January 24, 2012

Dear (Client):

We wanted to take this opportunity to thank you for investing in our Dividend Growth strategy. You probably have noticed that we had a very good year in 2011 by appreciating 12.0% net of all fees and expenses. (This compares favorably to the S&P 500 which advanced 2.1%.) We appreciate your confidence in our strategy and we are glad to have provided a really good return in what turned out to be a most difficult year for investors.

Recently, many pundits and strategists have pointed out the benefit of investing in higher yielding large companies as if this were a new phenomenon. We believe that this way of investing has rewarded investors over many decades. We also believe that the key to this being a successful way to invest over the long term is to find companies that can grow their dividends virtually every year. That requires a successful business model as well as managements that have it in their DNA to share growing cash flows with their shareholders. This is why we carefully select our portfolio companies to include only those that combine a higher than average dividend with the ability and history to increase dividends on a yearly basis. We are proud to report to you that each of our portfolio companies (27 in all) raised their dividends last year. In some instances, we have companies that have raised their dividends for more than fifty consecutive years!

Based on our reviews of academic studies and our analysis of companies that pay higher and growing dividends, we firmly believe that dividends play a significant role in total appreciation over long periods of time. We believe that many companies that don't pay dividends (or don't raise them on a frequent basis) will suffer from less than desirable valuations unless they have unique growth characteristics. Today, with bond yields so low and in some cases less than the annual inflation rate, we believe that large quality companies that pay higher than average dividends with the potential of growing those dividends continue to make great sense as part of an overall asset allocation for any investor. Getting a three to four percent on average growing cash return settles a lot of nerves during periods of great uncertainty.

Diversified investing is still the key to a successful overall investment strategy. We believe that our Dividend Growth strategy of investing should continue to be a meaningful component of your investment plan. This, along with allocations to our security and traditional equity baskets, will help you navigate the uncertainties that exist in our world today with a goal to both preserve and grow your net worth.

Thanks for your continued support!

Best regards,

Robert D. Rosenthal
Chairman and
Chief Executive Officer

*The forecast provided above is based on the reasonable beliefs of First Long Island Investors, LLC and is not a guarantee of future performance. Actual results may differ materially. Past performance statistics may not be indicative of future results.

Disclaimer: The views expressed are the views of Robert D. Rosenthal through the period ending December 31, 2011, and are subject to change at any time based on market and other conditions. This is not an offer or solicitation for the purchase or sale of any security and should not be construed as such. References to specific securities and issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities.