



LATEEF

I N V E S T M E N T
M A N A G E M E N T

4Q 2009 Review



Discussion topics

- Market Update
- Portfolio Highlights
- 2009 Snapshot
- Outlook



Lateef vs. S&P 500

	4Q 09	1 Year	3 Year	5 Year	10 Year**	15 Year
Lateef*	5.68	26.64	-2.76	2.73	6.56	13.29
S&P 500	6.04	26.46	-5.63	0.42	-0.95	8.04

* Lateef Non-Taxable All-Cap Growth Equity composite (net of fees) as of December 31, 2009

** Lateef is ranked in the top 1% for all U.S. domestic managers over 10 years ending 12/31/08 by the Plan Sponsor Network
2,000 managers in its database.

S&P 500 2009





2009 Snapshot

- Lower quality outperformed higher quality
 - Companies with low ROEs outperformed those with high ROEs.
 - Companies without earnings outperformed those with earnings

2009 – Low ROE vs. High ROE

S&P 500 Cos. With LOW ROE Relative HIGH ROE

31-Dec-2008 to 31-Dec-2009 (Daily)
 31-Dec-2008=100; Local



Source: StrategasRP

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2009 – Co. No Earnings vs. Earnings

S&P 500 Cos. With NO Earnings Relative WITH Earnings

31-Dec-2008 to 31-Dec-2009 (Daily)

31-Dec-2008=100; Local



Source: StrategasRP

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Portfolio Highlights

- We're pleased with our performance, but our two largest weights, ITT Education (ESI) and Berkshire Hathaway (BRK), were each up only 2% in 2009.
- Leading contributors in 2009 were Aflac, Inc. (AFL +103% from our average cost) and Scripps Networks Interactive (SNI +90% in 2009).



ITT Education (ESI)

Positives

ESI continues to deliver strong results.

3Q09 Results

Total students +28% y/y

Revenue +33.6% y/y

Operating Margin 36% +430bps

EPS +56% y/y

2010 EPS estimates \$9.50

2010 PE 10x

Market Concerns

Industry going through regulatory review to protect students and Government funds.

Topics include:

-Enrollment counselor compensation

-Tuition levels

-Student loan defaults

Timeline – hearings continue in January, over by ~April 2010.



Berkshire Hathaway (BRK)

Positives

Valuation

Price \$99,200 / A share

1.2x book value

\$92,400 / share in cash &
marketable securities

Capital Deployment

Attractive deployment of
capital in 2008 and 2009.

Burlington acquisition is a
bullish bet on our economic
recovery and rail cost
efficiencies.

Market Concerns

Buffet's age (79) – we believe
succession plan is in place.

Forced selling from holders
facing liquidity needs.

Index swaps – market doesn't
like its complexity.



Aflac (AFL)

- Capital
 - \$347 million YTD (through 9/30) charges for hybrids compared to \$2.5B market fears.
 - \$400 million debt issue at 6.9%
 - \$100 million U.S. acquisition
- 2009 Consensus is for 20% EPS growth
- Management guidance of 10%-12% growth in 2010 EPS



Scripps Networks Interactive (SNI)

- Affiliate fee revenue growth: Q109, 17%; Q209, 15%; Q309, 16%.
- Top of cable network industry advertising revenue growth rates.
- Successful renegotiation of Food Network distribution contracts (SNI continues negotiations with Cablevision).
- Accretive transaction for Travel channel while maintaining balance sheet liquidity.



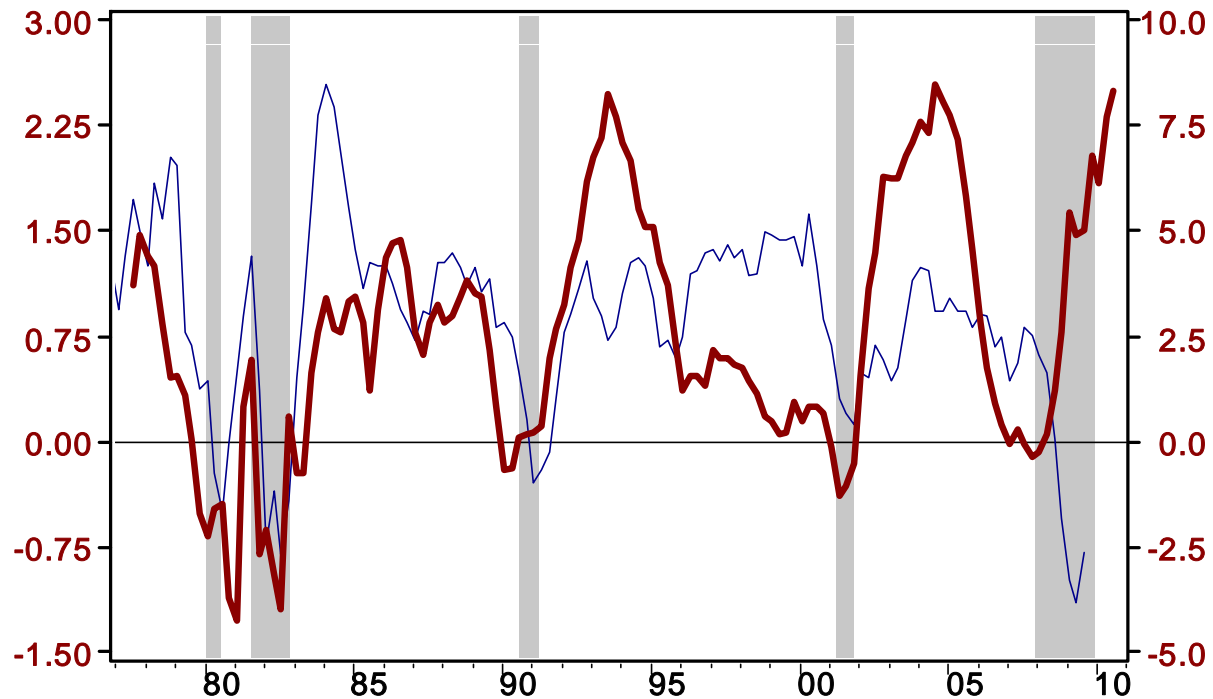
Economic Snapshot

- Yield Curve looks healthy
- Pick up in mergers and acquisitions
- Global Logistics data strong

Yield Curve Healthy

← U.S. Government Bond Yield Curve (10-yr less 2-yr)
Leading 4 Quarters

Real Gross Domestic Product →
% Change - Year to Year SAAR, Bil.Chn.2005\$





Mergers and Acquisitions

- Berkshire – Burlington Northern: \$26B
- Scripps Networks – Travel Channel: \$975M
- Exxon Mobil – XTO Energy: \$30B
- Comcast – NBCU: \$28B
- Stanley Works – Black & Decker: \$5B
- Proposed Kraft – Cadbury: \$17B



Global Logistics Data Strong

- Asian airline cargo volume +38% YOY in December after an +18% gain YOY in November.
- Cargo at Dubai airport +20% in November.
- Long Beach & L.A. ports container exports +11% in November.



Portfolio Strength

- 2009 EPS growth of 2% vs. -20% for the S&P.
 - On top of 2008 EPS growth of 13% vs. -40% for the S&P.
- ROE of 36% vs. 3% for the S&P.
- 6% FCF Yield.
- 31% upside to valuation.



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