

Firm Overview

Investment Philosophy

We believe in buying quality companies during extremes of pessimism and outperforming the market through long-term holding periods.

Investment Process

The principles of sound investing have been proven time and time again. We believe they have been abandoned by most investors in favor of hype and hysteria. It has always been our approach to try to achieve results by developing and applying knowledge and insight in three core disciplines: History, Psychology and Mathematics. The harmony of these disciplines creates our model of thinking. We also value a fourth discipline, Communication, as the means of ushering our clients through the process. The blending of these disciplines is what we think differentiates us from the competition.

Selection Process

The decision to purchase and hold stock in a company is based on bottoms up fundamental analysis. Large capitalization companies are screened using our proprietary eight criteria. Most of our assets are invested in the 20 strongest securities which meet our criteria.

Risk Control

Companies are sold if they deviate significantly from our criteria, or if their stock price becomes unreasonable due to dramatic price appreciation in relation to underlying fundamentals. Once a stock is purchased, a review point is set 20% below the purchase price and the security is reviewed by our portfolio managers. If the initial investment ideas behind that security have changed in a negative manner, the position will be reduced or eliminated.

Smead Capital Management is a money management firm located in Seattle, Washington. We manage U.S. equity and fixed income assets with an emphasis on large capitalization. We strive to provide nothing less than superior asset management services. Using the experience of our investment management team we are continuously analyzing market opportunities, focusing on the belief that success is defined by our ability to meet and exceed our client's investment goals. Each portfolio is customized to fulfill our client's investment objectives and risk parameters.

Market Approach

Mathematics

- What asset classes have deviated furthest from their mean return?
- What is the present value of the future cash flows of the stock?

History

- Have we seen an economic period similar to the current?
- What are the similarities between what is currently going on and these other economic periods?
- How do the current circumstances and the past circumstances differ?

Psychology

- What are the “hot” business sectors in the market?
- What are the “cold” business sectors of the market?
- What companies or business sectors have negative news surrounding them and is it merited?

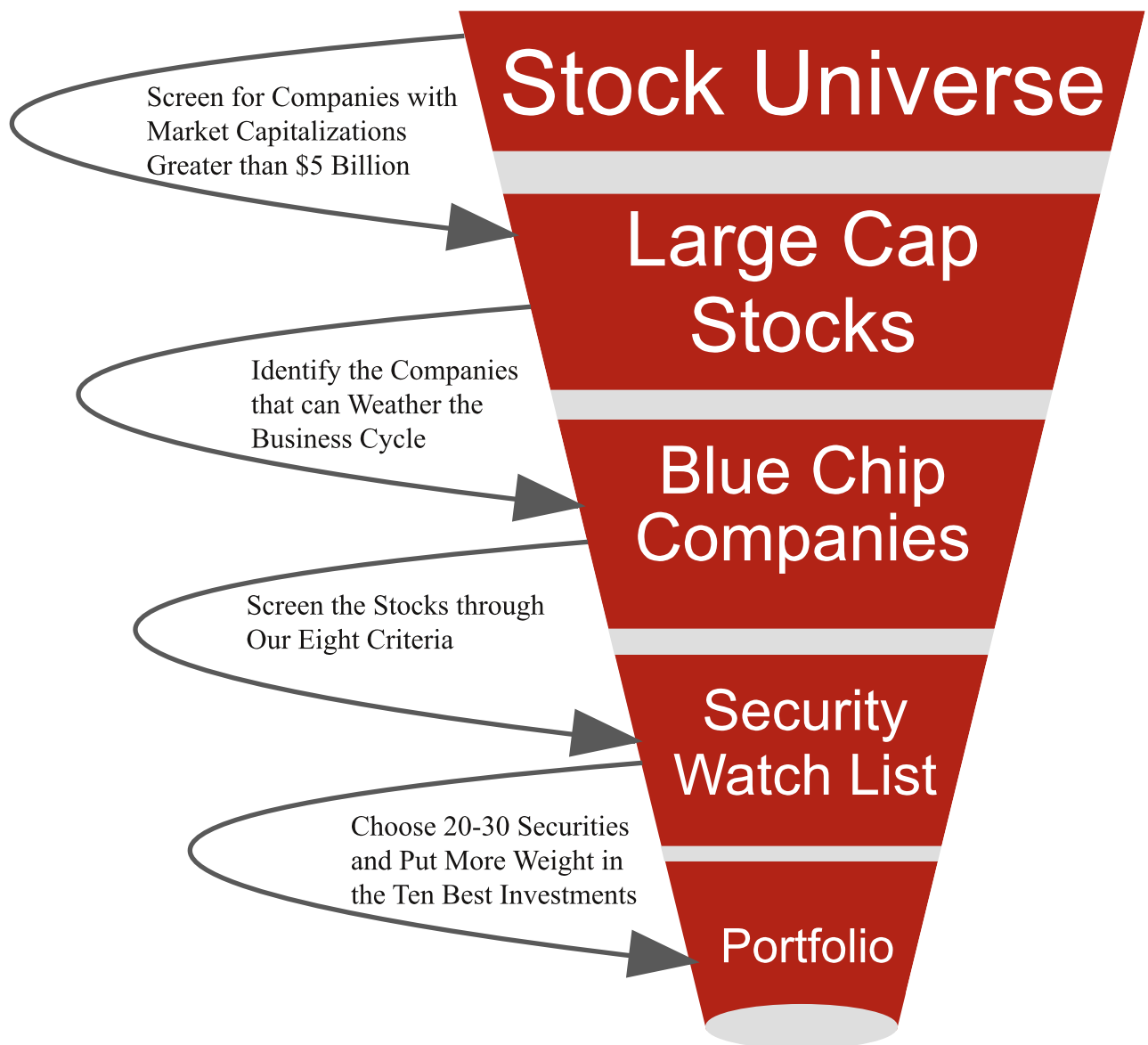
Mathematics



Selection Process

The Selection Process is Built on the Discipline of Buying the Best Companies and Holding the Winners For Long Periods of Time

Investing Inspiration



Team Biographies

William Smead



| Chief Executive Officer | Chief Investment Officer

Whitman College, B.A. Economics 1980

William is the founder of Smead Capital Management, where he oversees all activities of the firm. As Chief Investment Officer he is responsible for all investment and portfolio decisions and reviewing the implementation of those decisions. Prior to starting SCM he was Portfolio Manager of the Smead Investment Group of Wachovia Securities. He has over twenty seven years of experience in the investment industry.

Lisa Martin



| Chief Operating Officer | Chief Financial Officer

Eastern Wash. Univ., B.S. Communications, 1984

Lisa manages the daily functions of the firm. From 2005 to 2007 was the lead administrator at Smead Investment Group of Wachovia Securities. Prior to that she was Chief Operating Officer at Sirach Capital Management. At Sirach she was responsible for all operations of the firm and the family of five mutual funds. She has over twenty years of experience in the investment industry.

Brenda Larson



| Chief Compliance Officer | Director of Operations

Brenda is responsible for all compliance and daily client operations. She spent two years with the Smead Investment Group of Wachovia Securities handling client operations. Prior to that she was Chief Compliance Officer at Sirach Capital Management. At Sirach she was responsible for all compliance of the firm. She has over thirteen years of experience in the investment industry.

Team Biographies

Tony Scherrer, CFA



| Senior Vice President | Portfolio Manager

Seattle Pacific University, B.A. Finance 1994

Tony brings fourteen years of professional investment experience in the Financial Services Industry and will lead our efforts to manage money for institutions. He will share responsibility for Portfolio Management and analysis as well as Institutional Marketing. Prior to joining SCM Management, Tony was a Vice President and Senior Portfolio Manager at U.S. Trust and Harris Private Bank.

Cole Smead



| Director of Marketing & Sales

Whitman College, B.A. Economics & History, 2006

Cole oversees the marketing of the firm. He is a graduate of Whitman College with a degree in Economics and History. Before joining Smead Capital Management, Cole was a Financial Advisor at Wachovia Securities in Scottsdale, AZ. Cole is a Level II Candidate in the CFA Program.