Anchor Capital Advisors LLC

RECOMMENDED

All-Cap Value Balanced

Firm Information:

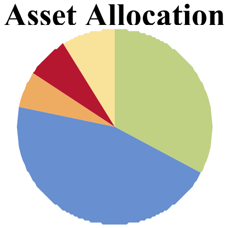
Location:	Boston, MA
Year Founded:	1983
Total Employees:	42

	Firm	Product
Assets ($mil):	5,940	1,396
Accounts:	20,236	4,426

Key Personnel:

William P. Rice
President
Mark Rickabaugh
Executive Vice President
Robert F. Croce
Senior Vice President
David J. Watson
First Vice President
Wiliam Rice, Jr.
First Vice President

Asset Allocation



Fixed Income	32.89%
Domestic Equity	45.47%
International Equity	6.13%
Real Estate	6.73%
Cash Alternatives	8.78%

Overview

Anchor Capital Advisors LLC. (herein referred to as Anchor) is located in Boston, MA. Anchor was founded in 1983. On February 27, 2006, Anchor announced a sale of 80% of the firm to Boston Private Financial Holdings Inc., with the remaining 20% to be owned by Anchor employees. Boston Financial Partners has exhibited a laissez-faire approach to the firms they own.

Process

Anchor's balanced management brings all of its capabilities together in a single portfolio that is characterized by less risk versus its peers and benchmark. The basis of Anchor's philosophy is to invest in sound companies with positive outlooks when trading at reasonable valuations. Also part of the philosophy is preservation of capital, as it believes that preserving assets in down markets is as important as providing outsized returns in positive markets. The strategy has a roughly 60% equity and 40% fixed- income allocation.

The fixed-income allocation will generally be of high-quality, consisting of Treasuries, corporate bonds, and mortgage-backed securities, diversified by sector and individual securities. Anchor maintains a duration-neutral approach to the fixed-income benchmark.

Anchor starts its screening process by culling the stock universe for companies with a market capitalization greater than $1 billion. From there, analysts perform three additional screens seeking companies with low valuations using the following criteria: 1) low price/earnings ratios in relationship to the market as well as the company's peers, 2) high current dividend yield (current bogey of 2.5% yield) and history of dividend growth, and 3) stock market valuations at large discounts (35% or more) to private market value. Each screen creates a pool of potential candidates from which the analysts perform fundamental research. Ultimately, the objective of this process is to identify those securities that are undervalued, have moderate downside risk and a high probability of above-average return. Anchor also invests in growing companies, and is willing to pay fair value (not more) if it believes the company's prospects are bright. It typically will not invest in a company with a PEG ratio (price/earnings to growth ratio) greater than 1.1. Typically, 15% to 20% of the portfolio consists of growth-at-reasonable-price (GARP).

The sell discipline is based on established price targets for both appreciation and depreciation. As a stock moves closer to these targets a review is completed to determine if the security should be sold, added to, or held.

Summary

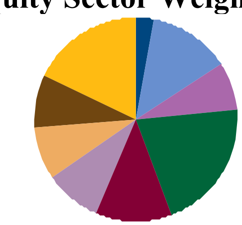
Anchor utilizes a broad universe (greater than $1 billion) to achieve diversification by economic sector and capitalization. New purchases occur within the defined capitalization range. Stocks purchased and held are internally researched using a bottom-up philosophy. Emphasis is placed on investment in growing companies that meet Anchor's valuation criteria.

Top 10 Holdings*

Security Name	Pct of Portfolio
VANGUARD SHORT TERM ETF	11.40%
US TREASURY NOTES	7.80%
US TREASURY	5.00%
ISHARES BARCLAYS 20+	4.50%
POWERSHARES EXCHANGE ETF	4.30%
SPDR GOLD TRUST ETF	2.60%
APPLE INC	2.40%
CHUBB CORP	2.20%
ANNALY CAPITAL MANAGEMNT	2.10%
ROYAL DUTCH SHELL PLC	2.10%

*The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified were or will be profitable.

Equity Sector Weightings



Consumer Discretionary	2.76%
Consumer Staples	13.07%
Energy	7.41%
Financials	20.95%
Health Care	12.20%
Industrials	8.80%
Information Technology	8.59%
Materials	8.47%
Utilities	17.75%

Portfolio Characteristics

P/E Ratio: 11.60 P/B Ratio: 1.80 Div Yield: 4.00 EPS: 8.00 Avg Mkt Cap: 70,908 Turnover: 19.77 # of Securities: 42

Index: 60% S&P 500 / 40% Barclays Cap U.S. Int Gov/Cr
The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index (stock price times number of shares outstanding) with each stocks weight in the Index proportionate to its market value. The S&P 500 is one of the most widely-used benchmarks of U.S. equity performance. Performance includes reinvestment of dividends. The Barclays Capital U.S. Intermediate Government/Credit Bond Index is the intermediate component of the Barclays Capital U.S. Government/Credit Index which is generally representative of government and investment grade corporate debt securities. It is not possible to invest directly in the index.

Trailing Returns

		Quarter	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Manager	Gross	5.98	7.24	7.24	9.70	4.89	7.30
	Net	5.29	4.37	4.37	6.78	2.06	4.43
Index		7.42	3.87	3.87	11.11	2.61	4.18

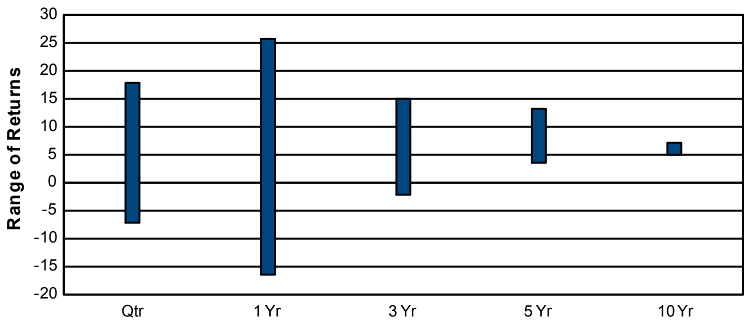
Trailing Returns: Total return for different time frames ending with a common date. Returns for periods longer than one year are annualized.

Calendar Year Returns

		2011	2010	2009	2008	2007
Manager	Gross	7.24	12.84	9.10	-14.44	12.39
	Net	4.37	9.86	6.19	-16.86	9.42
Index		3.87	11.82	18.12	-22.07	6.40

Calendar Year Returns: Returns for individual calendar years.

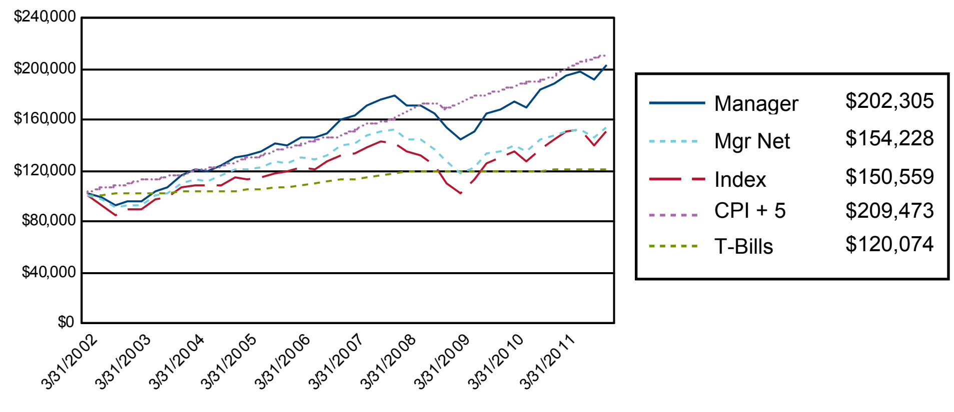
Annualized Rolling Return Analysis



	Qtr	1 Yr	3 Yr	5 Yr	10 Yr
Periods	52	49	41	33	13
High Return	18.05	25.78	15.14	13.51	7.30
Low Return	-6.96	-16.15	-1.84	3.61	5.27
Avg Return	1.87	7.60	6.50	7.47	6.39

Annualized Rolling Return Analysis Chart: A graphical representation of the range of a manager's before-fee returns across rolling time periods. This chart analyzes all of the possible holding periods (based on quarterly data) for each time frame and displays the highest, lowest and average returns.

Growth of $100,000



Growth of $100,000 Chart: A graphical representation of the performance of a $100,000 investment in the manager's composite, beginning ten years ago or at the inception of the product.

Standard Deviation

	3 Yr	5 Yr	10 Yr
Manager	9.31	9.15	8.28
Index	12.73	12.51	10.72

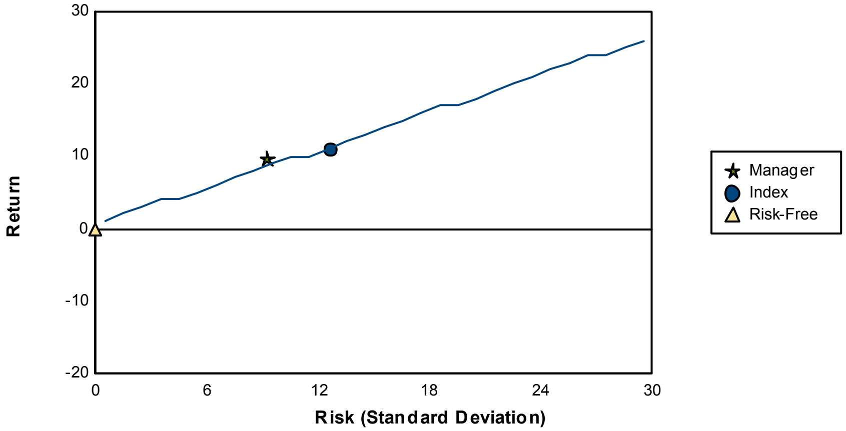
Standard Deviation: A statistical measure of the historical volatility of a portfolio. Managers with higher standard deviations will tend to experience larger swings in portfolio value, both in up and down markets.

Sharpe Ratio

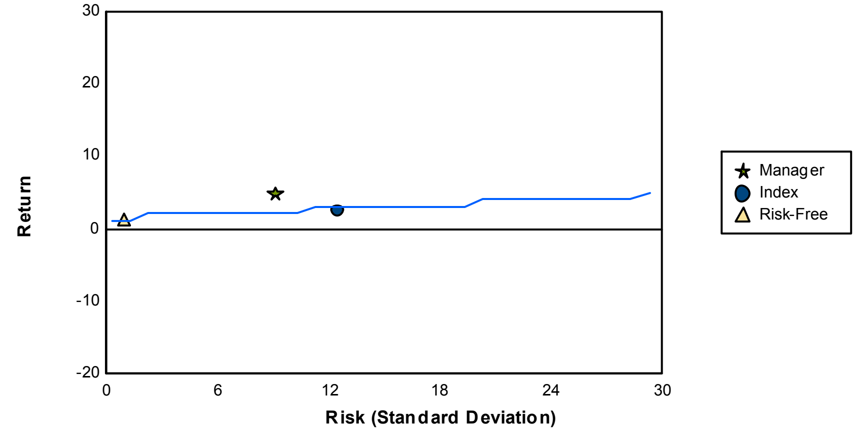
	3 Yr	5 Yr	10 Yr
Manager	1.03	0.39	0.66
Index	0.87	0.10	0.22

Sharpe Ratio: A ratio to measure risk-adjusted performance. It is calculated by subtracting the risk-free rate (usually the 91-day US -TBill rate) from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. A higher Sharpe ratio suggests that the manager has achieved a higher return than would have been expected by the amount of risk (as measured by the standard deviation) incurred.

3 Year Trailing Risk/Return



5 Year Trailing Risk/Return



Trailing Risk/Return Charts: A graphical representation of the amount of return the manager and index achieved relative to the amount of risk (standard deviation) they took on. Manager returns are gross of fees.

Success Ratios vs. Index

Individual Quarterly Returns:	70.00%	Three Year Rolling Return/Risk:	100.00%
Three Year Rolling Returns:	93.10%	Five Year Rolling Return/Risk:	100.00%
Five Year Rolling Returns:	100.00%	Number of Quarters Analyzed:	40

Success Ratios vs. Benchmark: In rolling periods analysis (see below), the percentage of time periods when the manager outperformed its benchmark.

Return/Risk Ratio: A measure of risk-adjusted return. This is the return per unit of risk, where risk is represented by the volatility (standard deviation) of quarterly returns. The return/risk ratio is calculated by dividing the before-fee total return over a given time period by the standard deviation over the same time period. A higher return/risk ratio indicates that a manager has achieved more return relative to the amount of risk (volatility) incurred.

Five Year Downside Risk

	# Negative Quarters	Worst Quarter	Worst 4 Quarters
Manager:	6	-6.96	-16.15
Index:	8	-11.73	-23.66

Five Year Downside Risk: Measures of before-fee negative performance over the most recent 5 years.

Negative Quarters: The number of quarters over the past 5 years in which the manager’s return was negative.
Worst Quarter: The manager’s lowest single quarter return over the past 5 years.
Worst 4 Quarters: The manager’s worst 1 year return over the past 5 years (any four consecutive quarters, not necessarily a calendar year).

Up/Down Quarter Comparison

	# Positive Quarters	# Negative Quarters	Avg Qtly Return	Avg Pos Return	Avg Neg Return
Manager:	28	12	1.86	4.03	-3.20
Index:	26	14	1.17	4.26	-4.57

Up/Down Market Capture

	3 Yr	5 Yr
Up Ratio	73.13	80.48
Down Ratio	64.80	62.21

Up/Down Market Capture Ratios: A measure of managers' before-fee performance in up and down markets relative to the market itself. A down market is one in which the index's quarterly return is less than zero. To calculate down-market capture ratio, we link returns for the manager and the market for all down-market quarters over the selected time frame, then divide the manager's return during down-market quarters by the index's return during the same quarters. To calculate up-market capture ratio, this same process is carried out using returns from periods when the index's return was greater than zero. The lower the manager's down-market capture ratio, the better the manager protected capital during a market decline. A value of 90 suggests that a manager's losses were only 90% of the market loss when the market was down. Caution: The up/down capture ratios can be deceiving if the nominal numbers involved are small. For example, if a manager's return during down-market periods was -3%, while the index's return during those same periods was -1%, the manager's down market capture ratio would be 300.

Index Relative Statistics

	3 Yr	5 Yr	10 Yr
Alpha	1.86	2.46	3.59
Beta	0.69	0.69	0.72

	3 Yr	5 Yr	10 Yr
R-Squared	88.83	90.50	86.24
Tracking Error	5.03	4.81	4.35

Alpha - Incremental return generated versus an index after accounting for volatility in the form of beta. A positive alpha suggests risk-adjusted value added by the money manager versus the index. Beta measures the return that is attributable to the market and is a measure of the portfolio's overall volatility.

Beta - Measures the risk level of the manager. Beta measures the systematic risk, or the return that is attributable to market movements. In contrast, alpha measures the nonsystematic return of the portfolio, and standard deviation measures the volatility of a portfolio's returns compared to the average return of the portfolio. A beta equal to one indicates a risk level equivalent to the market. Higher betas are associated with higher risk levels, while lower betas are associated with lower risk levels.

R-Squared- A statistic that measures the reliability of alpha and beta in explaining the return of a manager as a linear function of the market. It is produced by regression analysis. If you are searching for a manager with a particular style, for example a growth manager, you would expect that manager to have an R-Squared that is high relative to a growth index if the manager has a diversified portfolio. If the manager's return is explained perfectly, the R-Squared would equal 100, while an R-Squared of 0 would indicate that no relationship exists between the manager and the linear function. Higher R-Squared values indicate more reliable alpha and beta statistics and are useful in assessing a manager's investment style.

Tracking Error - A measure of how similar the manager’s behavior is to the benchmark. A lower tracking error indicates that the manager tracks its benchmark closely. A tracking error of zero would indicate that the manager tracked its benchmark perfectly. This would not necessarily indicate that the manager and index provided the exact same return, just that the direction and magnitude of their returns were perfectly correlated.

Portfolio Characteristics: Characteristics that help identify the types of stocks or bonds a manager buys.

Market Capitalization: The market value of a company’s common stock. This is calculated by multiplying the market price of the stock by the total number of shares outstanding. The average and median market capitalization statistics provide an idea of the size of the companies that the manager tends to invest in.
P/E (Price-to-Earnings) Ratio: A measure of stock valuation, calculated by dividing the market price of a stock by its earnings per share. For example, a stock selling for $20 per share that earned $2 per share in the last 12 months has a P/E ratio of 10.
P/B (Price-to-Book) Ratio: A measure of stock valuation, calculated by dividing the market price of a stock by its book value per share. For example, a stock selling for $20 per share whose book value is $5 per share has a P/B ratio of 4.
Dividend Yield: The current dividend per share of a stock divided by its current price per share. For example, a stock with a price of $100 per share paying a dividend of $5 per share would have a dividend yield of 5%.

Average Maturity: Computed by weighting the maturity of each security in the portfolio by the market value of the security, then averaging these weighted figures.
Average Duration: A measure of interest-rate sensitivity--the longer the duration, the more sensitive a portfolio is to shifts in interest rates. Duration is determined by a formula that includes coupon rates and bond maturities.
Yield-to-Maturity: The rate of interest an investor would have to earn if an investment equal to the price of the bond were capable of generating the semiannual coupon payments and the principal of the bond in exactly the time pattern promised by the issuer.
Coupon: The fixed percentage paid out on a fixed-income security on an annual basis.

Rolling Periods Analysis: A method of analysis where a quarterly return stream is grouped into rolling periods of a given length (three years, for example). Performance and/or risk statistics are calculated for the three-year period ending with a given quarter, then for the three-year period ending with the next quarter, and so on. This type of analysis helps minimize the arbitrary nature of focusing primarily on calendar years or trailing returns.

Investing in fixed income securities: involves certain risks such as market risk if sold prior to maturity and credit risk especially if investing in high yield bonds, which have lower ratings and are subject to greater volatility. All fixed income investments may be worth less than original cost upon redemption or maturity.

Performance Disclosure: The performance information shown is based on performance data provided by the manager to Wells Fargo Advisors. The performance data provided by the manager is taken from its composite of similarly managed accounts. Performance figures include the reinvestment of dividends and other earnings. Past performance is not indicative of future performance. There are no guarantees objectives will be met.

The performance numbers in the "Net of Fees" section represent performance returns after the deduction of the maximum proposed management fee of 2.75% for the Equity/Balanced strategies.

Dividends are not guaranteed and are subject to change or elimination.