

# IMS Equity Income Portfolio

as of June 30, 2009

## INVESTMENT OBJECTIVE

Total return from compounding dividend payments and long-term capital appreciation.

## INVESTMENT PROCESS

Construct a diversified portfolio, containing approximately 30 stocks, that seeks a collective yield higher than the S&P 500. Seek to manage risk and reduce volatility of returns. Focus on companies with stable and growing dividends, low debt to capital, high relative return on equity and significant cash flow production, among other financial metrics.

## DISTINGUISHING FEATURES

- Emphasis on durable and growing dividends.
- Target dividend growth rates and a collective yield in excess of the S&P 500.
- Flexible large cap core style
- Seeks opportunities in companies undergoing a change in corporate dividend policy.
- Utilizes a flexible, multi-disciplinary investment process with an emphasis on fundamental, bottom-up security analysis.

## PORTFOLIO MANAGERS

Cameron Martin is lead portfolio manager. Prior to joining IMS in 2008, Mr. Martin worked at Smith Barney where he managed discretionary portfolios since 1999 and served as a Financial Advisor since 1996. With 12 years experience in the financial services industry, Mr. Martin graduated from the University of Oregon in 1993.

Steve Wendell is portfolio manager and former president and founder of Juniper Capital. With 26 years experience, he has served as senior financial executive and director of several Oregon-based companies in the public and private sector, including Bohemia, Inc., International Kings Table, Inc., Obie Media, and Umpqua Feather Merchants. Currently, Mr. Wendell serves on the Board of Directors of Agate Resources Inc., a Eugene-based company developing technology-driven solutions for healthcare management. Mr. Wendell received a BS degree from Portland State University and an MBA in Finance and Accounting from the University of Oregon.

Reid Weaver is a research analyst. With seven years industry experience, he is a Level III CFA candidate and received a Bachelor of Science degree from the University of Oregon.

## PORTFOLIO FACTS

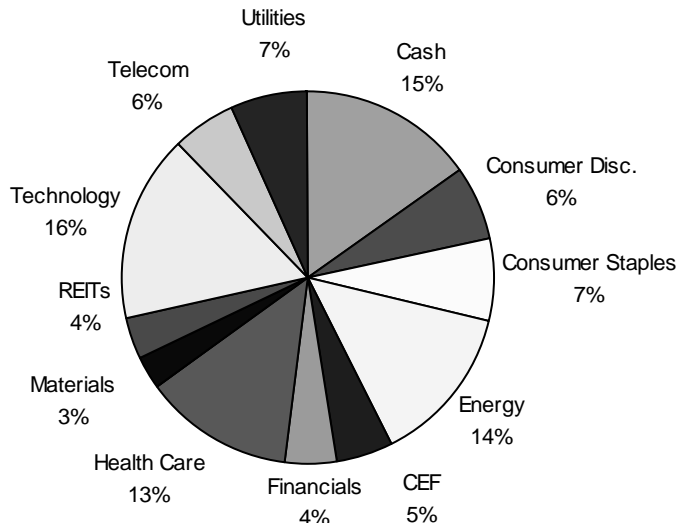
Number of Holdings:	25
Average Market Cap:	\$80.45 Billion
Average Weighted Yield:	3.9%
Average Equity Weighted Yield:	4.6%
Average 5-YR Dividend Growth:	18.6%
Standard Deviation:	8.7% (vs. 10.7% for the S&P 500 and 10.8% for the Dow Jones US Select Dividend Index)

## TOP TEN HOLDINGS

NFJ Dividend & Interest	5.2%
Johnson & Johnson	4.9%
Bank of Nova Scotia	4.3%
Texas Instruments	4.2%
Marathon Oil Corp.	3.9%
Wal-Mart Stores Inc.	3.9%
Integrus Energy	3.8%
Nokia Corp.	3.8%
Annaly Mgmt. Inc.	3.5%
Verizon Communications Inc.	3.5%

Holdings and weightings as of 6/30/2009, subject to change.

## ASSET ALLOCATION



## PERFORMANCE

Average annual total returns as of 6/30/2009

	QTR	Since Inception (12/31/2008)
IMS Equity Income	12.23%	1.29%
S&P 500 Index	15.93%	3.18%
Dow Jones US Dividend Index	13.71%	-12.55%

Gross performance above is net of any management fees and is supplemental to the disclosure regarding composite returns and fees on the reverse. The Dow Jones Select US Dividend Total Return Index consists of 100 stocks screened for dividend-per-share growth rate, dividend payout ratio and average daily dollar trading volume over \$1.5 million. The S&P 500 consists primarily of large cap common stocks.

"...dividends have been an overwhelming source of stockholder returns throughout time, and firms that have higher dividend yields have given better returns to investors." —Jeremy Siegel 'The Future for Investors'

# IMS Equity Income Composite

Year	Gross Composite Return	Net Composite Return	Benchmark Return (S&P 500)	Accounts at Year-end*	Dispersion (%)	Total Composite Assets (\$ mil)	Composite Assets as a Percentage of Firm Assets (%)*	Total Firm Assets (\$ mil)*
2Q								
2009	N/A	10.73%	15.93%	15	NA	4.4	1.8	240

IMS Capital Management has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

## Notes:

1. For the purpose of complying with the GIPS standards, the firm is defined as IMS Capital Management ("IMS" or the "Firm"), an independent investment advisor registered under the Investment Advisers Act of 1940, that manages mutual funds, retail portfolios, wrap accounts and institutional portfolios. A complete list and description of the firm's composites, as well as additional information regarding policies for calculating and reporting returns, are available upon request.
2. The Equity Income Composite includes all fully discretionary, fee-paying portfolios that primarily invest in approximately 30 stocks that seek a collective yield higher than the S&P 500. A focus is given to companies with stable and growing dividends, low debt to capital, high relative return on equity and significant cash flow production, amongst other financial metrics. Portfolios that participate in the composite can be separately managed or pooled fund vehicles. Portfolios that participate in the composite must have assets equal to or exceeding \$200,000. The Equity Income Composite was created in April 2009.
3. The benchmark for the Equity Income Composite is the S&P 500 Index. The benchmark returns are provided to represent the investment environment during the time periods shown. For comparison purposes, the index is fully invested, which includes the reinvestment of dividends and capital gains. The returns for the index do not include any transaction costs, management fees or other costs.
4. Returns are presented in US Dollars.
5. All returns are presented net of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings. Net returns reflect the deduction of a model management fee of 3.00%, which is intended to represent the highest possible fee a wrap account client could pay. The management fee schedule currently in effect for non wrap accounts in the Composite is: 1.50% on the first \$500,000, 1.20% on the next \$500,000, 1.00% on the next \$5,000,000, 0.75% on the next \$20 million, 0.60% on the next \$25 million and 0.50% on the next \$50+ million.

\*as of 6/30/2009