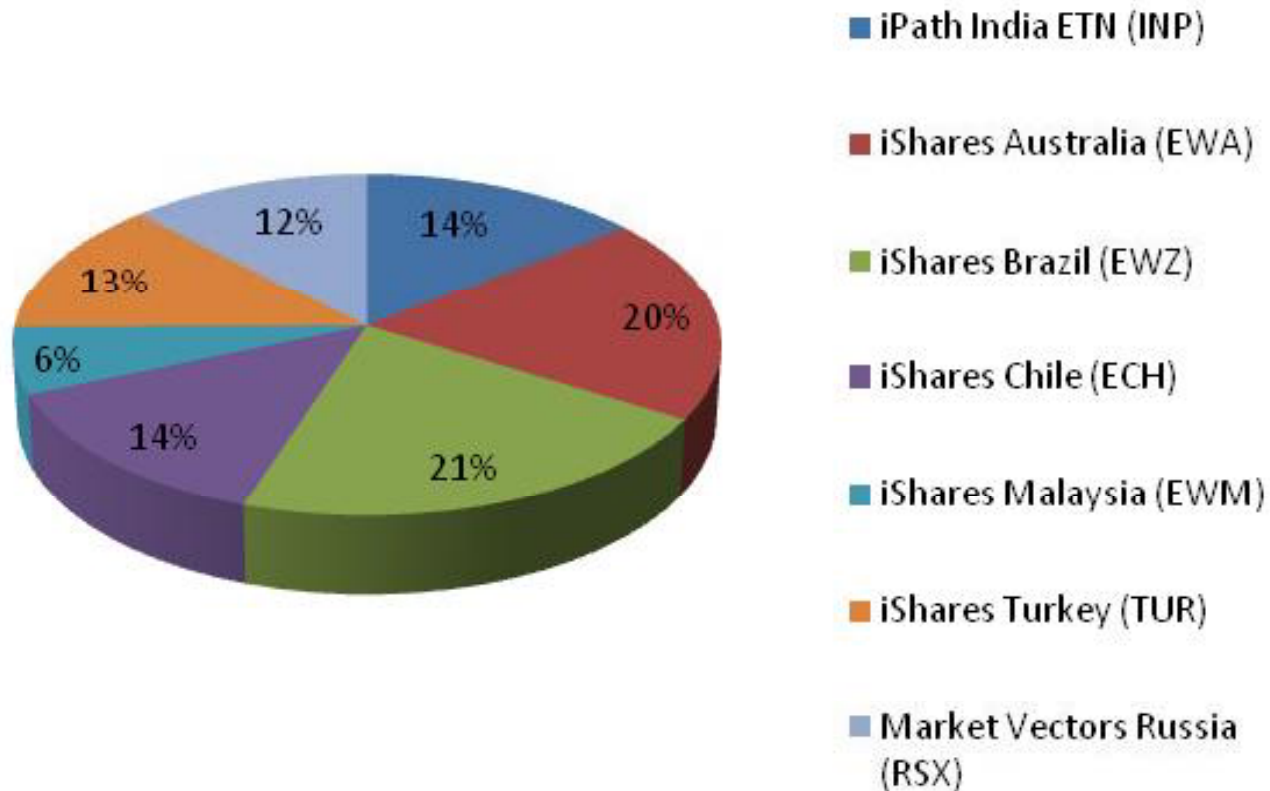
- Research on global economic situation and individual countries
- Portfolio optimization to obtain initial portfolio weight
- Modify portfolio weight after group discussion
- Select ETFs to gain access to individual countries

International – ETF selection criteria

- Short list of ETFs that are in line with the fund's objective
- Select ETFs with five years of history
- Analysis of ETF holdings
- Select ETFs with high liquidity and low expense ratios

International Fund Composition – Seed

International Allocation



Fixed Income - Motivation

- Diversification
- Gain access to fixed income markets
- Low covariance with US equities
- Defensive investment in the case of double-dip recession

Fixed Income - Approach

- Duration and average maturity
 - Intermediate
 - Inflation expectations
- Credit quality
- ETF with low fees
- VGIT

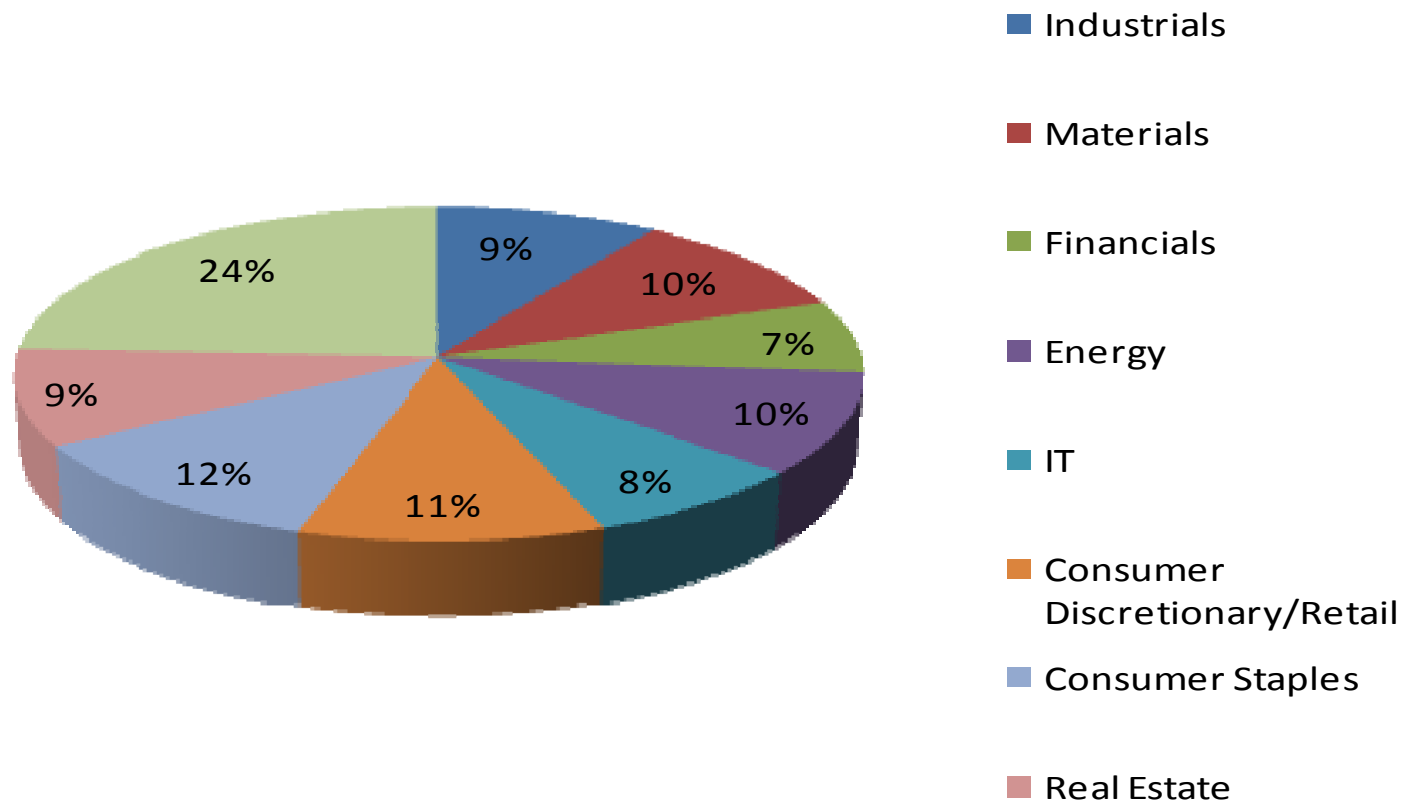
		Interest Rate Sensitivity				
Credit Quality	High				High	
	Medium				Medium	
	Low				Low	
		Low	Medium	High		

US Equity Style and Approach

- Core/satellite strategy
 - Capital preservation
 - Fundamental analysis and learning experience
- Industry allocation
 - Selected industries based on optimization and priors
- Security selection
 - LargeCap blend
 - Fundamental analysis

Fund Composition - Seed

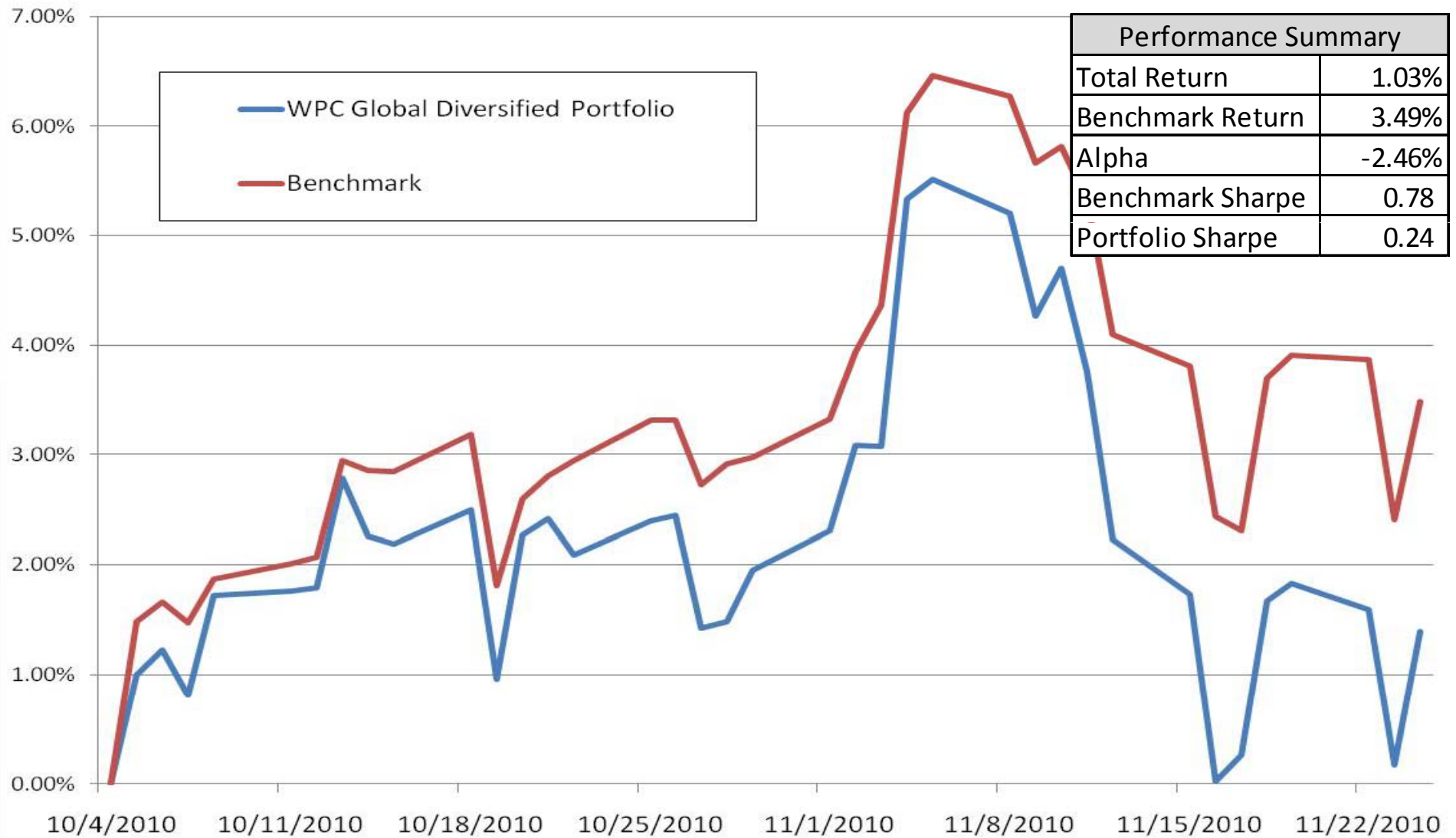
US Equity Allocation



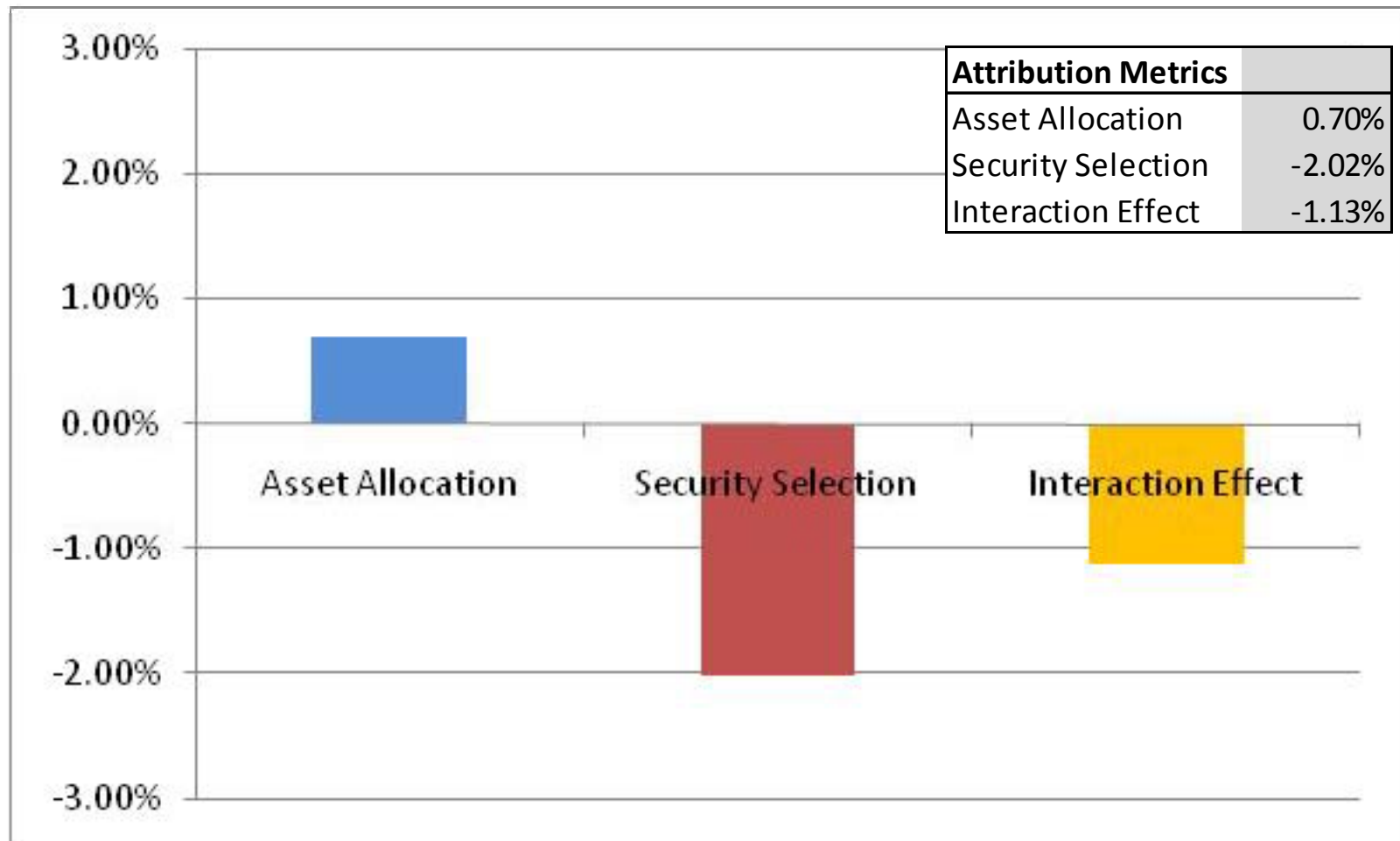
WPC Benchmark Composition

- Standard & Poor's 500 Index – 65%
- MSCI Emerging Markets Index – 23%
- Barclays Capital Aggregate Bond Index – 12%

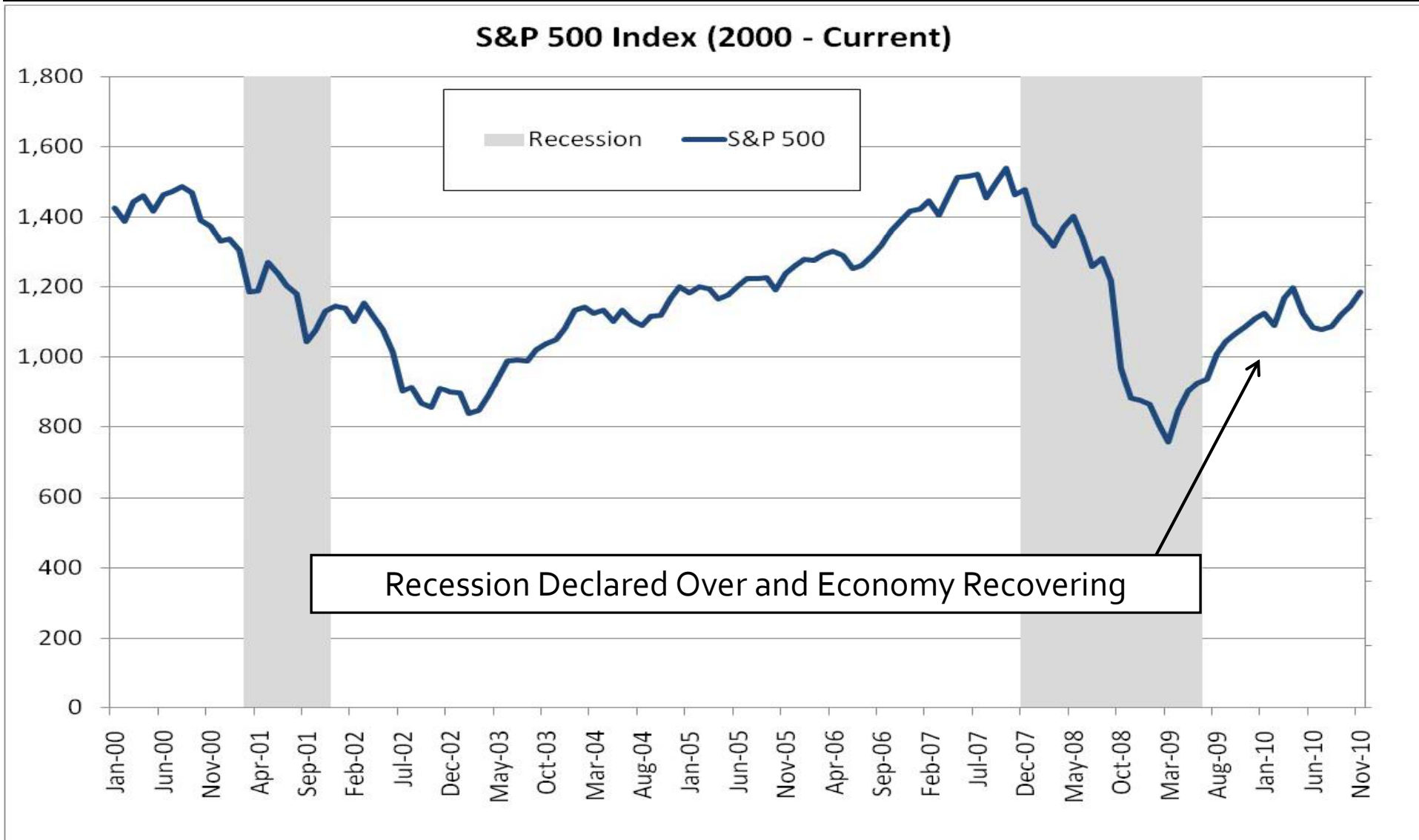
WPC Performance vs. Benchmark



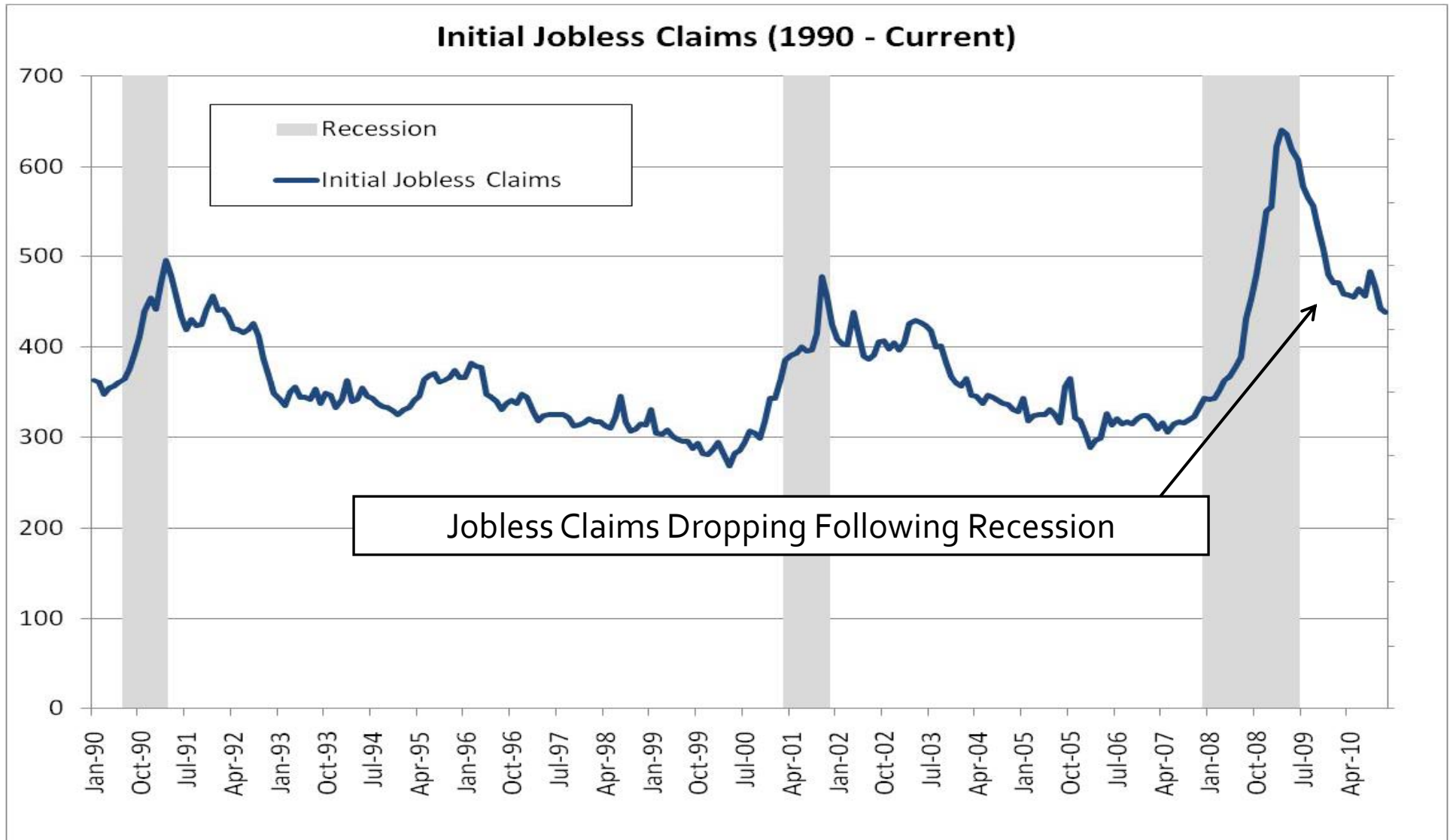
Attribution Analysis



Current Market Conditions

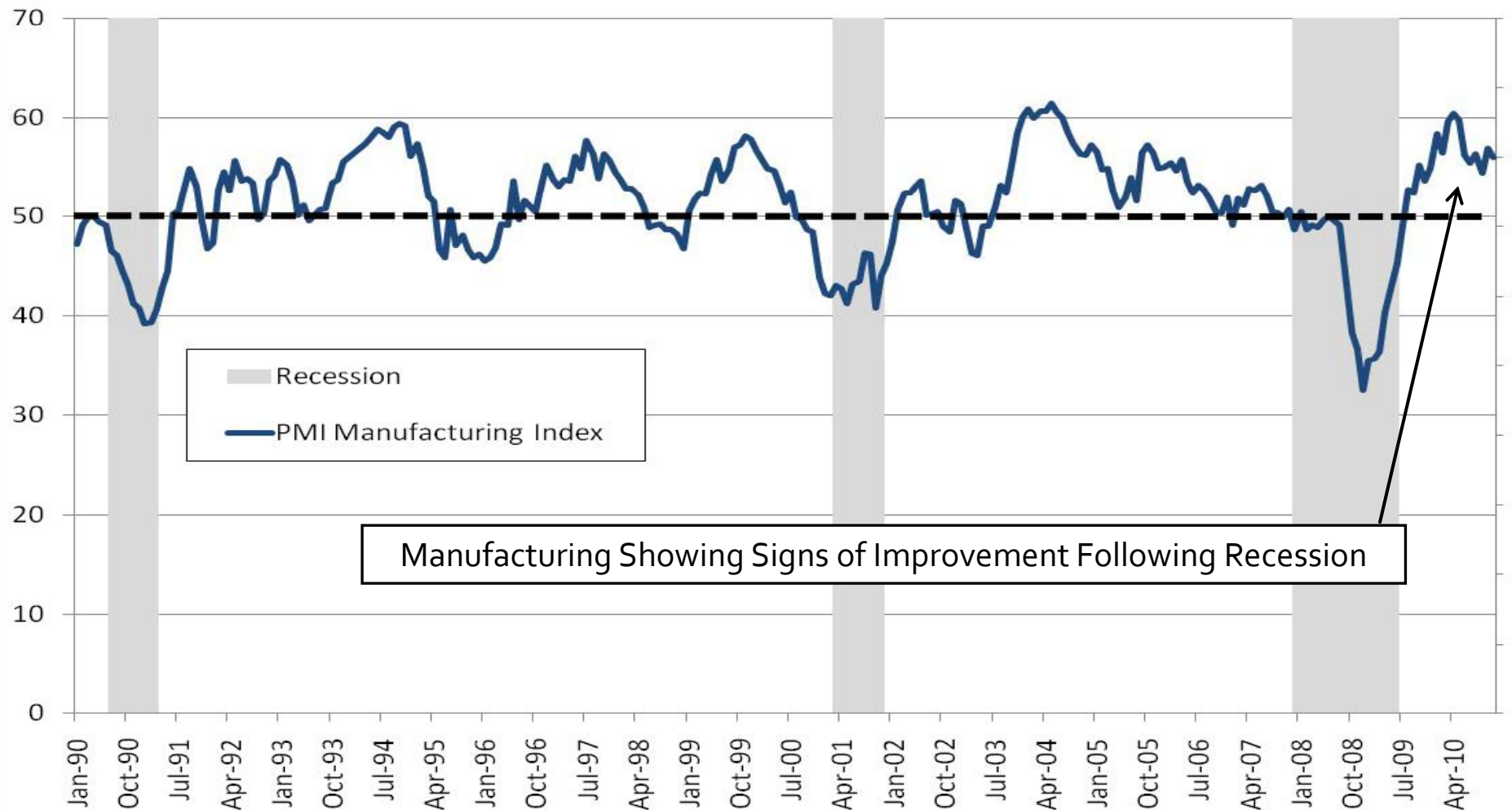


Current Market Conditions Continued



Current Market Conditions Continued

PMI Manufacturing Index (1990 - Current)



Manufacturing Showing Signs of Improvement Following Recession

Economic Impact and Future Rebalancing

- Moderate recovery through Q4 2010 and 2011
- Overweight equities
- Underweight fixed income and defensive positions

What We Learned!

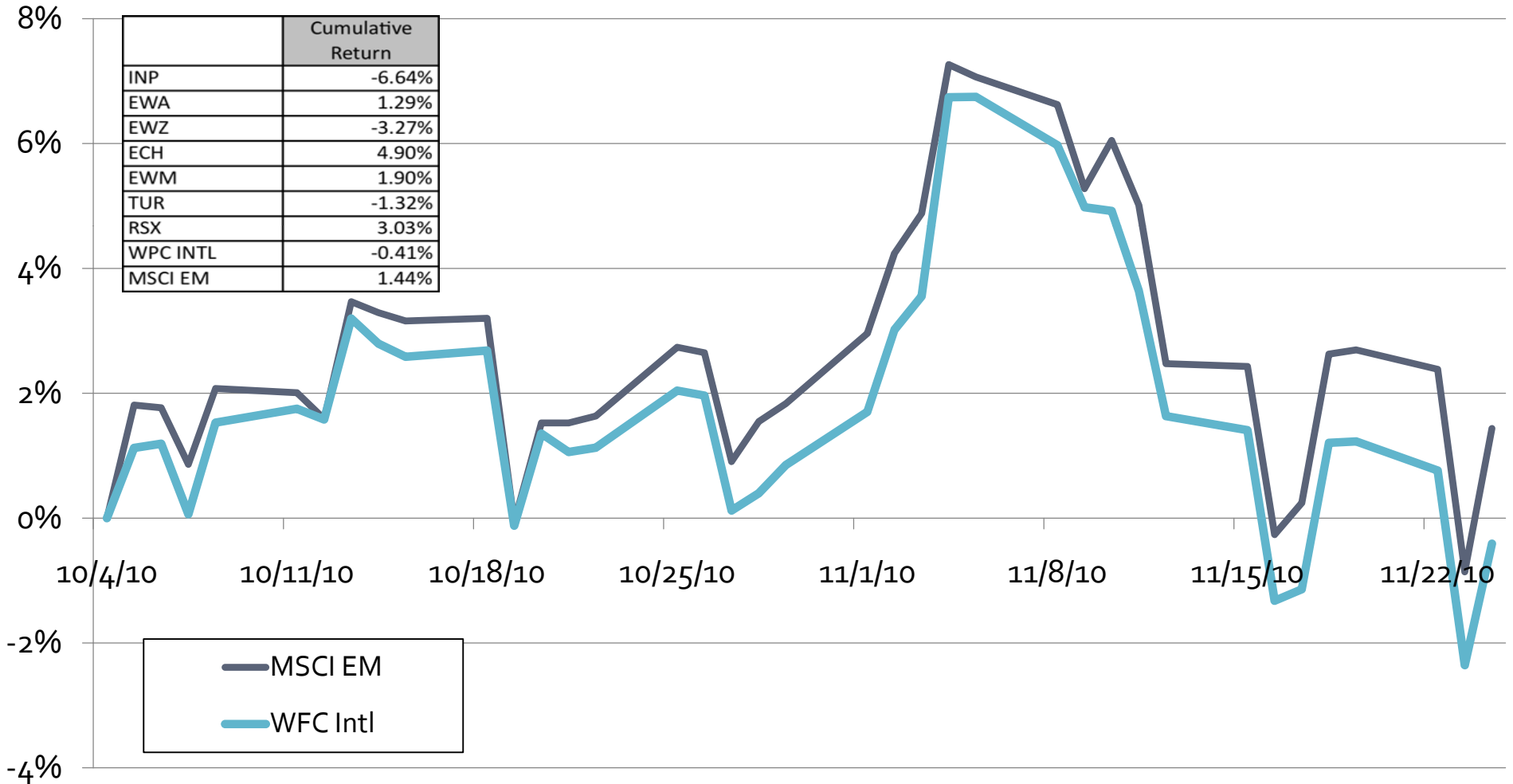
- Portfolio optimization/engineering process
- Importance of diversification and asset allocation
- Bloomberg and other research tools
- Strength of efficient markets



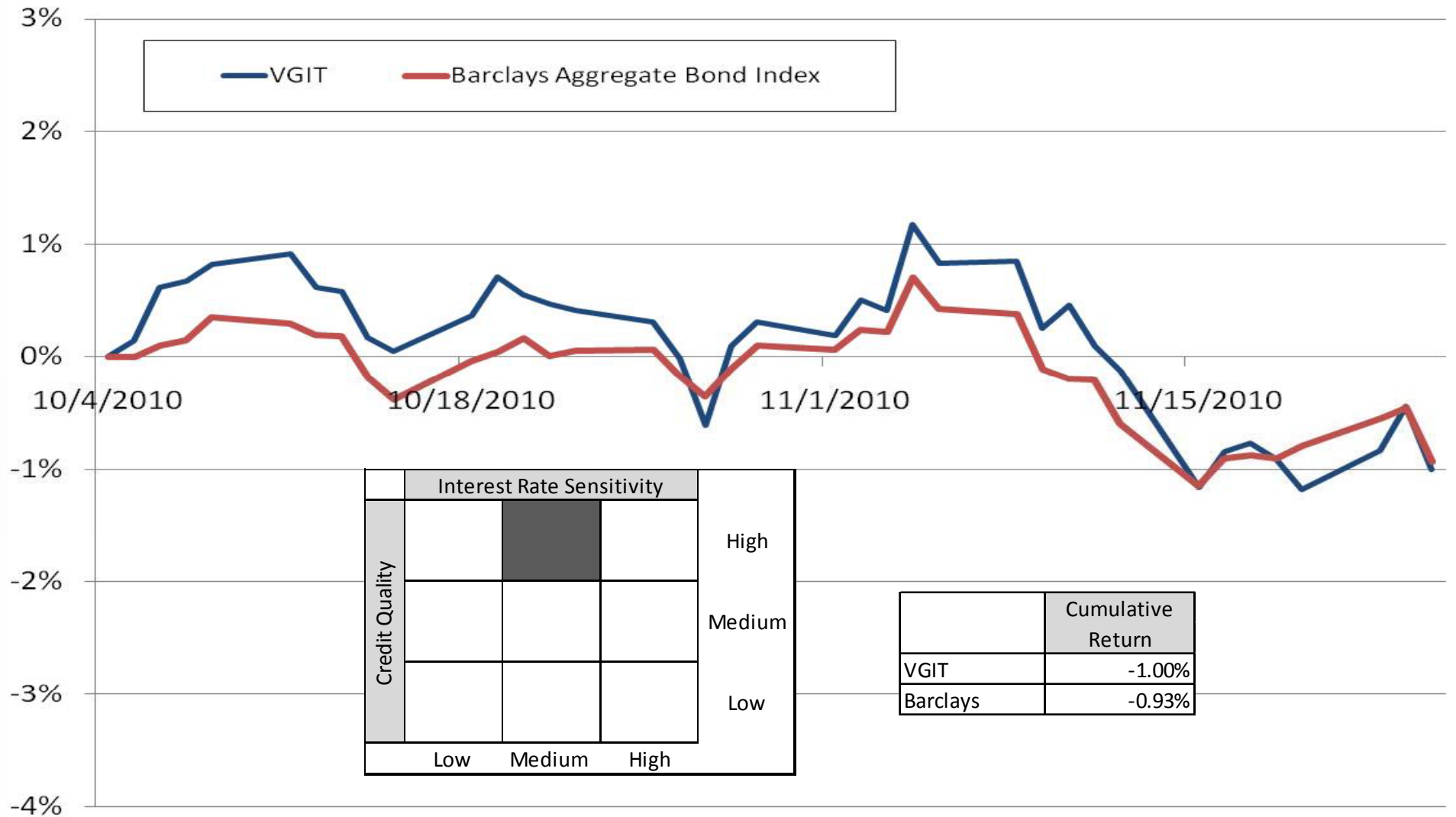
QUESTIONS?

Appendix A – Performance vs. Industry Benchmarks

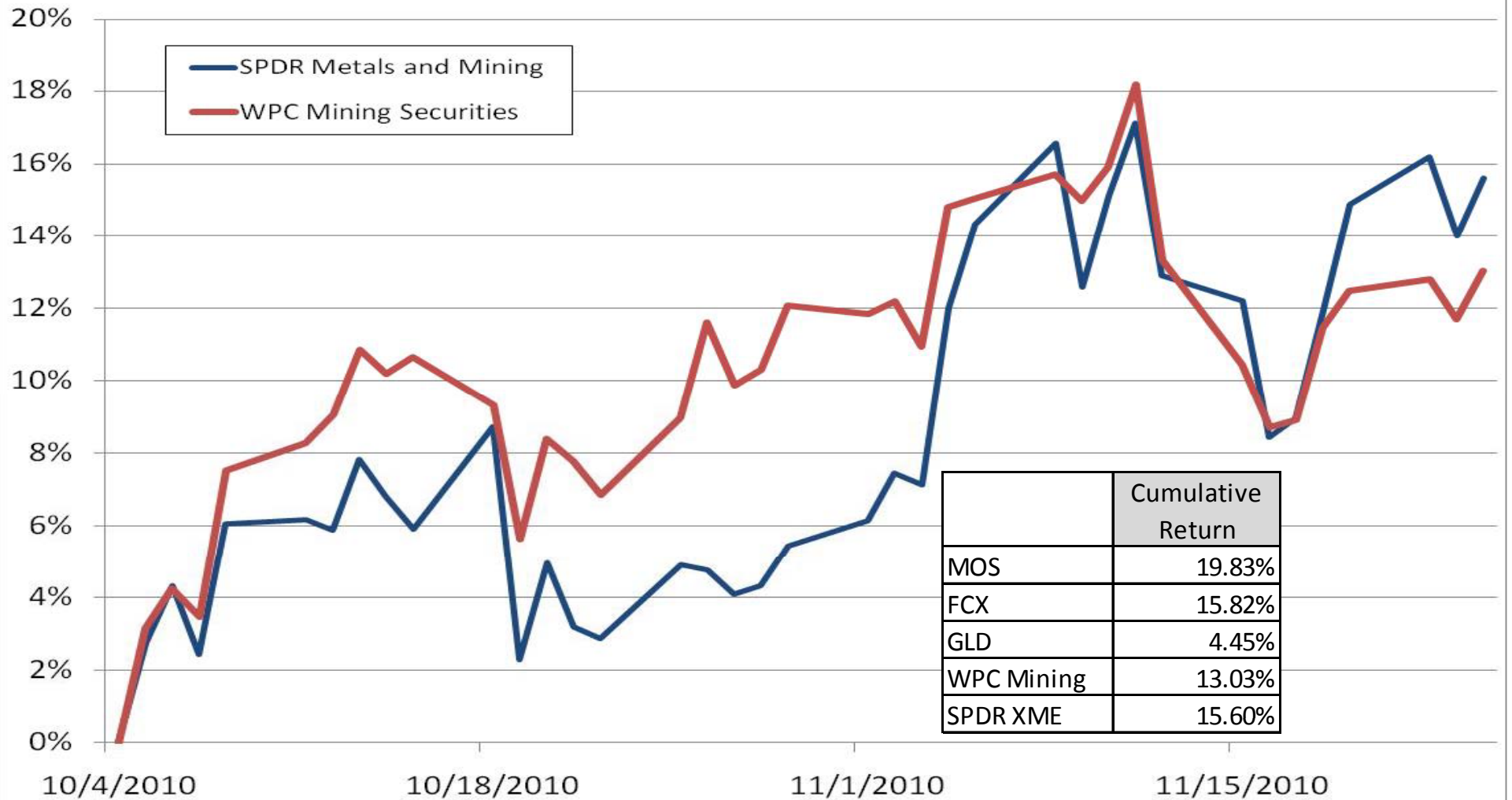
WPC Intl – Performance



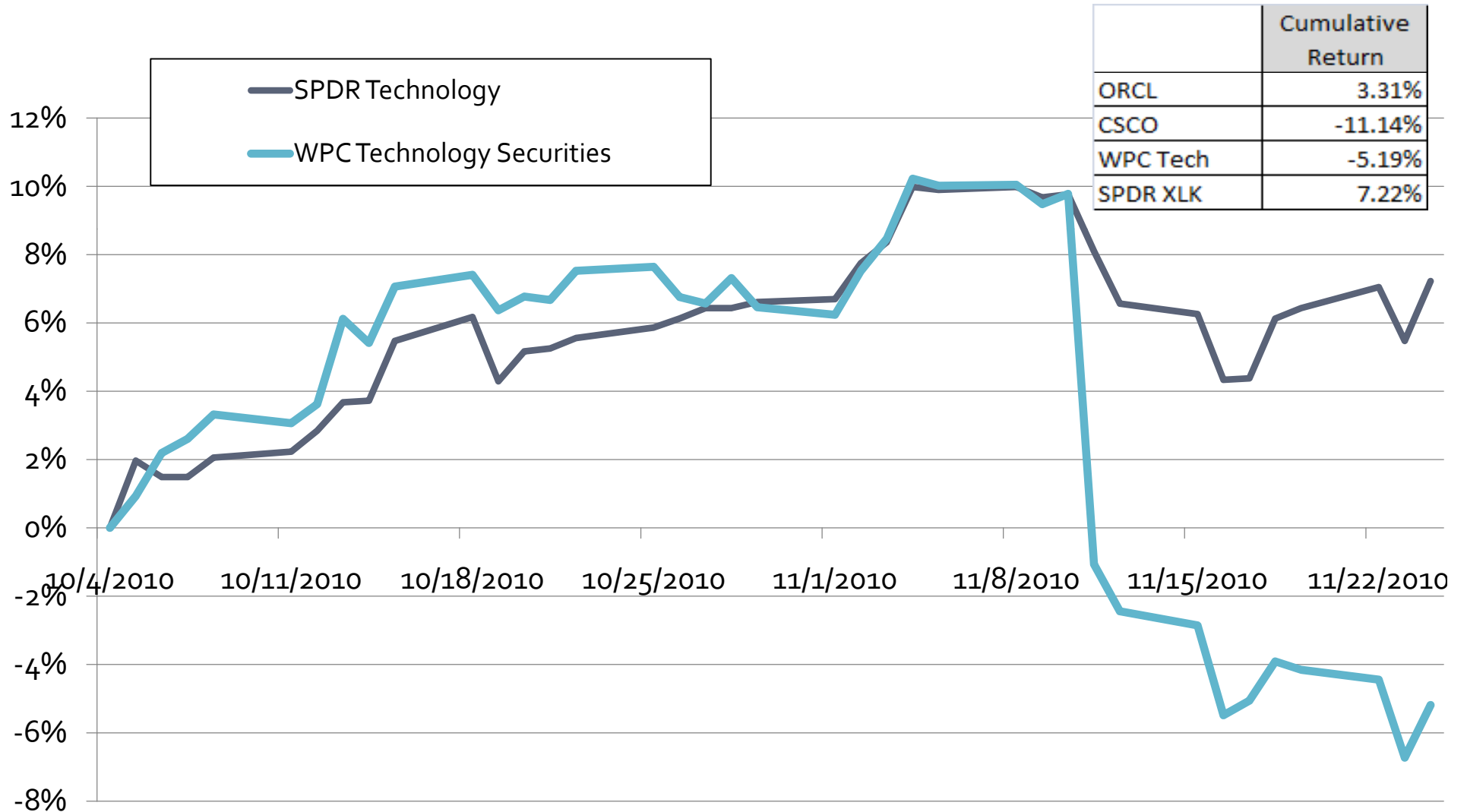
WPC Fixed Income vs. Barclays Aggregate Bond Index



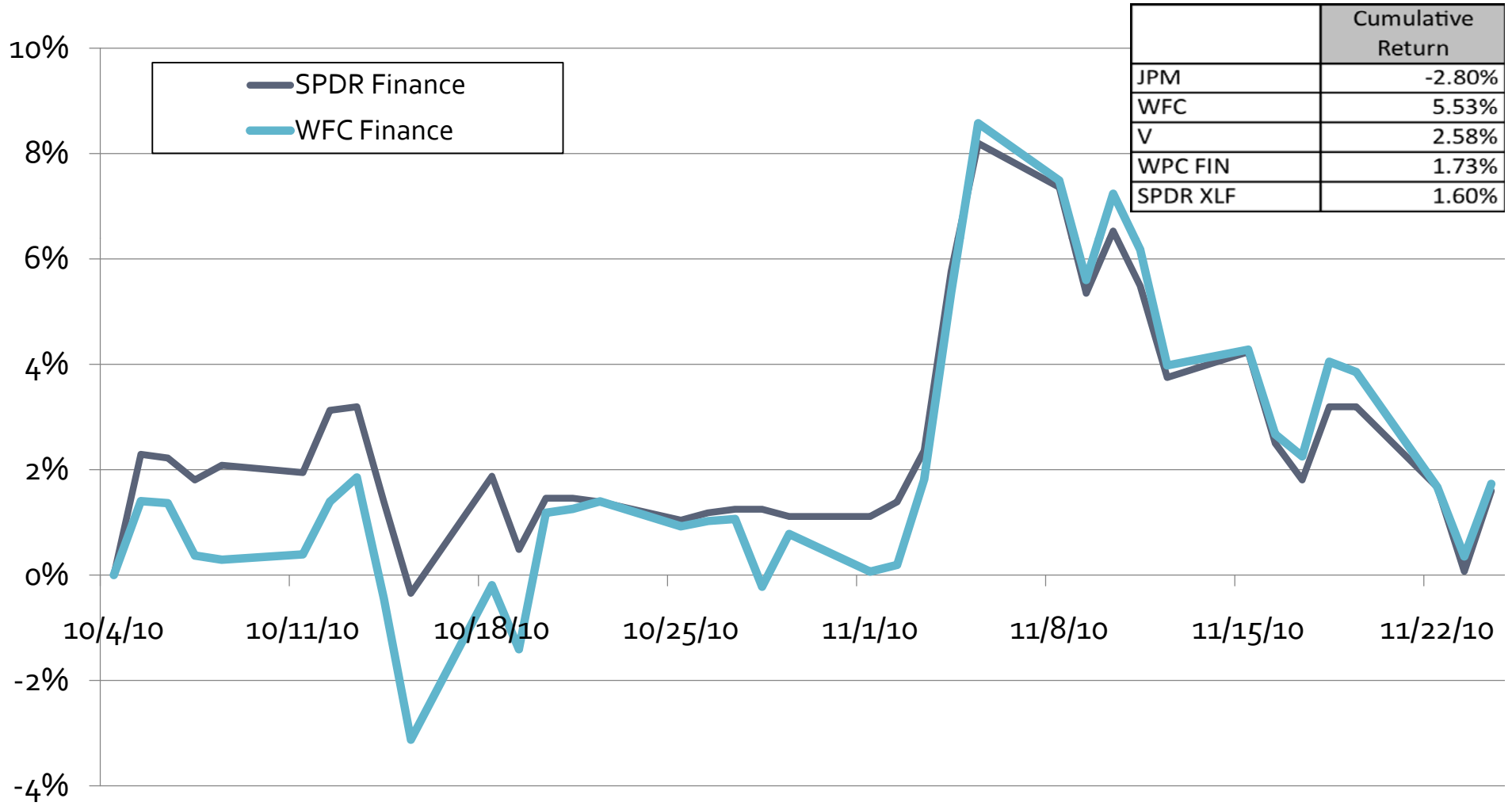
WPC Mining Securities vs. SPDR Metals & Mining



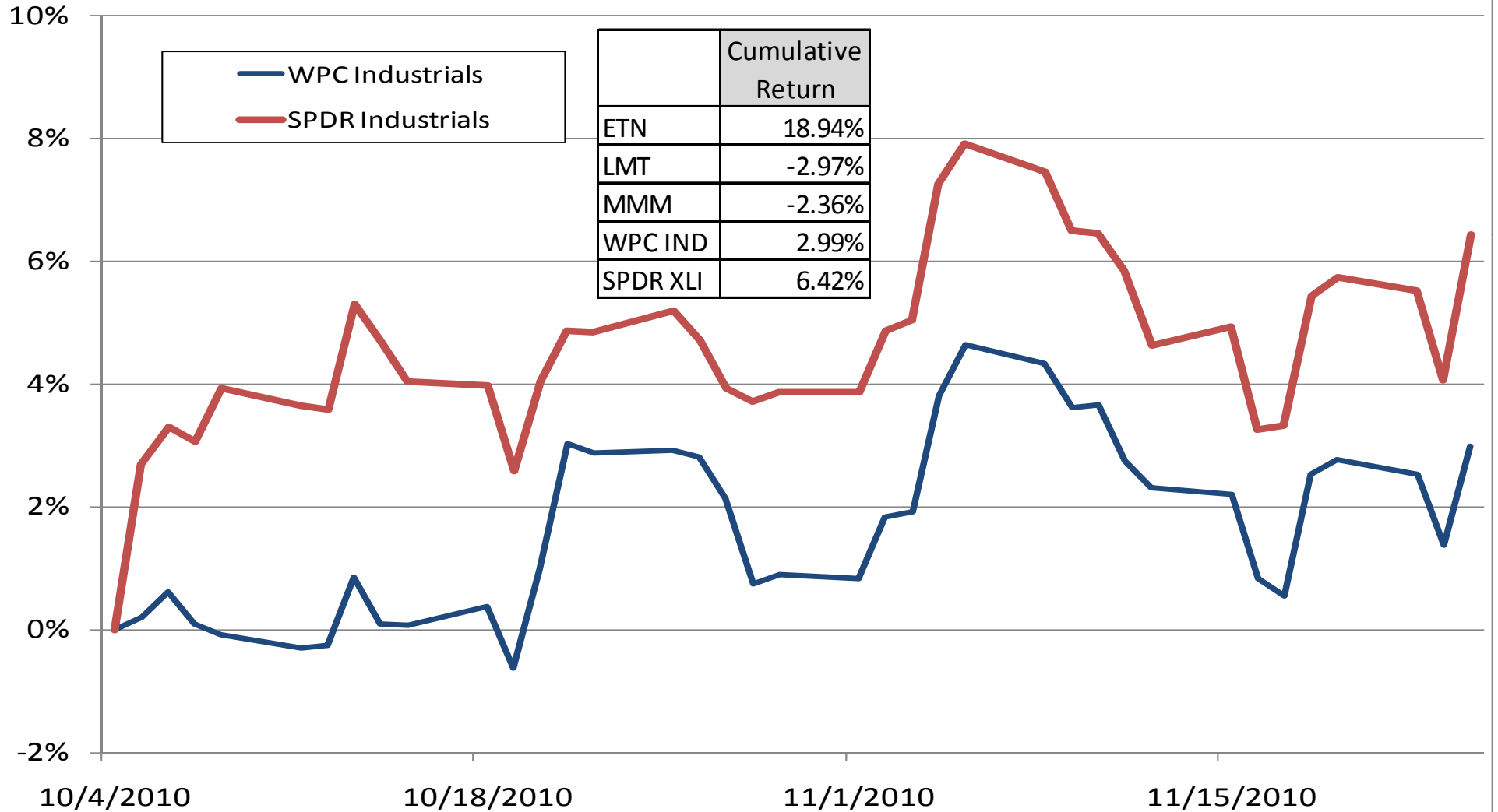
WPC Technology Securities vs. SPDR Technology (XLK)



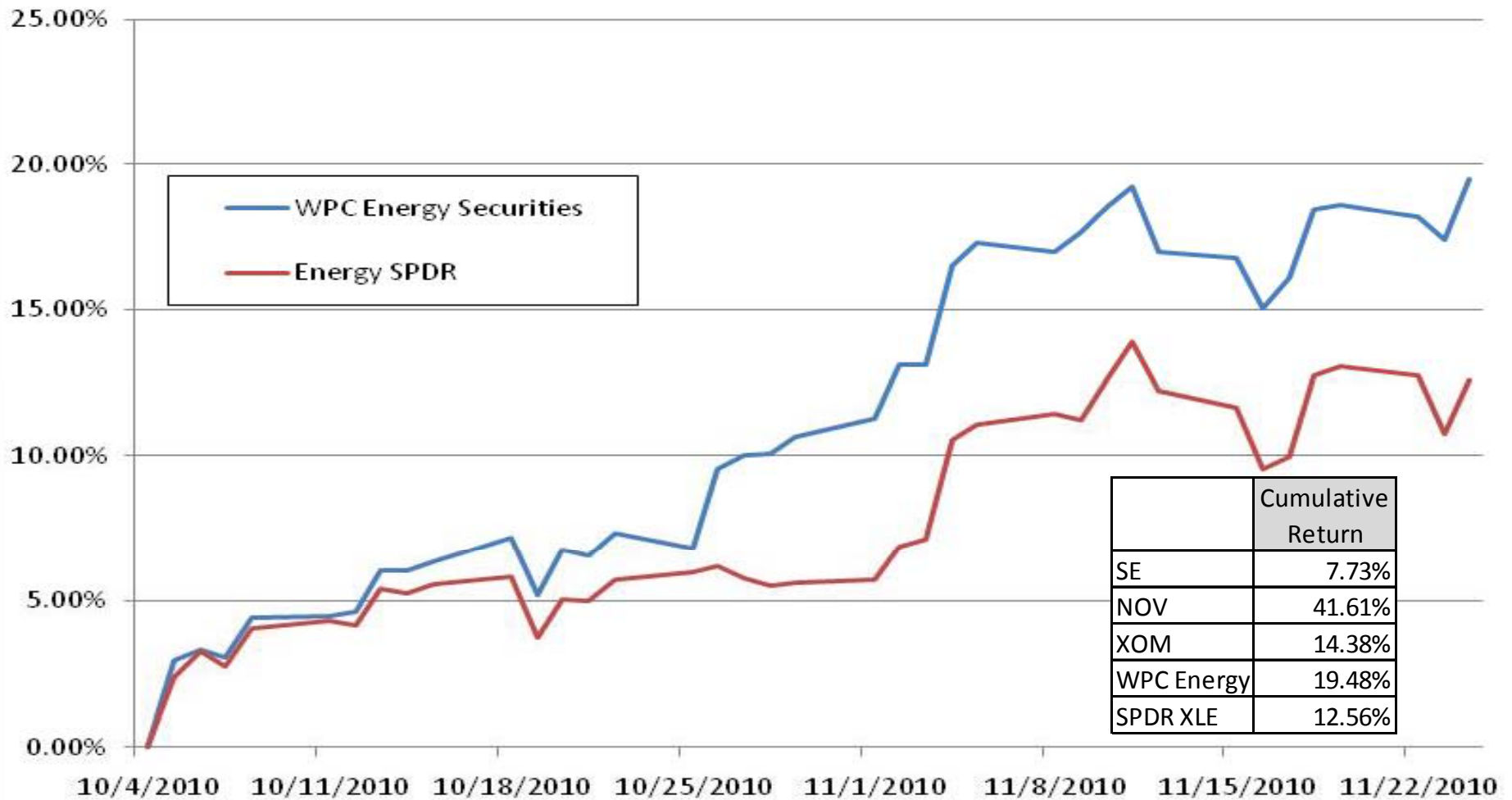
WPC Finance Securities vs. SPDR Finance



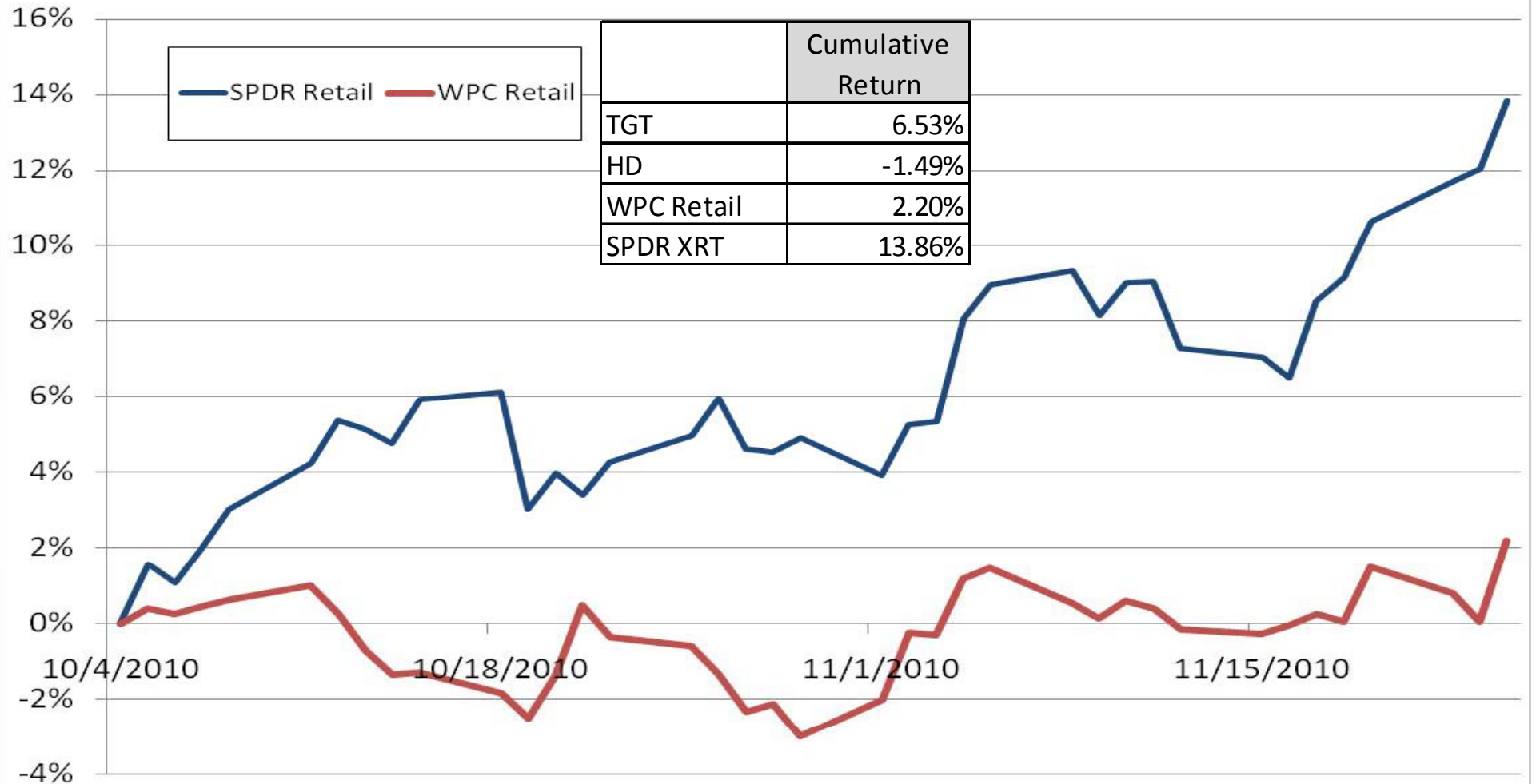
WPC Industrial Securities vs. SPDR Industrials



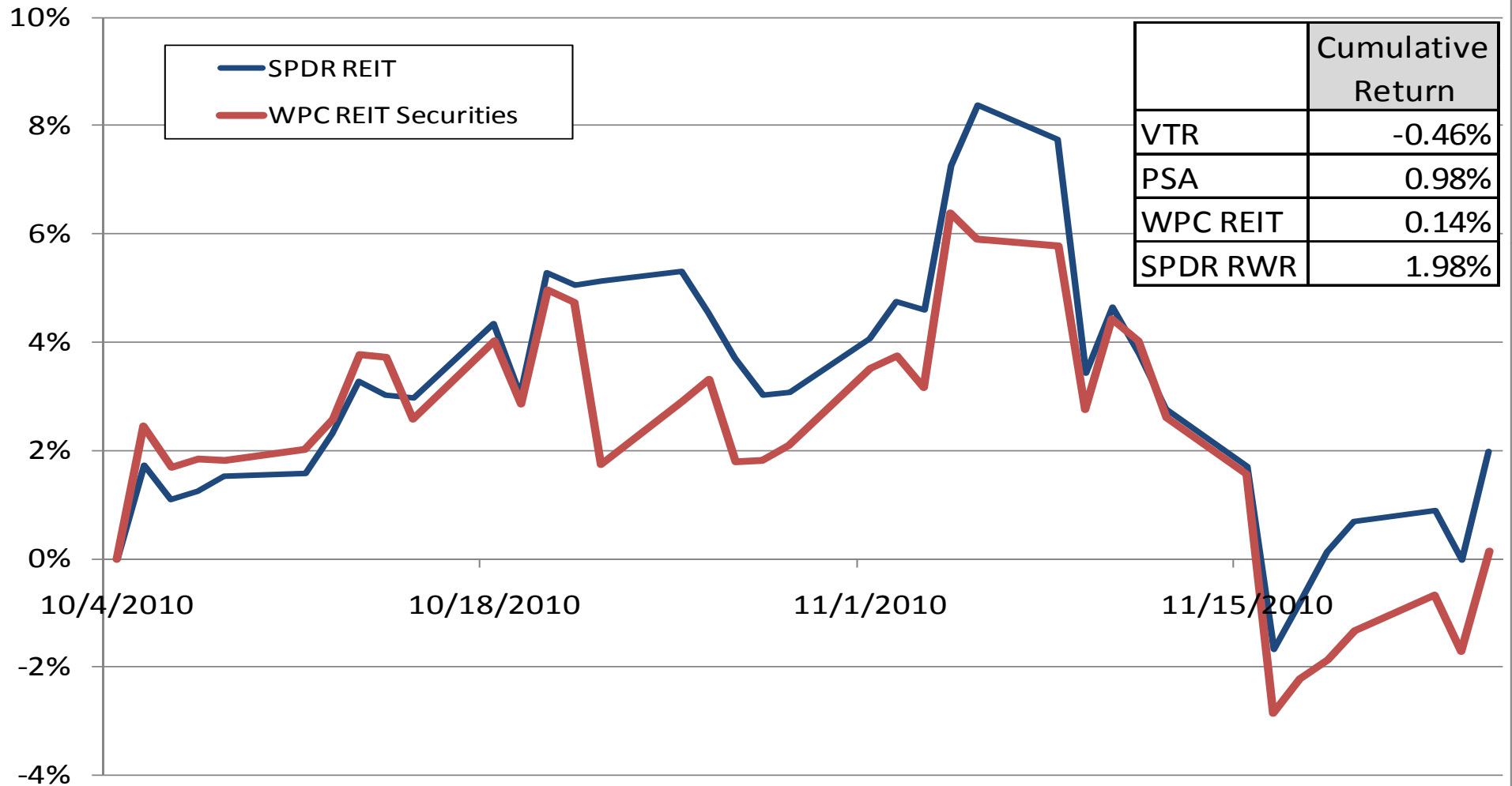
WPC Energy Securities vs. SPDR Energy



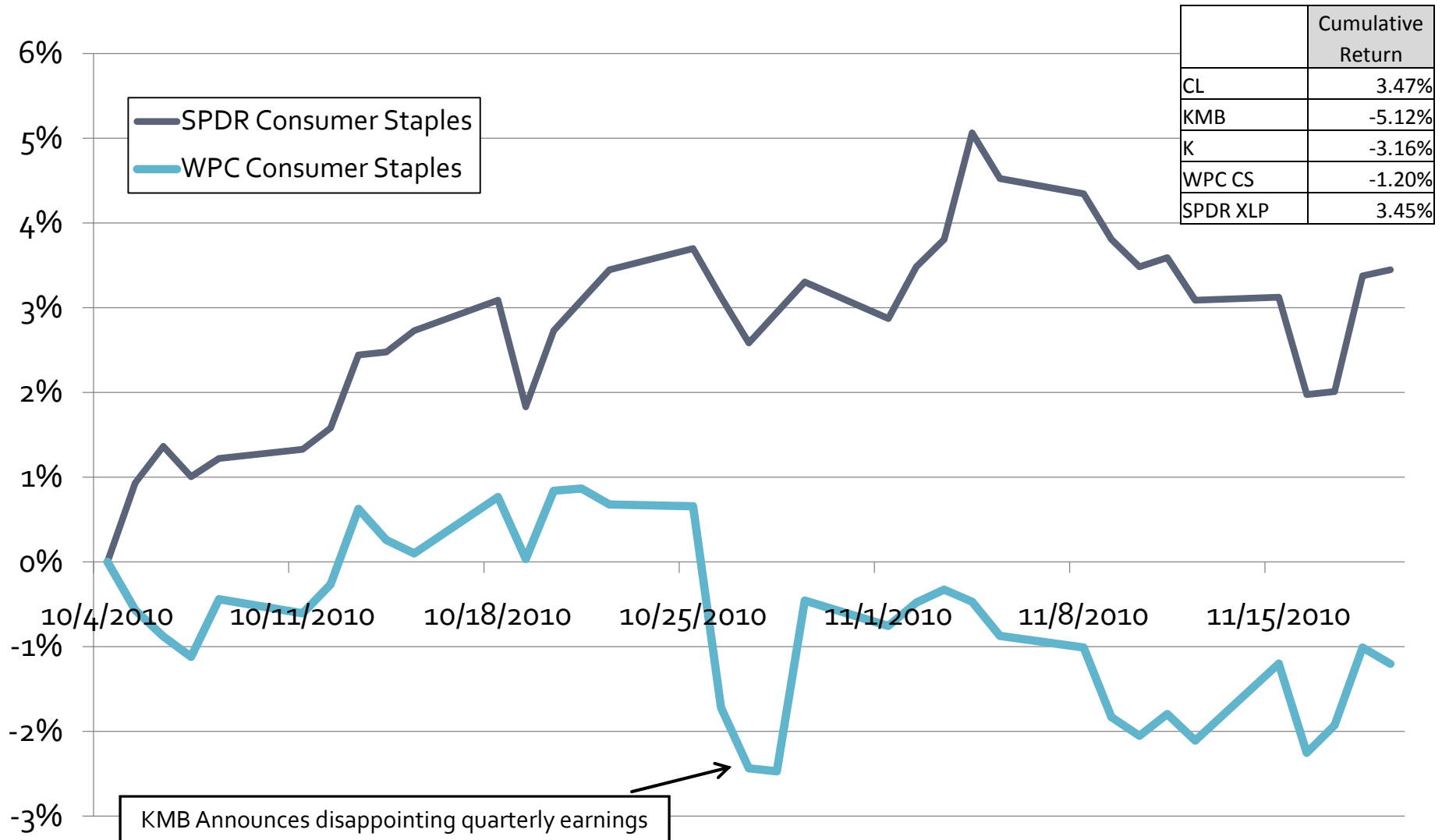
WPC Retail Securities vs. SPDR Retail



WPC REIT Securities vs. SPDR REIT



WPC Consumer Staples vs. Index



Appendix B – Resumes