

ELESSAR

INVESTMENT MANAGEMENT

SMALL CAP VALUE

Management Team

Richard A. Giesen, Jr.

Chief Investment Officer

Years Experience: 20

Ori Elan

Portfolio Manager

Years Experience: 5

Chris Staneluis

Analyst

Years Experience: 10

Mitchell W. Krahe

Chief Operating Officer

Years Experience: 10

Philosophy & Process

From a universe of small cap stocks with market capitalizations of approximately \$150 million to \$2.5 billion, we purchase the highest quality companies for the least expensive price in tandem with the pursuit of finding the most opportunistic intersection between quality and price. The construction of a portfolio consisting of 40-60 equities is accomplished through rigorous and disciplined bottom-up fundamental research analysis.

Elessar's Unique Characteristics

- Substantial Experience in Small Cap Value Investing
- Proprietary Front-End Screen Allows Investment Team to Focus on Investment Candidates of the Highest Potential
- Collaborative Sector Coverage Achieves Robust Research Vetting Process
- Non-Investment Personnel Brings Significant Compliance, Legal and Operations Experience

Performance Returns

Performance

Preliminary Performance as of 12/31/2009

		DEC	QTD	YTD	1Year	Annualized			Absolute
						2 Year	3 Year	ITD*	ITD*
EIM SCV	(Gross)	5.90	1.24	24.69	24.69	-1.33	-3.00	0.41	1.56
EIM SCV	(Net)	5.90	1.12	24.08	24.08	-2.02	-3.70	-0.30	-1.11
Russell 2000 Value		7.57	3.63	20.58	20.58	-7.43	-8.22	-4.50	-15.88
Elessar Lipper Percentile Rank			96.16	76.83	76.83	11.16	28.94	17.70	17.70

*Inception 04/01/2006

Sources: Internal (Advent Axis), Russell, FactSet, Merrill Lynch

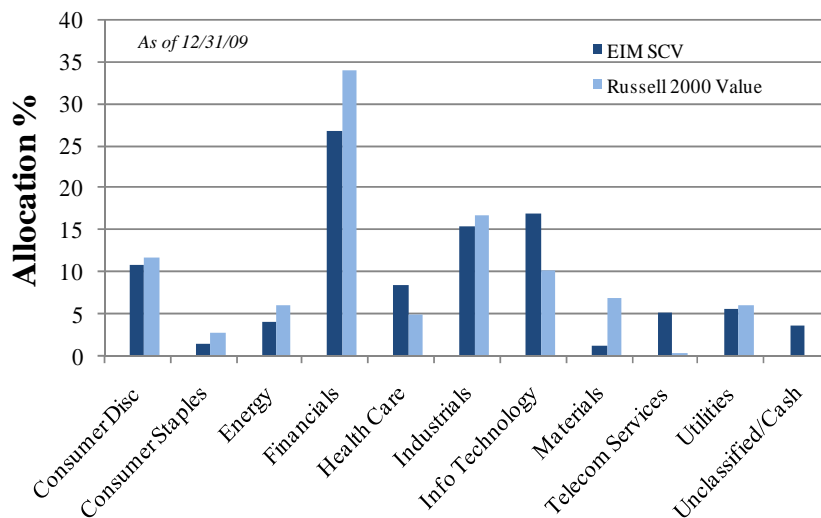
Portfolio Characteristics

As of 12/31/09

	EIM SCV	Russell 2000 Value
Avg. Market Cap (\$ MM)	\$1181	\$934
L12M P/E	11.9	15.4
N12M P/E	11.3	14.7
Price/Book	1.3	1.2
Price/Sales	0.7	0.6
Dividend Yield	0.6%	2.2%
Payout Ratio	23.8%	27.9%
ROE	4.1%	0.1%
Long Term Debt/Capital	27.4%	34.7%
L12M EPS Growth	-33.0%	-65.2%
Beta vs. S&P500	1.18	1.55

Source: Internal calculations, Reuters Database & FactSet

Sector Allocation



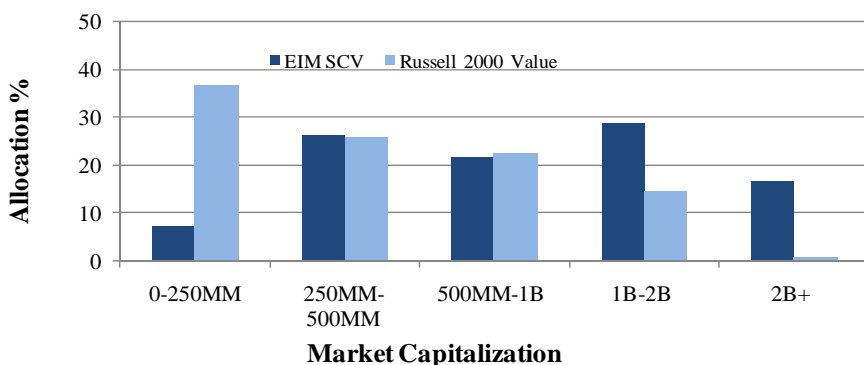
Source: FactSet

GICS Sector

Please Contact: Chris Staneluis, Elessar Investment Management, Phone (216) 357-7414
 cstaneluis@elessarinvest.com

ELESSAR SMALL CAP VALUE

Relative Market Capitalizations



As of 12/31/09 Source: FactSet

Risk Controls

The essential elements of our proactive risk management process are:

- Front-End Screen: QAPM Biased Against High Risk
- Extensive Bottom-up Fundamental Research Analysis
- Strong Buy/Sell Discipline
- Portfolio Construction Parameters
- Monitor Portfolio Style Designation

Risk/Reward Analysis**Multi-Statistic Report**

Period: 04/1/2006 to 12/31/2009

Benchmark: Russell 2000 Value - Total Return

Frequency: M

Currency: USD

Description	Annualized Return	Annualized StandadDev	Beta	Annualized Alpha	Sharpe Ratio	R-Square	# Observ	Info Ratio	Tracking Error
Elessar Small Cap Value - Gross	0.42	21.40	0.87	4.47	-0.12	89.25	45.00	0.64	7.67
Elessar Small Cap Value - Net	-0.29	21.40	0.87	3.74	-0.15	89.20	45.00	0.55	7.69
Russell 2000 Value - Total Return	-4.51	23.32	1.00	0.00	-0.32	100.00	45.00	NA	0.00

Source: FactSet

Performance Attribution

EIM SCV vs. Russell 2000 Value
Period: 03/31/2006 to 12/31/2009
(U.S. Dollar)

GICS Sector

	Elessar Small Cap Value			Russell 2000 Value			Variation			Attribution Analysis			
	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Consumer Discretionary	8.52	21.59	2.45	12.15	-36.89	-2.82	-3.63	58.48	5.27	0.75	8.23	-3.43	5.55
Consumer Staples	2.92	-9.07	3.45	3.84	13.64	-0.09	-0.92	-22.71	3.54	-1.37	-0.29	2.33	0.68
Energy	4.23	-83.90	-11.46	4.22	-16.78	0.60	0.01	-67.12	-12.06	-3.65	-3.01	-1.03	-7.69
Financials	31.04	-20.45	-7.17	33.96	-36.67	-14.22	-2.92	16.22	7.04	1.14	8.75	-0.66	9.23
Health Care	8.05	3.25	-0.57	5.00	18.64	-0.07	3.05	-15.40	-0.49	1.05	0.15	-1.24	-0.04
Industrials	14.85	9.12	1.79	14.29	-8.60	-1.63	0.56	17.72	3.43	0.19	5.10	-1.33	3.97
Information Technology	15.92	34.56	3.85	12.12	-14.96	-0.58	3.80	49.52	4.43	-0.43	5.50	2.55	7.61
Materials	4.15	96.57	4.78	6.57	47.41	3.12	-2.43	49.16	1.66	-1.33	0.34	0.03	-0.97
Telecommunication Services	1.72	64.46	2.13	1.34	-22.81	-0.51	0.38	87.27	2.64	0.99	0.29	-0.76	0.53
Utilities	4.07	80.14	2.80	5.95	13.50	0.23	-1.88	66.64	2.57	-0.20	3.12	-1.24	1.69
[Cash]	4.53	10.02	0.42	--	--	--	4.53	10.02	0.42	-1.98	--	--	-1.98
Unassigned	--	--	--	0.56	14.20	0.04	-0.56	-14.20	-0.04	-0.17	--	--	-0.17
Total	100.00	2.47	2.47	100.00	-15.94	-15.94	--	18.41	18.41	-5.00	28.19	-4.78	18.41

Source: FactSet. Holdings data for Elessar Small Cap Value is 3/31/2006 through 12/30/2009; and for the Russell 2000 Value Index is 3/31/2006 through 12/31/2009. Attribution calculations are gross of management fees, do not include intraday trading, and thus, do not represent actual portfolio returns. The actual returns will be reduced by the management fees of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years.

Important Disclosure Information

This publication is intended for general information only, and is not investment advice, a solicitation, offering or recommendation of any security or investment management/advisory service. Elessar does not represent that the securities, products or services discussed herein are suitable or appropriate for all investors. Elessar makes no representations about the accuracy of the information in the publication. This information has been obtained from sources believed to be reliable but it cannot be guaranteed including this period's returns which are unaudited. Portfolio results reflect reinvestment of income. Past performance is no guarantee of future results. Investments may lose value.

Elessar Investment Management, 1111 Superior Avenue, Suite 1310, Cleveland, OH 44114 Phone (216) 357-7414 www.elessarinvest.com

**Please Contact: Chris Staneluis, Elessar Investment Management, Phone (216) 357-7414
cstaneluis@elessarinvest.com**