

ELESSAR

INVESTMENT MANAGEMENT

SMALL CAP VALUE

Management Team

Richard A. Giesen, Jr.
Chief Investment Officer
Years Experience: 25

Ori Elan
Portfolio Manager
Years Experience: 6

Chris Staneluis
Analyst
Years Experience: 12

Mitchell W. Krahe
Chief Operating Officer
Years Experience: 12

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
- Multi-Faceted Sell Discipline Eliminates Emotional Decision-Making and Limits Investment Losses
- Non-Investment Personnel Brings Significant Compliance, Legal and Operations Experience

Performance Returns

Performance

	Preliminary Performance as of	9/30/2011					Annualized		Absolute
		QTR	YTD	1 Year	3 Year	5 Year	ITD	ITD*	
Elessar SCV (Gross)		-22.21	-16.24	-0.27	2.87	2.90	2.43	14.10	
Elessar SCV (Net)		-22.32	-16.53	-0.73	2.28	2.20	1.75	10.00	
Russell 2000 Value		-21.47	-18.51	-5.99	-2.78	-3.08	-2.84	-23.56	
Lipper Percentile Ranking		68	39	13	32	8	8	8	

*Inception 04/01/2006

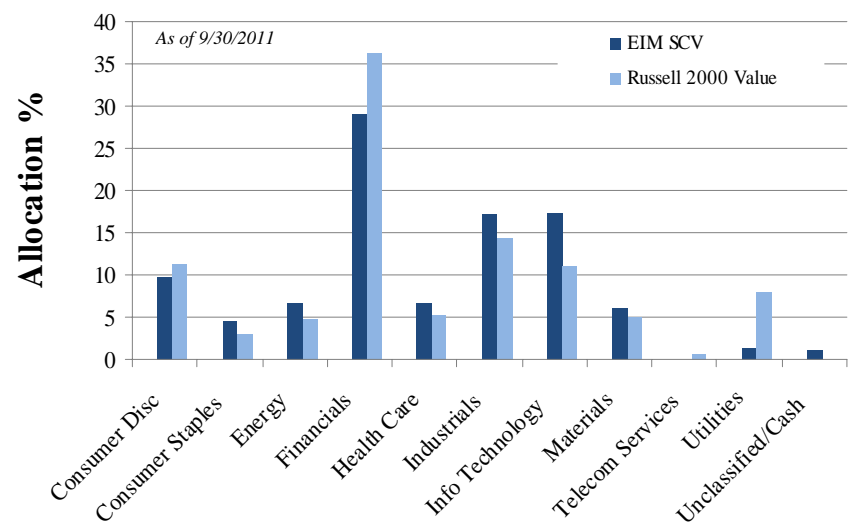
Sources: Internal (Advent AxyS), Russell, FactSet, Lipper

Portfolio Characteristics

As of 9/30/2011	EIM SCV	Russell 2000 Value
Avg. Market Cap (\$ MM)	\$1003	\$916
L12M P/E	8.6	10.4
N12M P/E	10.5	12.4
Price/Book	1.0	1.0
Price/Sales	0.8	0.2
Dividend Yield	1.4%	2.6%
ROE	10.3%	6.4%
Long Term Debt/Capital	25.5%	38.4%
N12M EPS Growth	12.3%	10.6%
Beta vs. S&P500	1.32	1.26

Source: Internal calculations, Reuters Database & FactSet

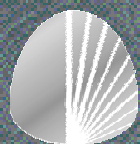
Sector Allocation



Source: FactSet

GICS Sector

Please Contact: Cedar Partners, Ltd., Phone: 720-279-2503, cedar@cedarpartnersltd.com



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Risk/Reward Analysis

Multi-Statistic Report

Period: 03/31/2006 to 9/30/2011

Benchmark: Russell 2000 Value - Total Return

Frequency: M

Currency: USD

Description	Annualized Return	Annualized StandDev	Beta	Annualized Alpha	Sharpe Ratio	R-Square	# Observ	Info Ratio	Tracking Error
Elessar Small Cap Value - Gross	2.42	21.25	0.88	5.01	0.02	90.49	66.00	0.74	7.10
Elessar Small Cap Value - Net	1.75	21.24	0.88	4.32	-0.01	90.42	66.00	0.64	7.13
Russell 2000 Value - Total Return	-2.84	22.95	1.00	0.00	-0.21	100.00	66.00	NA	0.00

Source: FactSet

Performance Attribution

EIM SCV vs. Russell 2000 Value 3/31/2006 to 9/30/2011 (U.S. Dollar)	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
GICS Sector													
Consumer Discretionary	9.31	39.01	5.53	11.55	-38.91	-3.24	-2.25	77.92	8.77	0.57	11.67	-3.30	8.94
Consumer Staples	2.49	-43.26	2.63	3.54	19.60	0.02	-1.05	-62.85	2.62	-1.19	-1.83	3.10	0.08
Energy	5.56	-46.67	-9.88	4.68	-18.43	0.93	0.88	-28.24	-10.81	-3.56	-0.69	-2.19	-6.44
Financials	30.28	-5.35	-2.75	34.52	-36.99	-14.38	-4.24	31.64	11.63	1.48	16.02	-2.11	15.40
Health Care	7.91	27.02	1.23	4.99	25.60	0.06	2.92	1.42	1.17	1.16	1.03	-1.35	0.84
Industrials	14.56	5.17	-0.01	14.66	-11.38	-1.97	-0.10	16.54	1.96	0.06	5.07	-2.56	2.57
Information Technology	15.80	34.19	5.25	11.49	-15.86	-0.87	4.32	50.06	6.13	-0.63	6.22	3.38	8.96
Materials	4.02	223.31	5.76	6.64	61.25	3.87	-2.62	162.06	1.89	-2.12	3.40	-1.72	-0.44
Telecommunication Services	1.95	83.35	3.22	1.09	-33.75	-0.64	0.86	117.10	3.85	0.75	0.47	0.18	1.39
Utilities	3.85	125.02	4.13	6.05	41.56	1.49	-2.21	83.46	2.64	-1.22	3.78	-1.30	1.26
[Cash]	4.27	10.21	0.48	--	--	--	4.27	10.21	0.48	-2.05	--	--	-2.05
Unassigned	--	--	--	0.79	13.46	0.03	-0.79	-13.46	-0.03	-0.22	--	--	-0.22
Total	100.00	15.59	15.59	100.00	-14.70	-14.70	--	30.29	30.29	-6.97	45.14	-7.88	30.29

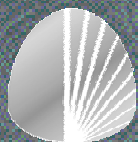
Source: FactSet. Holdings data for Elessar Small Cap Value is 3/31/2006 through 9/29/2011; and for the Russell 2000 Value Index is 3/31/2006 through 9/30/2011. Attribution calculations are gross of management fees, do not include intraday trading, and thus, do not represent actual portfolio returns. 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.

Quarterly Commentary

The market downturn in the third quarter was quite dramatic and pronounced as stocks were sold indiscriminately and fear trumped company fundamentals. Nothing it seemed was spared in the downturn as correlations among equity sectors were quite high and, therefore, active managers like Elessar found it difficult to differentiate their performance via stock selection. The 'risk-off' trade has become quite crowded and small cap stocks have taken the brunt of the transition. The Russell 2000 Value Index dropped 21.5% and our small cap value product underperformed with a decline of 22.2%. As markets seem to have discounted a significant earnings decline for 2012, the worst performing groups last quarter all reflect a potential double-dip recession. Energy sector holdings, for example, were down approximately 44% on average in the quarter.

The markets are concerned about the possibility of self-inflicted wounds from policy makers and politicians both in Washington and Europe. For more than a year, officials at the IMF and ECB have been trying to buy enough time for banks in the Eurozone to improve levels of capital adequacy. These regulators have in effect been told, however, by market vigilantes in the past three months that time has run out and a meaningful debt restructuring must now occur.

What could work to provide a strong dose of confidence? Similar to what the U.S. implemented three years ago, a TARP-like rescue package would help reduce contagion risk from a Greek default and could go a long way toward resolving the Eurozone debt crisis and restoring confidence. Meanwhile in the U.S., an overhaul of the corporate tax code with permanent, not temporary, changes will make it easier for the private sector to hire and invest.

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Quarterly Commentary

Investor sentiment toward U.S. equities seems to have returned back to negativity levels in the Fall of 2008. Unlike then, domestic companies are in a more defensive position with very strong balance sheets and our financial system is in much better shape. Additionally, credit spreads remain at relatively low levels and U.S. economic data has remained quite resilient (e.g., better than expected reports recently in manufacturing and non-manufacturing PMI, construction spending, chain-retail store sales, capital goods shipments, rail car loadings, vehicle sales, and jobs data). Thus, panic-selling does not appear to be warranted.

With current valuations discounting a more pessimistic scenario than we believe current fundamentals suggest, we remain constructive on the outlook for our small cap value portfolio and the continued purchase of good companies trading at historically attractive prices. Importantly, many of our companies possess a strong balance sheet with little or no debt and generate strong and recurring levels of free cash flow, the combination of which allows them to be largely self-sufficient regarding their working and growth capital requirements. Such financial attributes allow these companies to gain significant market advantages over competitors who are otherwise financially constrained, and to generate additional shareholder value via share repurchases and dividend increases.

Important Disclosure Information

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

Please Contact: Cedar Partners, Ltd., Phone: 720-279-2503, cedar@cedarpartnersltd.com