



Investment Philosophy & Process

We believe the most efficient way to manage a large-cap equity portfolio is by replicating, through a separate account, the S&P 100[®] Index¹ which has high correlation and low turnover, relative to the S&P 500 Index. Due to the inherent low turnover, this strategy is well suited to taxable accounts.

MANAGE A SEPARATE ACCOUNT WITH LOT ACCOUNTING

Consider each client's tax situation and investment restrictions

CONTINUALLY MONITOR S&P 100[®] INDEX ALLOCATIONS

Daily review of S&P 100[®] holdings

ADJUST PORTFOLIO ALLOCATIONS

Maintain each holding to within 0.10% of the S&P 100[®] Index

ACCOMMODATE CLIENT-DIRECTED EXCLUSIONS

Reallocate exclusions to other holdings on a pro-rata basis

MAXIMIZE USE OF PORTFOLIO CASH FLOW IN REBALANCING

Minimize turnover and realized gains

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Product Information

Performance

	Composite Gross Return	Composite Net Return ²	S&P 100 [®]	S&P 500
Qtr.	12.6%	12.6%	12.9%	12.6%
YTD	12.6	12.6	12.9	12.6
1 Year	10.4	10.3	10.6	8.5
3 Years	21.9	21.8	22.0	23.4
5 Years	2.2	2.1	2.1	2.0
10 Years	3.4	3.2	3.3	4.1

Periods ending 3/31/12. Time periods over one year are annualized. Past performance is not indicative of future results. Please see the Institutional Performance & Disclosure.

²Net of maximum management fees.

Institutional Sales and Consultant Relations

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Portfolio Manager

Shalini Sharma, CFA, CPA
 Senior Vice President

Investment Experience

15 Years

Fee Schedule

Assets up to the first \$30 MM	0.15%
Next \$30 MM	0.12%
Next \$40 MM	0.10%
Next \$100 MM	0.08%
Above \$200 MM	0.06%

Sector Distribution vs Benchmarks (%)

	Portfolio [*]	S&P 100 [®]	S&P 500
Consumer Discretionary	8.5%	8.5%	10.9%
Consumer Staples	12.7	12.6	10.8
Energy	13.4	13.4	11.2
Financials	12.7	13.2	14.9
Health Care	10.9	10.8	11.4
Industrials	9.9	9.8	10.6
Information Technology	25.1	24.9	20.5
Materials	2.1	2.1	3.5
Telecommunication	3.6	3.6	2.8
Utilities	1.1	1.1	3.4

Risk/Return (10 Years)

R ² vs S&P 100 [®]	1.00
R2 vs S&P 500	0.99
S&P 100 [®] Standard Deviation	17.87
S&P 500 Standard Deviation	18.36
Composite Standard Deviation	17.77
Tracking Error vs S&P 100 [®]	0.46
Tracking Error vs S&P 500	2.14

Sectors are based on the Global Industry Classification Standard ("GICS"), developed by and the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of the McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Duff & Phelps Investment Management Co. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

^{*}Material is supplemental to the Institutional Performance & Disclosure. Portfolio information is based on a representative institutional account excluding cash. Holdings are subject to change.



Portfolio Characteristics

	Portfolio	S&P 100®	S&P 500
Wtd Mkt Cap (bn)	\$164.4	\$163.9	\$111.6
Median Mkt Cap (bn)	\$55.5	\$54.6	\$12.7
P/E (Fwd 12 mos)	12.7x	12.7x	13.3x
Dividend Yield	2.2%	2.2%	2.0%
Dividend Growth ³	5.0%	4.0%	5.0%
Earnings Growth ⁴	11.0%	11.0%	11.0%
Return on Equity ³	23.8%	23.7%	21.9%

Source: Thomson Reuters

³Five-year average⁴Estimated forward 3-5 years

Top Ten Equity Holdings⁵

Apple Computer Inc.	6.8%
Exxon Mobil Corp.	5.0
Intl Business Machines Corp.	3.0
Microsoft Corp.	2.9
General Electric Co.	2.6
Chevron Corp.	2.6
AT&T Inc.	2.3
Procter & Gamble Co.	2.3
Johnson & Johnson	2.2
Wells Fargo & Co.	2.2
Total	31.9%

⁵It should not be assumed that securities identified were or will be profitable. The top ten holdings list represents the largest percentage holdings of a representative institutional account excluding cash and does not represent all of the securities held in client portfolios. The securities identified may no longer be held in client portfolios and the holdings of any particular client portfolio may vary. The list is provided for illustrative purposes and should not be considered a recommendation to purchase or sell a particular security. A complete list of holdings and transactions for the previous 12 months is available upon request.

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Institutional Performance & Disclosure

Year-End (12/31)	Composite Annual Return		S&P 100® Annual Return (%)	S&P 500 Annual Return (%)	3-Year Annualized Standard Deviation			Number of Accounts	Asset-weighted Dispersion (%)	Composite Assets (\$mm)	Firm Total Assets (\$bn)
	Gross (%)	Net (%)			Composite (%)	S&P 100® (%)	S&P 500 (%)				
2011	3.22	3.07	3.18	2.11	17.96	18.14	18.71	6	0.18	178.4	8.6
2010	12.44	12.28	12.51	15.06	20.78	20.85	21.85	6	0.10	165.8	7.2
2009	23.49	23.32	22.28	26.46	18.57	18.61	19.63	5	0.35	111.0	6.5
2008	-35.55	-35.66	-35.31	-37.00	14.31	14.23	15.08	3	0.02	39.8	5.8
2007	5.96	5.80	6.12	5.50	7.61	7.59	7.68	3	0.02	55.8	7.3
2006	18.63	18.46	18.48	15.79	6.50	6.45	6.82	3	0.05	63.8	7.7
2005	1.17	1.02	1.19	4.91	8.74	8.73	9.04	3	0.01	35.7	6.1
2004	6.53	6.37	6.44	10.86	15.44	15.46	14.86	3	0.10	31.1	5.9
2003	26.60	26.43	26.23	28.70	19.22	19.22	18.07	3	0.05	36.2	5.2
2002	-22.45	-22.57	-22.59	-22.10				3	0.02	26.9	6.3

Duff & Phelps Investment Management Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Duff & Phelps Investment Management Co. has been independently verified for the periods January 1, 1993 through December 31, 2011. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

1. Organization – Duff & Phelps Investment Management Co. (“Duff & Phelps” or the “firm”) is a registered investment adviser and a wholly owned subsidiary of Virtus Investment Partners. Duff & Phelps manages assets on behalf of institutional separate accounts and open-end and closed-end funds. Registration of an investment adviser does not imply any level of skill or training.

2. Composite Description – The Large Cap Passive Equity Composite includes fully discretionary institutional accounts with similar investment restrictions invested in large cap equities and seeking to replicate the S&P100® Index. Prior to January 1, 2009, the Composite was limited to taxable institutional accounts managed with similar tax rates. The inception date of the Composite was October 1, 1998 and the Composite was created on October 1, 1998.

Accounts meeting Composite criteria are included in the Composite in the first full month following inception. Terminated accounts remain in the Composite through the last full month under management.

Carve-outs were included in this Composite and performance reflects total segment plus cash returns based on the strategic asset allocation method through 2008 and a pro rata cash allocation based on beginning of period segment market values effective January 2009 through October 2009. The percentage of the Composite composed of the carve-outs was 100% in 2006, 2007 and 2008. Effective November 2009, each segment is managed with its own cash.

3. Benchmark – The Composite Benchmarks are the S&P 500 Index, which is a free-float market capitalization-weighted index of 500 of the largest U.S. stocks and is generally representative of the performance of larger companies in the U.S., and the S&P 100® Index (added as a primary Benchmark effective July 1, 2008), which is a free-float capitalization-weighted index of 100 large cap stocks chosen for size, liquidity and industry group representation, generally representative of the performance of blue chip companies in the U.S.

4. Calculations – Returns are total, time-weighted rates of return expressed in U.S. dollars and include accrued income. The Composite and Benchmark results reflect the reinvestment of dividends and other earnings. Portfolios are valued on a trade date basis. Prior to 2005, monthly returns were calculated using the original Dietz method and effective 2005 monthly returns were calculated using the modified Dietz method to adjust for day-weighted external cash flows. Effective 2009 monthly performance is calculated by linking daily returns. The Composite return is an asset weighted average of the performance results of all the portfolios in the Composite based on beginning of month values. The annual dispersion is asset-weighted and measures the deviation of individual portfolio returns around the Composite returns for portfolios in the Composite for the entire year. The 3-year annualized ex-post standard deviation measures the variability of the Composite and the Benchmark returns over the preceding 36-month time period. The standard deviation is not required for periods prior to 2011; calculations are not presented prior to 2003.

5. Performance and Fee Information – Investment performance returns are presented on both a gross of fee and net of fee basis. Gross composite returns are calculated net of trading costs, but do not reflect any deduction for investment advisory fees, custodial charges or other costs that a client might incur in connection with the management of an account. The firm's fee schedule for management of separate passive institutional accounts is: .15% on the first \$30 million, .12% on the next \$30 million, .10% on the next \$40 million, .08% on the next \$100 million and .06% on assets over \$200 million. Returns realized by clients will be reduced by these costs. Actual investment advisory fees incurred by clients may vary. Initial minimum account size is \$10 million. Net composite returns are calculated by subtracting our highest separate account investment management fee for the respective management style from gross composite results on a quarterly basis in arrears. Index returns do not reflect the deduction of any fees.

6. Additional Information – Duff & Phelps's policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list of composite descriptions, are available upon request.

Past performance is not indicative of future results.

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