



FORT PITT[®]
CAPITAL GROUP

INDIVIDUAL SECURITIES PHILOSOPHY

OBJECTIVE

The Fort Pitt Capital Group individual securities account is a personalized, privately managed investment portfolio consisting of carefully selected individual stocks and bonds. The goals of the management team are to preserve capital in negative market periods, participate in bull markets and growth periods, and give a realistic but competitive investment return through a complete market cycle.

THE MANAGEMENT PROCESS: FIVE KEYS

Our team of professional portfolio managers and analysts employs a time-tested approach to the markets embodied in the management records of successful investors worldwide. This approach has five key ingredients:

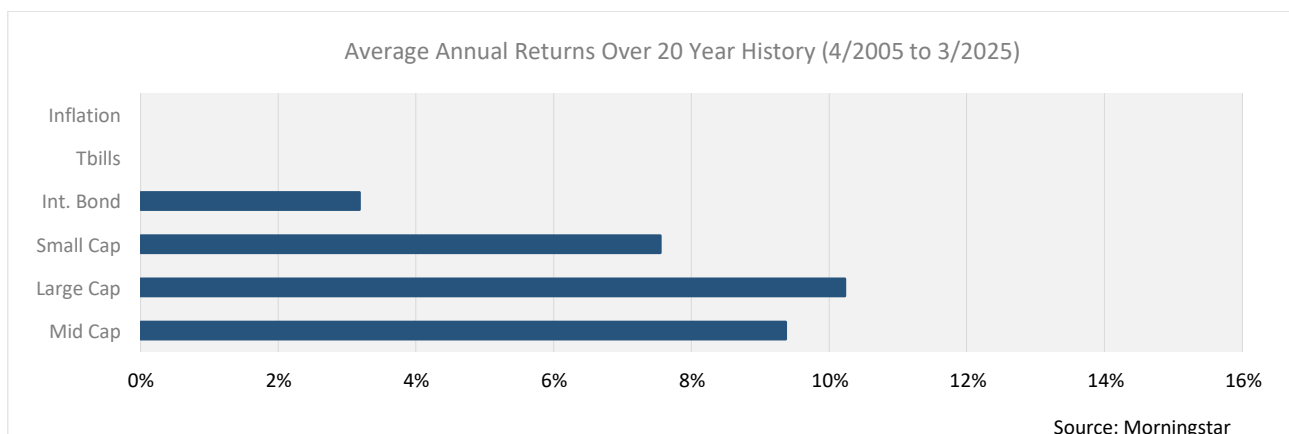
1. ESTABLISH A CLEAR UNDERSTANDING OF YOUR INVESTMENT OBJECTIVES

To properly understand your objectives, we focus on many factors. We carefully weigh your purpose for investing, your time horizon, how your other assets are invested, your past investment experience, and any anticipated changes in your situation. All of the necessary and critical factors important in setting up the parameters for your portfolio are discussed with you personally. Without a firm grasp on your needs and tolerance for risk, it is impossible to design a sound portfolio.

Once we have a thorough understanding of your position and what you are looking for, we establish investment policies for your privately managed account. These policies are the rules, guidelines, and strategies that will be used to meet your own unique and specific needs.

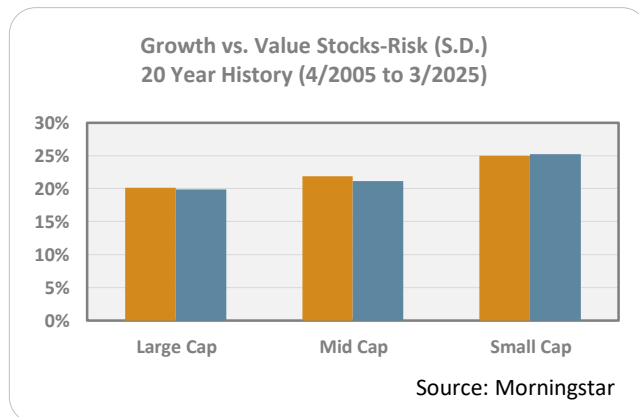
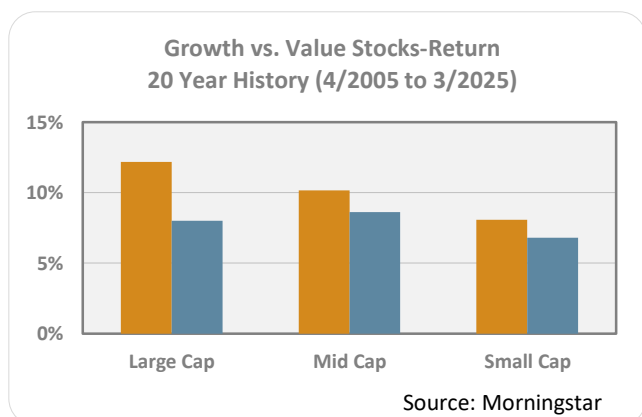
2. TAKE A BUSINESS-LIKE APPROACH

We view managing your money as a business. As such, it requires a perspective broader than that offered by the typical broker or financial planner. This perspective allows us to recognize that over a time period greater than 5 years, an owner (stockholder) receives a demonstrably higher return than a lender (bondholder). This higher level of return to the stockholder does not happen in the neat fashion of bond returns, but instead involves greater risk of loss of principal and greater market volatility. We understand and assume these risks in managing portfolios but do so in a fashion that allows clients to sleep at night. For clients with a shorter time horizon or a need for current income, we offer a customized, balanced portfolio which combines stocks and fixed income securities.



3. MANAGE RISK: BUY VALUE

The third key to our approach is the way we define and manage risk. In our view, the greatest risk you face as an investor is paying too much for the merchandise in your portfolio. So when evaluating companies for purchase, we avoid buying into high-priced rosy scenarios which may or may not come about; the risk of a bad prediction is too great. We would much rather own shares of an established company selling at a discount to market averages. In our minds, the most important determinant of return is price. It means avoiding the shares of often highly successful companies selling at stratospheric price/earnings ratios and scooping up the shares of often mundane but promising firms selling at bargain prices. This is how we define “value” investing. It’s an approach proven effective over the years by astute investors such as Benjamin Graham and John Templeton.



4. CONTROL COSTS

The next ingredient in our management style involves keeping costs as low as possible. We do this in two ways. First, we limit portfolio turnover to 15 to 20 percent per year, on average. This level of turnover equates to a 3- to 5-year investment horizon. It behooves us, as long-term investors, to hold positions long enough to allow the people, ideas, and business concepts in which we have invested to come to fruition. Furthermore, it often takes time for the market to recognize a good thing. A company can generate good returns for long periods without gaining the recognition it deserves in terms of a higher price/earnings ratio. It pays to be patient. Secondly, when we do trade, we do it very inexpensively. All transactions are at deeply discounted rates.

5. MONITOR RESULTS

We report to our individual securities clients each quarter, letting you know in both dollar and percentage terms how your account performed for the previous three months. We also keep a running tally of performance over the entire history of the portfolio, and we compare our performance against a market benchmark such as the Russell 1000 Index. All results are reported net of management fees and transaction costs. At a glance, you know how your account is doing.



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