Arnerich Massena
Building Better Portfolios

Nevada Deferred Compensation Program

Small-Mid Index and Small-Mid Value Fund Searches

February 2012

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Small-Mid Cap Index – Overview and Recommendations

Either option is compelling from an asset allocation perspective, diversifying among mid, small and micro cap companies. We suggest the committee selects Vanguard Extended Market Index. Vanguard is a low-cost leader in the index fund market and has an expense ratio more than a third cheaper than the JPMorgan Fund. Additionally, the fund tracks a broader index.

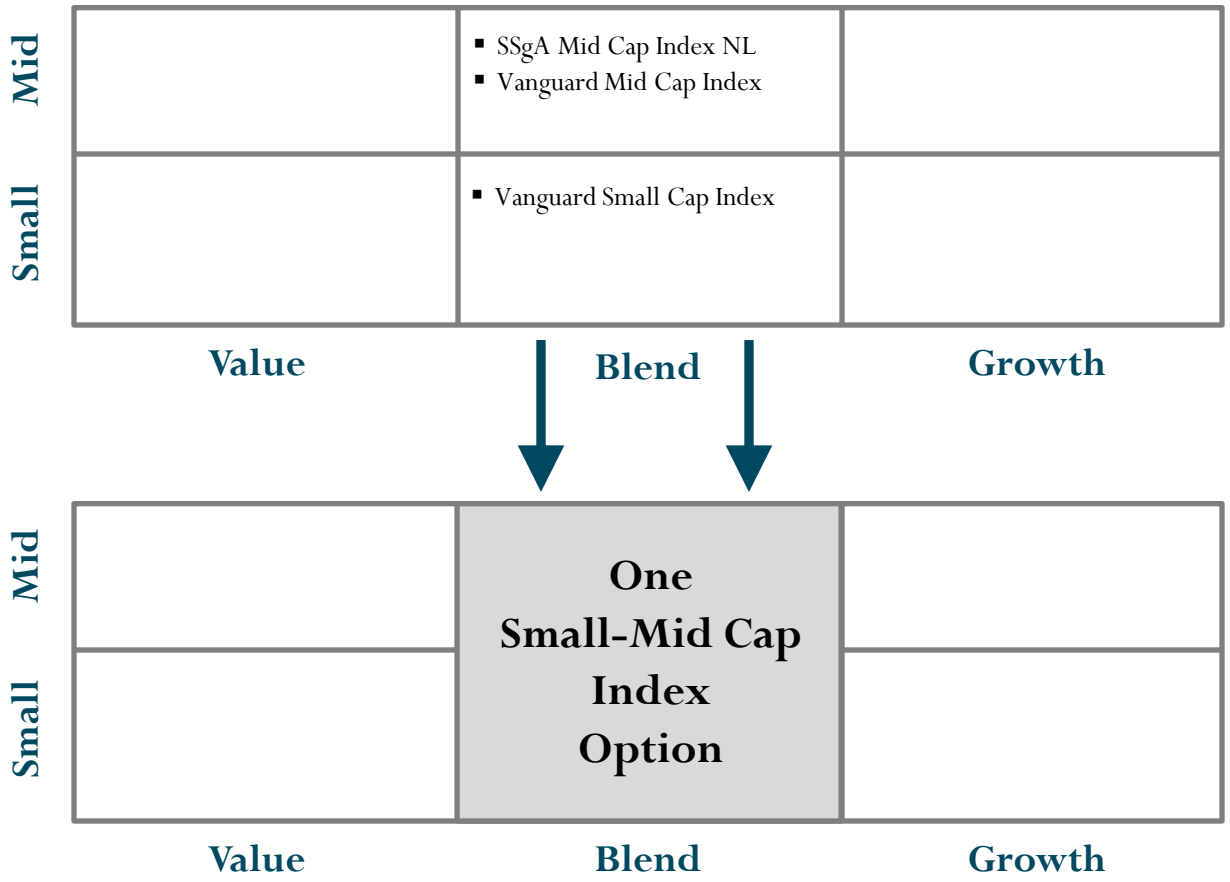
Fund	Positive Traits	Negative Traits
JPMorgan Market Expansion Index	▪ Established asset management firm ▪ Broadly diversified among market capitalizations ▪ Manager tenure +9 years	▪ Most expensive option - 0.57% net ▪ Less diversified among securities – 890 stocks ▪ Utilizes more of a sampling approach to index replication ▪ May lend securities
Vanguard Extended Market Index	▪ Market leader in index fund management ▪ Broadly diversified among market capitalizations and securities – 3,025 stocks ▪ Cheapest option - 0.16% net expense ▪ Manager tenure +14 years	▪ May lend securities

Small-Mid Cap Value – Overview and Recommendations

Arnerich Massena recommends any of the funds included in this search. All four funds focus on the small and mid cap segments of the stock market and utilize research-driven processes. We suggest the committee selects AllianceBernstein Small-Mid Cap Value or Lord Abbett Value Opportunities for both platforms. Both Funds' long-term manager tenures and track records, attractive expense ratios, diversification, and performance profiles make them compelling options. We also suggest the committee move toward limiting the number of small and mid cap offerings to provide more effective fiduciary oversight.

Fund	Positive Traits	Negative Traits
AllianceBernstein Small-Mid Cap Value	▪ Manager tenure average +7 years (+9 longest) ▪ Long-term track record ▪ Lowest expense – 0.85% ▪ Most diversified – 102 stocks ▪ Established asset size, but not excessive - $1.6 billion	▪ Recent organizational changes may impact management team and resources
CRM (Cramer Rosenthal McGlynn) Small/Mid Cap Value	▪ Manager tenure +7 years ▪ Near lowest expense – 0.87% ▪ CRM's focus and tradition is value investing ▪ Long-term track record	▪ Least diversified – 55 holdings
Diamond Hill Small-Mid Cap	▪ Manager tenure average +5 years ▪ Independent firm	▪ Small amount of assets - $277 million, $73 million in mutual fund ▪ Most expensive option– 1.03% net
Lord Abbett Value Opportunities	▪ Manager tenure +5 years ▪ Long-term track record ▪ Diversified – 90 holdings ▪ Long history of firm independence ▪ High long-term alpha (risk-adjusted performance)	▪ Second most expensive option – 0.99% net, but below category average of 1.39%

Mid Cap Index and Small Cap Index Investment Option Consolidation



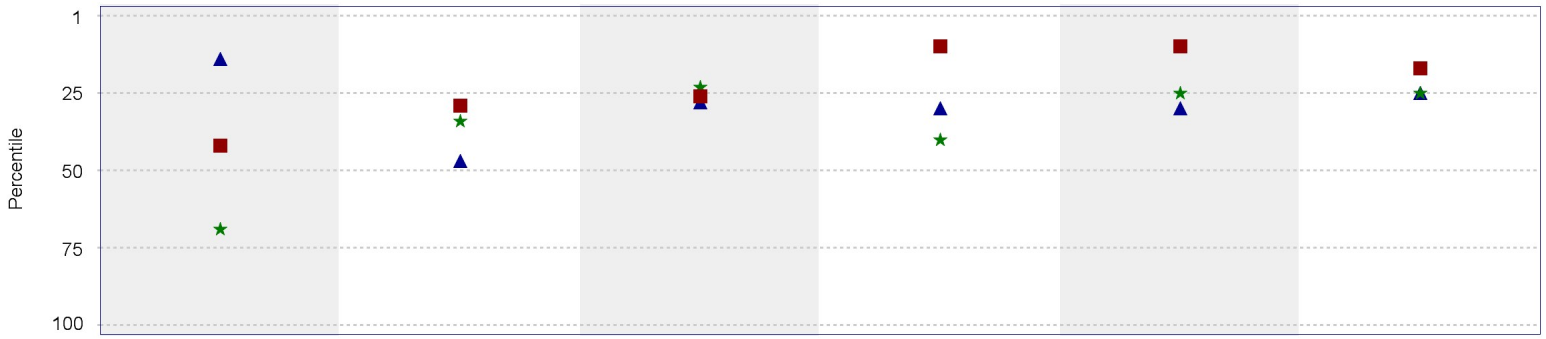
Benefits include:

- Ease of participant use
- Potential lower investment cost
- Streamlined fiduciary oversight

Current Mid Cap Index and Small Cap Index Investment Options

Trailing Year Returns - Mid-Cap Blend

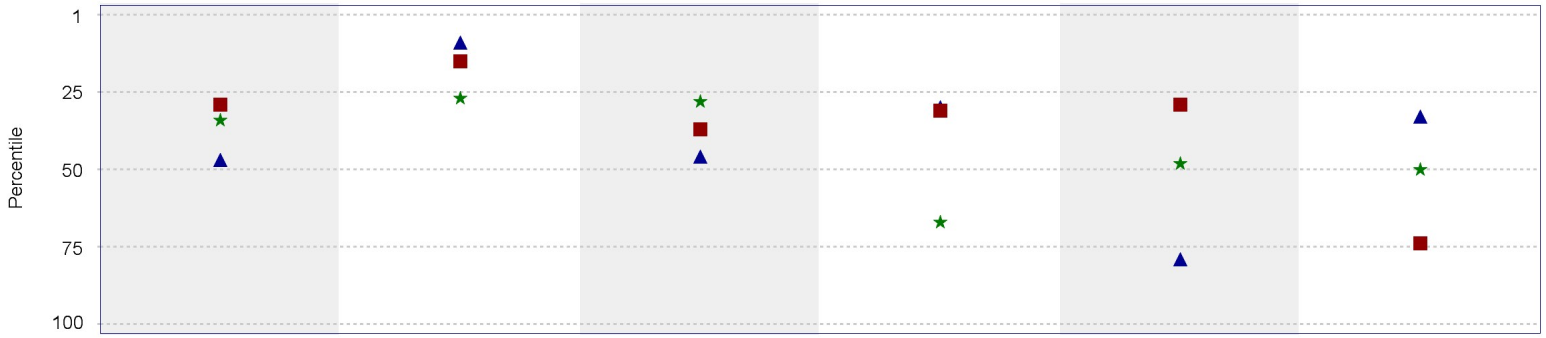
Period Ending December 31, 2011



	Current Quarter	1-Year	3-Year	5-Year	7-Year	10-Year
■ SSgA Mid Cap Index NL Class A	13.0% (42)	-1.7% (29)	19.5% (26)	3.3% (10)	5.6% (10)	7.1% (17)
★ Vanguard Mid Capitalization Index Signal	12.1% (69)	-2.0% (34)	20.0% (23)	1.3% (40)	4.7% (25)	6.7% (25)
▲ Vanguard Small Cap Index Signal	15.1% (14)	-2.7% (47)	19.3% (28)	1.9% (30)	4.5% (30)	6.7% (25)

Calendar Year Returns - Mid-Cap Blend

Period Ending December 31, 2011



	2011	2010	2009	2008	2007	2006
■ SSgA Mid Cap Index NL Class A	-1.7% (29)	26.6% (15)	37.3% (37)	-36.1% (31)	8.0% (29)	10.3% (74)
★ Vanguard Mid Capitalization Index Signal	-2.0% (34)	25.6% (27)	40.4% (28)	-41.8% (67)	6.1% (48)	13.6% (50)
▲ Vanguard Small Cap Index Signal	-2.7% (47)	27.8% (9)	36.3% (46)	-36.0% (30)	1.3% (79)	15.7% (33)

Manager Process & Review - Small-Mid Cap Index

JPMorgan Market Expansion Index Select	The Fund seeks to provide a return that substantially duplicates the price and yield performance of domestically traded common stocks in the small- and mid-cap equity markets, as represented by a market capitalization weighted combination of the Standard & Poor's SmallCap 600 Index (S&P SmallCap 600) and the Standard & Poor's MidCap 400 Index (S&P MidCap 400). The Fund pursues an "enhanced index strategy", whereby all the index stocks are not included in the fund. The Fund may also utilize securities lending.
Vanguard Extended Market Idx Signal	The Fund employs a "passive management"—or indexing—investment approach designed to track the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and medium-size U.S. companies. The S&P Completion Index contains all of the U.S. common stocks regularly traded on the New York Stock Exchange and the Nasdaq over-the-counter market, except those stocks included in the S&P 500 Index. The Fund invests all, or substantially all, of its assets in stocks of its target index, with nearly 80% of its assets invested in approximately 1,200 of the stocks in its target index (covering nearly 85% of the Index's total market capitalization), and the rest of its assets in a representative sample of the remaining stocks. The Fund may lend securities to earn income.

Portfolio Composition - Small-Mid Cap Index

	Russell 2500 Index	JPMorgan Market Exp Idx Select	Vanguard Ext Mkt Idx Signal
Sector Breakdown	**12/31/2011**	**11/30/2011**	**9/30/2011**
Consumer Discretionary	13.6%	14.5%	15.1%
Consumer Staples	3.5%	4.1%	4.4%
Energy	6.7%	6.1%	6.5%
Financials	21.2%	18.8%	19.6%
Health Care	10.6%	11.0%	12.3%
Industrials	15.6%	16.8%	14.2%
Information Tech	15.4%	17.2%	15.5%
Materials	6.5%	5.7%	6.2%
Telecom Services	1.0%	0.5%	1.6%
Utilities	5.8%	5.3%	4.7%
Total	*100.0%*	*100.0%*	*100.0%*

Market Cap	**3/31/2011**	**11/30/2011**	**9/30/2011**
Giant	0.0%	0.0%	0.0%
Large	0.4%	0.0%	4.7%
Mid	55.2%	52.1%	46.4%
Small	33.0%	39.9%	34.8%
Micro	11.5%	8.1%	14.1%
Total	*100.0%*	*100.0%*	*100.0%*

Portfolio Characteristics	**3/31/2011**	**11/30/2011**	**9/30/2011**
Number of Stocks	-	890	3025
Portfolio Turnover	N/A	78%	10%
Avg. Mkt. Cap ($Wtd., Mil)	$2,275	$2,244	$1,922
% in Top 10	-	7.5%	4.6%

Portfolio Composition - Small-Mid Cap Index

	Russell 2500 Index	JPMorgan Market Exp Idx Select	Vanguard Ext Mkt Idx Signal
Fund Information			
Investment Vehicle	N/A	Mutual Fund	Mutual Fund
Style	N/A	Small-Mid Blend	Small-Mid Blend
Process	N/A	Index, Top-down	Index, Top-down
Minimum Investment	N/A	$1,000,000	$0
Expense Ratio	N/A	0.57%	0.16%
Morningstar Avg. Exp. Ratio	N/A	1.38%	1.38%
12b-1 Fee	N/A	-	-
Ticker Symbol	N/A	PGMIX	VEMSX

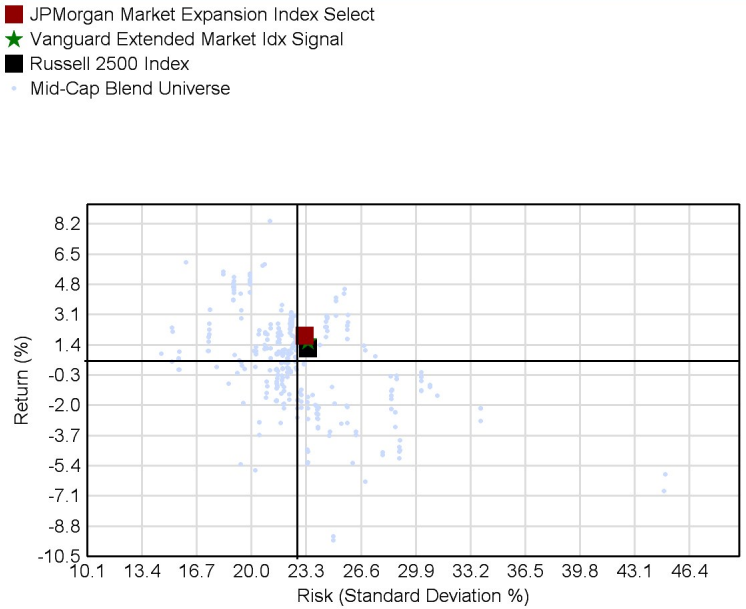
Firm Information			
Portfolio Manager(s)	N/A	Loeffler/ Iyer	Donald M. Butler
Average Manager Tenure	N/A	9.5 Years	14.0 Years
Longest Manager Tenure	N/A	11.0 Years	14.0 Years
Total Assets in Style ($Mil.)	N/A	$1,100	$17,851
Total Firm Assets ($Mil.)	N/A	$1,329,995	$1,735,356
Headquarters	N/A	New York, NY	Malvern, PA
Year Founded	N/A	1984	1975

Five-Year Performance Statistics - Mid-Cap Blend Universe

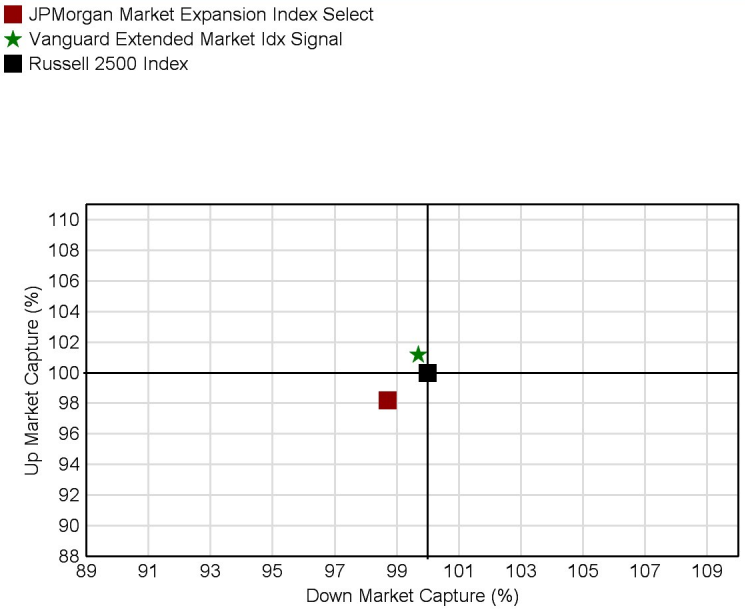
Period Ending December 31, 2011

	Russell 2500 Index	JPMorgan Market Exp Idx Select	Vanguard Ext Mkt Idx Signal
Annualized Return	1.2%	1.9%	1.6%
Percentile Rank	41	29	35
Annualized Std Dev	23.4%	23.2%	23.4%
Beta	1.00	0.99	1.00
Alpha	0.00%	0.65%	0.41%
Sharpe Ratio	-0.01	0.02	0.01
R-Squared	1.00	0.99	1.00
Information Ratio	-	0.39	0.26
Batting Average	1.00	0.53	0.47
Tracking Error	0.0%	1.7%	1.5%
Up Market Capture	100.0%	98.2%	101.2%
Down Market Capture	100.0%	98.7%	99.7%

Five-Year Risk Return

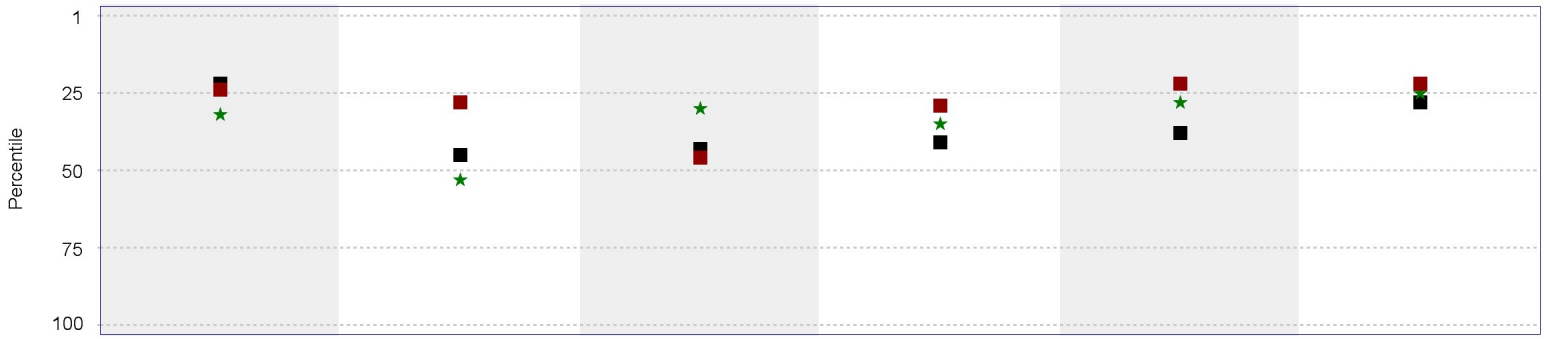


Five-Year Up/Down Market Capture



Trailing Year Returns - Mid-Cap Blend

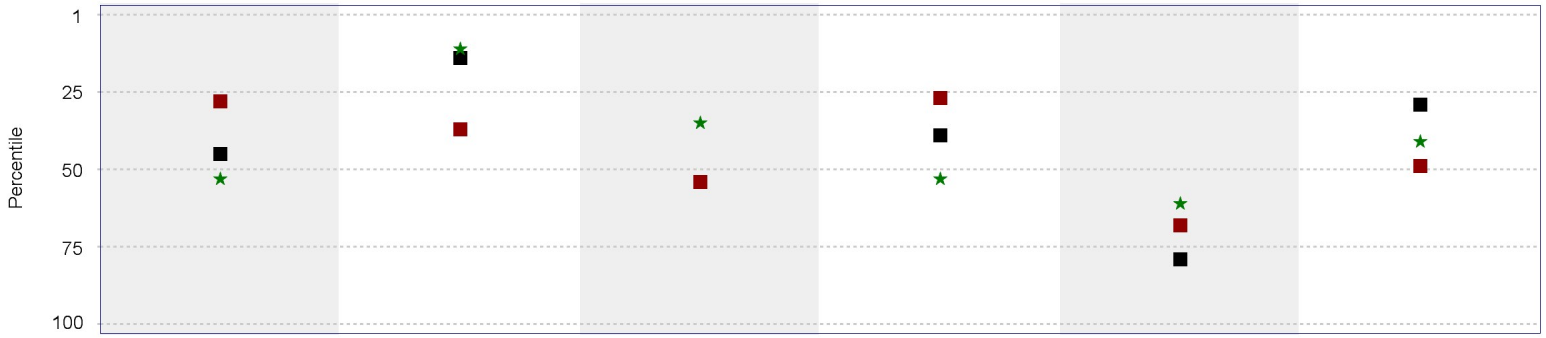
Period Ending December 31, 2011



	Current Quarter	1-Year	3-Year	5-Year	7-Year	10-Year
■ JPMorgan Market Expansion Index Select	14.4% (24)	-1.7% (28)	18.2% (46)	1.9% (29)	4.8% (22)	6.7% (22)
★ Vanguard Extended Market Idx Signal	13.6% (32)	-3.6% (53)	19.2% (30)	1.6% (35)	4.6% (28)	6.7% (25)
■ Russell 2500 Index	14.5% (22)	-2.5% (45)	18.4% (43)	1.2% (41)	4.2% (38)	6.6% (28)

Calendar Year Returns - Mid-Cap Blend

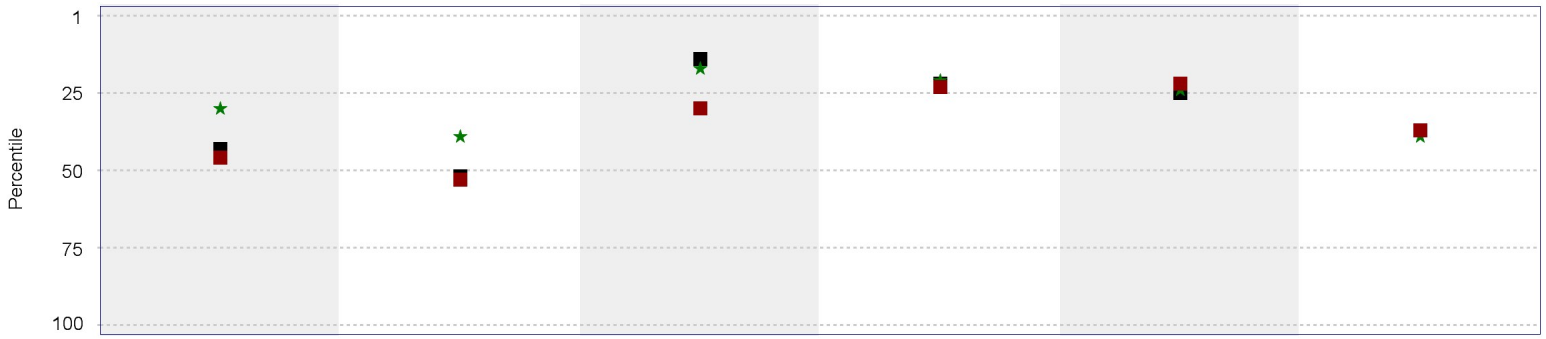
Period Ending December 31, 2011



	2011	2010	2009	2008	2007	2006
■ JPMorgan Market Expansion Index Select	-1.7% (28)	24.7% (37)	34.4% (54)	-35.4% (27)	3.3% (68)	13.6% (49)
★ Vanguard Extended Market Idx Signal	-3.6% (53)	27.5% (11)	37.6% (35)	-38.6% (53)	4.5% (61)	14.3% (41)
■ Russell 2500 Index	-2.5% (45)	26.7% (14)	34.4% (54)	-36.8% (39)	1.4% (79)	16.2% (29)

Rolling Three-Year Returns - Mid-Cap Blend

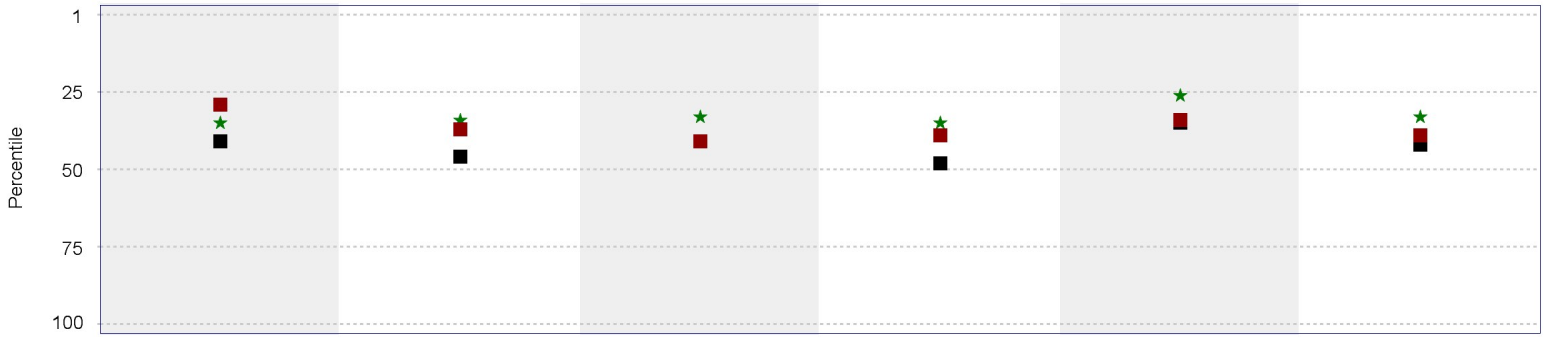
Period Ending December 31, 2011



	1Q09-4Q11	4Q08-3Q11	3Q08-2Q11	2Q08-1Q11	1Q08-4Q10	4Q07-3Q10
■ JPMorgan Market Expansion Index Select	18.2% (46)	2.2% (53)	7.0% (30)	8.8% (23)	2.7% (22)	-3.6% (37)
★ Vanguard Extended Market Idx Signal	19.2% (30)	3.1% (39)	7.7% (17)	8.9% (21)	2.5% (24)	-3.6% (39)
■ Russell 2500 Index	18.4% (43)	2.3% (52)	8.2% (14)	8.9% (22)	2.5% (25)	-3.6% (37)

Rolling Five-Year Returns - Mid-Cap Blend

Period Ending December 31, 2011



	1Q07-4Q11	4Q06-3Q11	3Q06-2Q11	2Q06-1Q11	1Q06-4Q10	4Q05-3Q10
■ JPMorgan Market Expansion Index Select	1.9% (29)	0.6% (37)	5.2% (41)	4.8% (39)	4.9% (34)	2.5% (39)
★ Vanguard Extended Market Idx Signal	1.6% (35)	0.8% (34)	5.6% (33)	4.9% (35)	5.2% (26)	2.7% (33)
■ Russell 2500 Index	1.2% (41)	0.2% (46)	5.2% (41)	4.4% (48)	4.9% (35)	2.4% (42)

4Q Ending 12/31/2011 — JPMorgan Market Expansion Index Select — PGMIX

Arnerich Massena View

- Above Expections
- Meeting Expectations
- Marginal
- Below Expectations

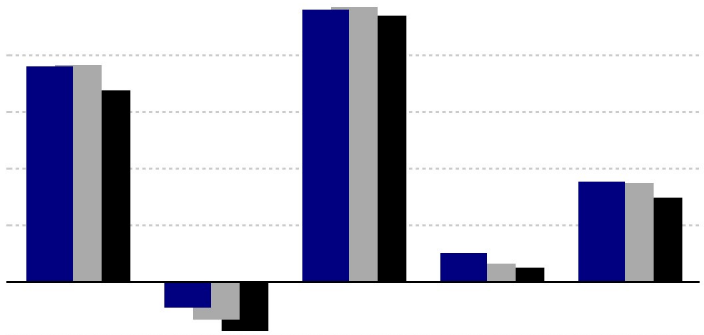
5 Year Performance | Style Consist. | Exp. Ratio | Tenure

Portfolio Information

Expense Ratio	0.57%	Asset Class	Small-Mid Blend
12b-1 Fee	N/A	Peer Group Universe	Mid-Cap Blend
Morningstar Average	1.38%	Firm Name	J.P. Morgan Asset Management
Total Assets In Strategy ($Mil.)	$1,100	Manager Name	Loeffler/Iyer
Minimum Investment	$1,000,000	Average Manager Tenure	9.5 Years

Net Historical Performance (percentile)

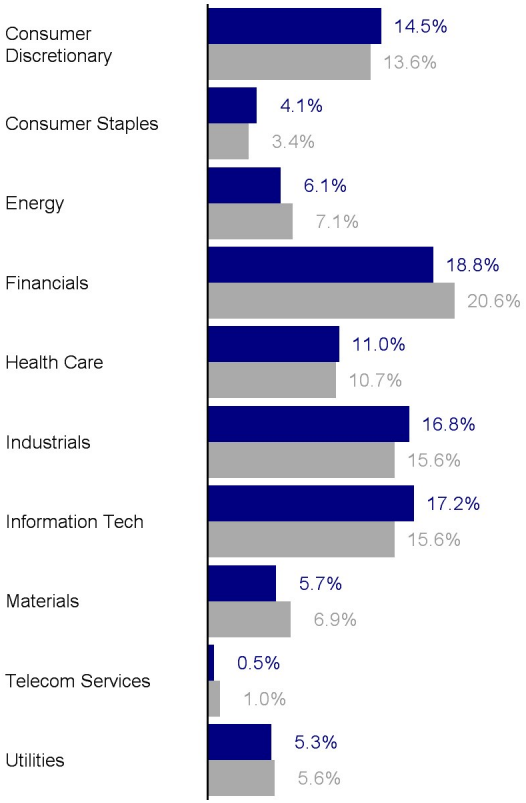
- JPMorgan Market Expansion Index Select
- Russell 2500 Index
- Mid-Cap Blend Median



Q4 11	1-Yr	3-Yr	5-Yr	10-Yr
14.4% (24)	-1.7% (28)	18.2% (46)	1.9% (29)	6.7% (22)
14.5% (22)	-2.5% (45)	18.4% (43)	1.2% (41)	6.6% (28)
12.8% (50)	-3.3% (50)	17.8% (50)	0.9% (50)	5.6% (50)

Sector Weights as of 11/30/2011

- JPMorgan Market Expansion Index Select
- Russell 2500 Index



Portfolio Characteristics as of 11/30/2011

Average Market Cap ($Mil.)	$2,244
Number of Holdings	890
Turnover Ratio %	78.0%
Market Cap Breakdown	
Giant	0.0%
Large	0.0%
Mid	52.1%
Small	39.9%
Micro	8.1%
Total	100.0%

Top Ten Holdings as of 11/30/2011

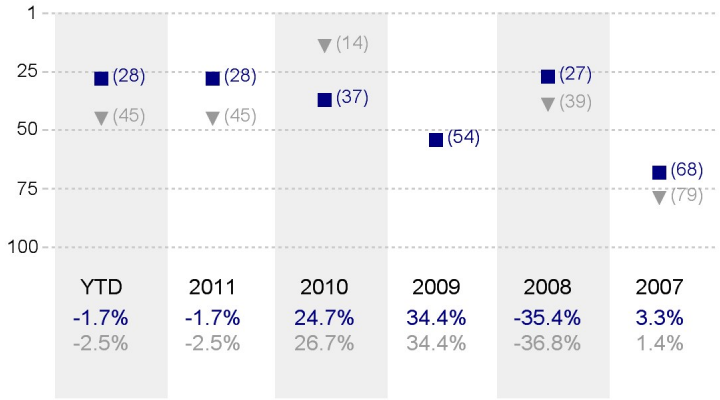
Jpmorgan Liquid Assets Money Market Fund	2.1%
Dollar Tree Stores, Inc.	0.8%
BorgWarner Inc	0.7%
Alliance Data Systems Corporation	0.7%
AGCO Corp	0.6%
Gardner Denver, Inc.	0.6%
Alliant Energy Corporation	0.6%
Questcor Pharmaceuticals, Inc.	0.6%
Kansas City Southern, Inc.	0.6%
Omnicare Inc	0.5%
Total % of Portfolio	7.5%

Year End Assets ($Mil.)

2006	$677	2009	$851
2007	$653	2010	$1,087
2008	$411	2011	$1,100

Calendar Year Performance with Peer Comparison

- JPMorgan Market Expansion Index Select
- Russell 2500 Index

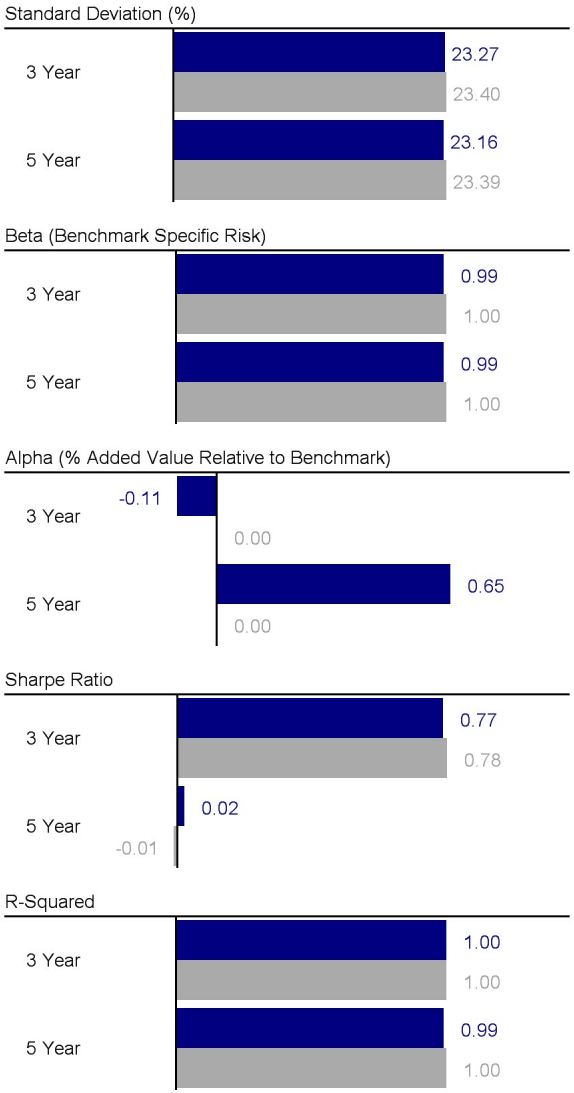


YTD	2011	2010	2009	2008	2007
-1.7%	-1.7%	24.7%	34.4%	-35.4%	3.3%
-2.5%	-2.5%	26.7%	34.4%	-36.8%	1.4%

4Q Ending 12/31/2011 — JPMorgan Market Expansion Index Select — PGMIX

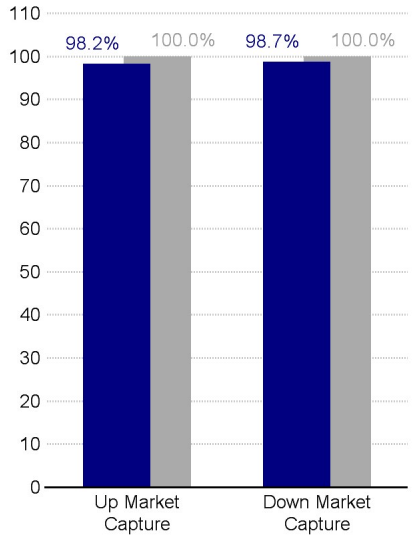
Portfolio Statistics as of 12/31/2011

■ JPMorgan Market Expansion Index Select
■ Russell 2500 Index



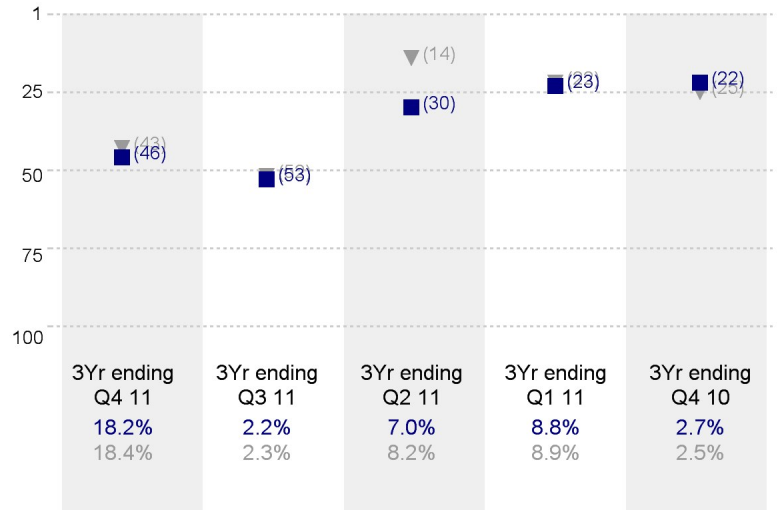
Up/Down Market Capture - 5 Year

■ JPMorgan Market Expansion Index Select
■ Russell 2500 Index



3 Year Rolling Performance with Peer Comparison

■ JPMorgan Market Expansion Index Select
▼ Russell 2500 Index

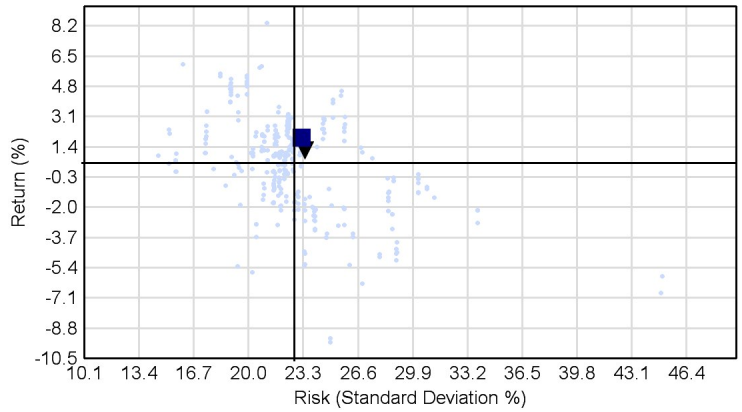


Strategy

The investment seeks to provide a return that substantially duplicates the price and yield performance of common stocks in the small- and mid-capitalization equity markets. The fund invests in stocks of medium-sized and small U.S. companies that are included in the S&P SmallCap 600 and S&P MidCap 400 and which trade on the New York and American Stock Exchanges as well as over-the-counter stocks that are part of the National Market System. It holds 80% or more of the stocks in the combined indexes in order to closely replicate the performance of the combined indexes.

Risk/Return - 5 Year

■ JPMorgan Market Expansion Index Select
▼ Russell 2500 Index
· Mid-Cap Blend Universe



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Arnerich Massena
Building Better Portfolios

4Q Ending 12/31/2011 — Vanguard Extended Market Idx Signal — VEMSX

Arnerich Massena View

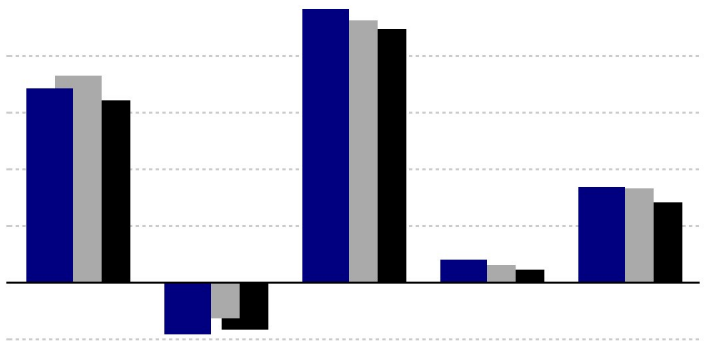
- Above Expections
- Meeting Expectations
- Marginal
- Below Expectations

5 Year Performance — Style Consist. — Exp. Ratio — Tenure

Portfolio Information

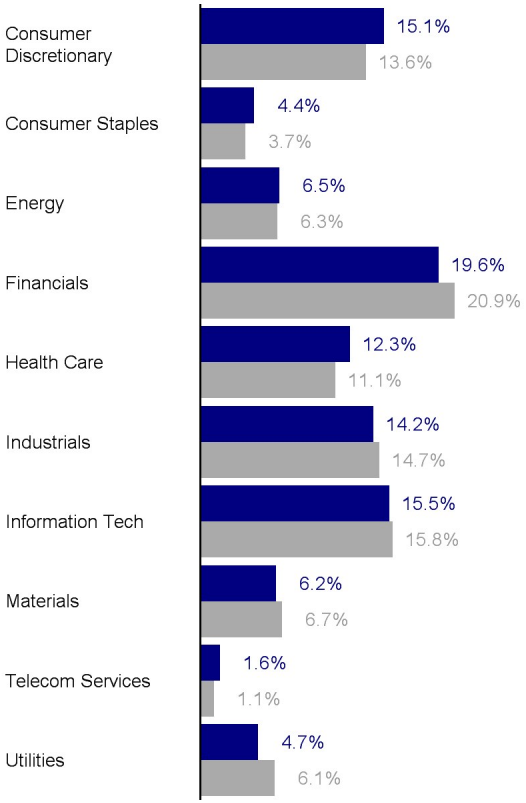
Expense Ratio	0.16%	Asset Class	Small-Mid Blend
12b-1 Fee	N/A	Peer Group Universe	Mid-Cap Blend
Morningstar Average	1.38%	Firm Name	Vanguard
Total Assets In Strategy ($Mil.)	$17,851	Manager Name	Donald M. Butler
Minimum Investment	$0	Average Manager Tenure	14.0 Years

Net Historical Performance (percentile)



	Q4 11	1-Yr	3-Yr	5-Yr	10-Yr
Vanguard Extended Market Idx Signal	13.6% (32)	-3.6% (53)	19.2% (30)	1.6% (35)	6.7% (25)
Russell 2500 Index	14.5% (22)	-2.5% (45)	18.4% (43)	1.2% (41)	6.6% (28)
Mid-Cap Blend Median	12.8% (50)	-3.3% (50)	17.8% (50)	0.9% (50)	5.6% (50)

Sector Weights as of 9/30/2011



Portfolio Characteristics as of 9/30/2011

Average Market Cap ($Mil.)	$1,922
Number of Holdings	3,025
Turnover Ratio %	10.0%
Market Cap Breakdown	
Giant	0.0%
Large	4.7%
Mid	46.4%
Small	34.8%
Micro	14.1%
Total	100.0%

Top Ten Holdings as of 9/30/2011

Las Vegas Sands Corp	0.7%
General Motors Co	0.5%
Green Mountain Coffee Roasters, Inc.	0.5%
Alexion Pharmaceuticals, Inc.	0.5%
Crown Castle International Corp	0.5%
Vertex Pharmaceuticals	0.4%
Dollar Tree Stores, Inc.	0.4%
Perrigo Company	0.4%
Bunge Ltd	0.4%
LyondellBasell Industries NV	0.3%
Total % of Portfolio	4.6%

Year End Assets ($Mil.)

2006	$12,747	2009	$12,546
2007	$13,878	2010	N/A
2008	$8,942	2011	$17,851

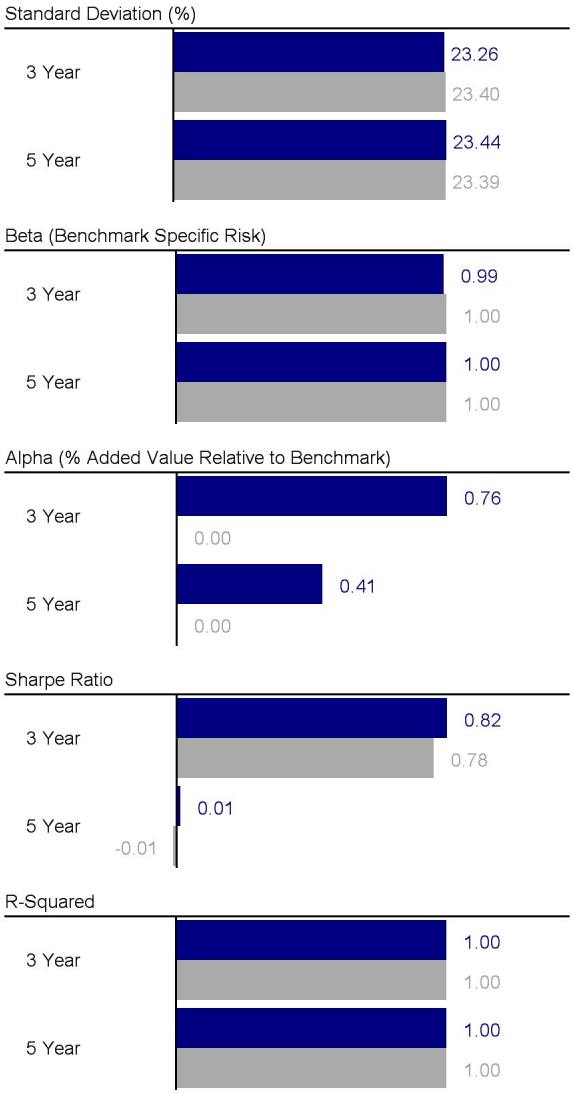
Calendar Year Performance with Peer Comparison

	YTD	2011	2010	2009	2008	2007
Vanguard Extended Market Idx Signal	-3.6%	-3.6%	27.5%	37.6%	-38.6%	4.5%
Russell 2500 Index	-2.5%	-2.5%	26.7%	34.4%	-36.8%	1.4%

4Q Ending 12/31/2011 — Vanguard Extended Market Idx Signal — VEMSX

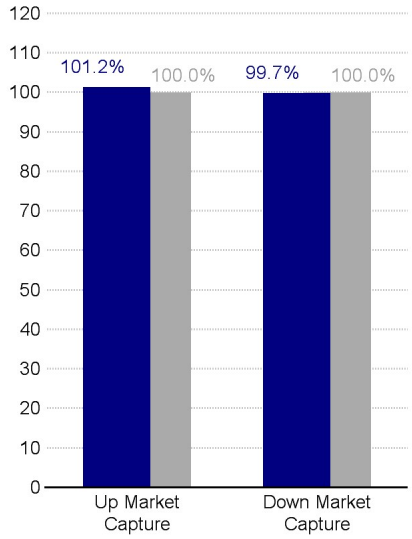
Portfolio Statistics as of 12/31/2011

■ Vanguard Extended Market Idx Signal
■ Russell 2500 Index



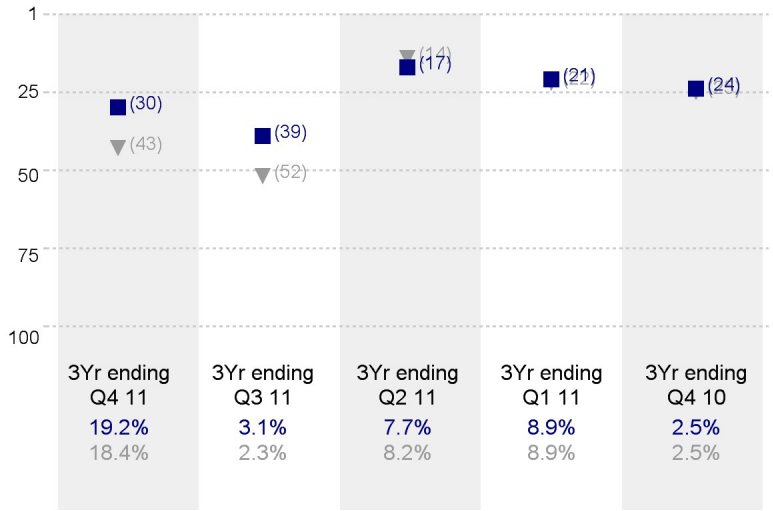
Up/Down Market Capture - 5 Year

■ Vanguard Extended Market Idx Signal
■ Russell 2500 Index



3 Year Rolling Performance with Peer Comparison

■ Vanguard Extended Market Idx Signal
▼ Russell 2500 Index



Strategy

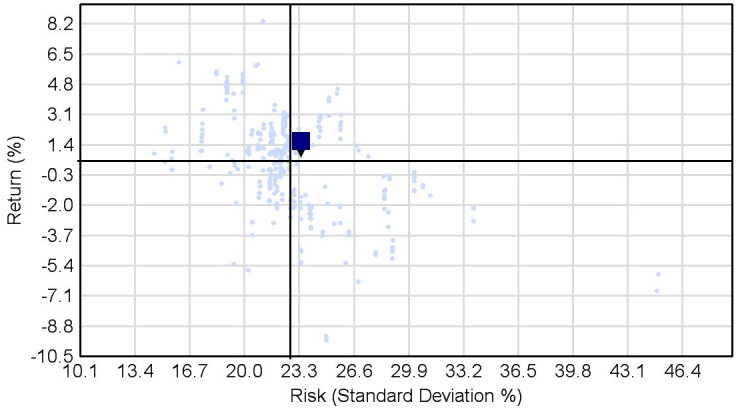
The investment seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks. The fund employs a "passive management"—or indexing—investment approach designed to track the performance of the Standard & Poor's Completion Index, a broadly diversified index of stocks of small and medium-size U.S. companies. It invests all, or substantially all, of its assets in stocks of its target index, with nearly 80% of its assets invested in approximately 1,200 of the stocks in its target index, and the rest of its assets in a representative sample of the remaining stocks.

Disclaimer

Information provided is based on the most recent data available as of the current quarter end, drawn from third-party sources believed reliable but not independently verified/guaranteed by Arnerich Massena. For educational purposes only and may not be reproduced/republished/distributed without our prior written consent. Investments/strategies discussed may not be suitable for all investors. Past performance is no guarantee of future returns. Questions/comments may be directed to your advisor.

Risk/Return - 5 Year

■ Vanguard Extended Market Idx Signal
▼ Russell 2500 Index
· Mid-Cap Blend Universe



Arnerich Massena
Building Better Portfolios

Mid Cap Value and Small Cap Value Investment Option Consolidation

	Value	Blend	Growth
Mid	▪ Columbia Mid Cap Value Opportunity R4 ▪ CRM Mid Cap Value Instl		
Small	▪ Columbia Small Cap Value II Z ▪ Keeley Small Cap Value ▪ Wells Fargo Adv Spec Small Cap Value A		

	Value	Blend	Growth
Mid	**One Small-Mid Cap Option Per Provider**		
Small			

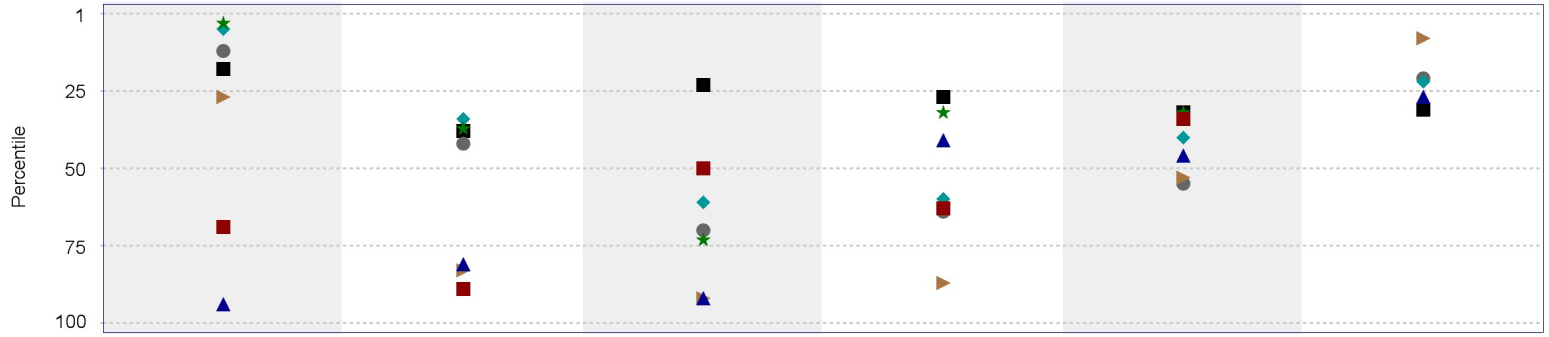
Benefits include:

- Ease of participant use
- Potential lower investment cost
- Streamlined fiduciary oversight

Current Mid Cap Value and Small Cap Value Investment Options

Trailing Year Returns - Mid-Cap Value

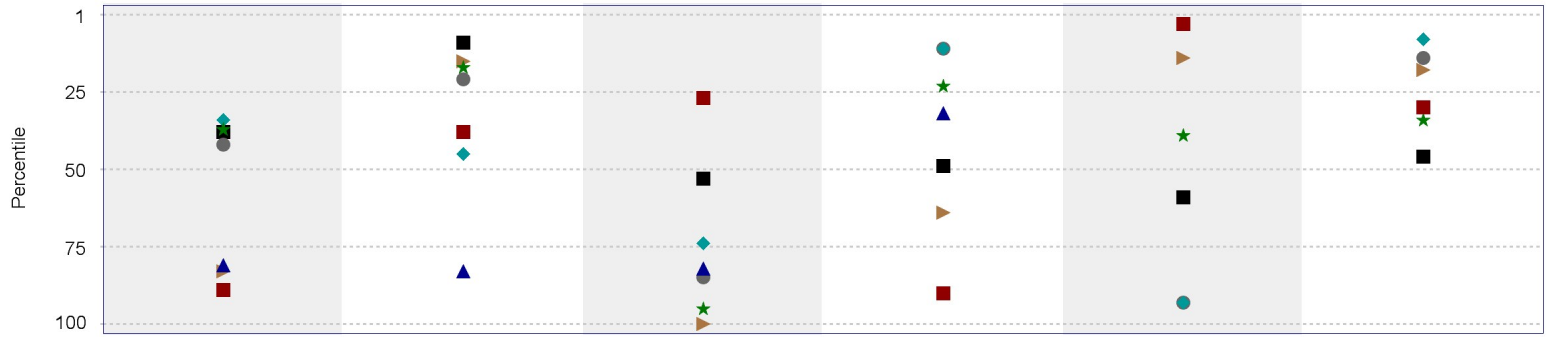
Period Ending December 31, 2011



	Current Quarter	1-Year	3-Year	5-Year	7-Year	10-Year
■ Columbia Mid Cap Value Opportunity R4	12.0% (69)	-8.3% (89)	16.4% (50)	-0.6% (63)	4.2% (34)	-
★ Columbia Small Cap Value II Z	18.2% (3)	-2.4% (37)	15.3% (73)	0.9% (32)	4.2% (32)	-
▲ CRM Mid Cap Value Instl	9.3% (94)	-6.9% (81)	12.5% (92)	0.4% (41)	3.7% (46)	6.7% (27)
► Keeley Small Cap Value	14.1% (27)	-7.3% (83)	12.4% (92)	-1.8% (87)	3.4% (53)	7.9% (8)
◆ Wells Fargo Advantage Spec SmCp Val A	17.2% (5)	-2.2% (34)	15.9% (61)	-0.5% (60)	3.9% (40)	7.1% (22)
● Russell 2500 Value Index	15.4% (12)	-3.4% (42)	15.5% (70)	-0.6% (64)	3.3% (55)	7.2% (21)
■ Russell 2500 Index	14.5% (18)	-2.5% (38)	18.4% (23)	1.2% (27)	4.2% (32)	6.6% (31)

Calendar Year Returns - Mid-Cap Value

Period Ending December 31, 2011



	2011	2010	2009	2008	2007	2006
■ Columbia Mid Cap Value Opportunity R4	-8.3% (89)	23.0% (38)	39.9% (27)	-44.3% (90)	10.5% (3)	17.1% (30)
★ Columbia Small Cap Value II Z	-2.4% (37)	25.5% (17)	25.1% (95)	-33.6% (23)	3.0% (39)	17.0% (34)
▲ CRM Mid Cap Value Instl	-6.9% (81)	18.9% (83)	28.7% (82)	-35.0% (32)	10.4% (3)	17.3% (30)
► Keeley Small Cap Value	-7.3% (83)	26.0% (15)	21.7% (100)	-40.2% (64)	7.2% (14)	19.6% (18)
◆ Wells Fargo Advantage Spec SmCp Val A	-2.2% (34)	22.6% (45)	29.9% (74)	-31.8% (11)	-8.1% (93)	21.4% (8)
● Russell 2500 Value Index	-3.4% (42)	24.8% (21)	27.7% (85)	-32.0% (11)	-7.3% (93)	20.2% (14)
■ Russell 2500 Index	-2.5% (38)	26.7% (9)	34.4% (53)	-36.8% (49)	1.4% (59)	16.2% (46)

Manager Process & Review - Small-Mid Cap Value

AllianceBern Small-Mid Cap Value I	The Fund invests primarily in a diversified portfolio of equity securities of small- to mid-capitalization U.S. companies, generally representing 60 to 125 companies. Under normal circumstances, the Fund invests at least 80% of its net assets in securities of small- to mid-capitalization companies. For purposes of this policy, small- to mid-capitalization companies are those that, at the time of investment, fall within the capitalization range between the smallest company in the Russell 2500(TM) Value Index and the greater of $5 billion or the market capitalization of the largest company in the Russell 2500 Value Index. In selecting securities for the Fund's portfolio, Bernstein uses its fundamental and quantitative research to identify companies whose long-term earnings power is not reflected in the current market price of their securities.
CRM Small/Mid Cap Value Inst	The Fund, under normal circumstances, invests at least 80% of its assets in equity and equity related securities of U.S. and non-U.S. companies with market capitalizations at the time of initial purchase within the range of those in the Russell 2500 Value Index or in the S&P Mid Cap 400 Value Index that are publicly traded on a U.S. securities market. the Adviser evaluates investment opportunities for the Fund using a proprietary value-oriented process that seeks to identify companies characterized by three attributes: change, neglect and relative valuation. The Adviser seeks to identify those changes that are material to a company's operations, outlook and prospects while also identifying companies that it believes have been neglected by other investors. The Adviser monitors each security held by the Fund to determine if the security continues to act in accordance with the Adviser's initial assessment. Ordinarily, once the Adviser believes that an investment case has realized its anticipated prospects, the security will be sold. Additionally, the security would typically be sold if the identified change does not have the expected impact on earnings and cash flow of the company or a company's fundamentals deteriorate, or due to other market conditions that would cause the Adviser to believe a sale would be advisable.
Diamond Hill Small-Mid Cap I	Diamond Hill Small-Mid Cap invests in common stocks of U.S. companies with small and medium market capitalizations that the Adviser believes are undervalued. Small and mid cap companies are defined as companies with market capitalizations at the time of purchase between $500 million and $10 billion or in the range of those market capitalizations of companies included in the Russell 2500 Index. The Adviser focuses on estimating a company's value independent of its current stock price. To estimate a company's value, the Adviser concentrates on the fundamental economic drivers of the business. The primary focus is on bottom-up analysis, which takes into consideration earnings, revenue growth, operating margins and other economic factors. The Adviser also considers the level of industry competition, regulatory factors, the threat of technological obsolescence, and a variety of other industry factors. If the Adviser's estimate of a company's value differs sufficiently from the current market price, the company may be an attractive investment opportunity. In constructing a portfolio of securities, the Adviser is not constrained by the sector or industry weights in the benchmark. The Adviser may sell a security as it reaches the Adviser's estimate of the company's value; if it believes that the company's earnings, revenue growth, operating margin or other economic factors are deteriorating or if it identifies a stock that it believes offers a better investment opportunity.

Lord Abbett Value Opportunities I	Lord Abbett Value Opportunities invests at least 65% of its net assets in equity securities of small and mid-sized companies. The remainder of the Fund's assets may be invested in companies of all capitalization ranges. The Fund attempts to invest in companies the portfolio manager believes have been undervalued by the market and are selling at reasonable prices. The Fund seeks to identify companies that have the strongest fundamentals relative to valuations and looks for positive factors that the Fund believes are likely to improve the value of the company's stock price.

Portfolio Composition - Small-Mid Cap Value

	Russell 2500 Value Index	AllianceBern Small-Mid Cap Value I	CRM Small/Mid Cap Value Inst	Diamond Hill Small-Mid Cap I	Lord Abbett Value Opportunities I
Sector Breakdown	**12/31/2011**	**12/31/2011**	**9/30/2011**	**12/31/2011**	**9/30/2011**
Consumer Discretionary	12.8%	15.5%	12.7%	9.2%	9.8%
Consumer Staples	3.2%	6.1%	2.5%	15.1%	4.3%
Energy	4.9%	4.7%	3.9%	15.5%	8.0%
Financials	33.1%	26.8%	12.5%	21.9%	14.8%
Health Care	5.4%	3.6%	9.4%	12.1%	12.1%
Industrials	14.0%	9.7%	21.6%	15.0%	17.4%
Information Tech	9.5%	17.1%	19.0%	8.6%	14.7%
Materials	5.8%	6.1%	6.6%	0.0%	12.2%
Telecom Services	0.7%	0.0%	0.0%	0.0%	0.0%
Utilities	10.6%	10.4%	11.8%	2.7%	6.7%
Total	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*

Market Cap	**3/31/2011**	**12/31/2011**	**9/30/2011**	**12/31/2011**	**9/30/2011**
Giant	0.0%	0.0%	0.0%	0.0%	0.0%
Large	0.0%	1.1%	3.4%	5.3%	3.3%
Mid	53.9%	49.6%	67.7%	67.9%	70.9%
Small	33.7%	46.7%	28.0%	20.7%	25.4%
Micro	12.4%	2.6%	0.9%	6.1%	0.5%
Total	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*

Portfolio Characteristics	**3/31/2011**	**12/31/2011**	**9/30/2011**	**12/31/2011**	**10/31/2011**
Number of Stocks	-	102	55	64	90
Portfolio Turnover	N/A	72%	97%	35%	57%
Avg. Mkt. Cap ($Wtd., Mil)	$2,172	$2,320	$3,148	$3,852	$3,283
% in Top 10	-	14.9%	28.1%	34.6%	19.4%

Portfolio Composition - Small-Mid Cap Value

	Russell 2500 Value Index	AllianceBern Small-Mid Cap Value I	CRM Small/Mid Cap Value Inst	Diamond Hill Small-Mid Cap I	Lord Abbett Value Opportunities I
Fund Information					
Investment Vehicle	N/A	Mutual Fund	Mutual Fund	Mutual Fund	Mutual Fund
Style	N/A	Small-Mid Value	Small-Mid Value	Small-Mid Value	Small-Mid Value
Process	N/A	Bottom-up, Fundamental	Bottom-up, Fundamental	Fundamental, Bottom-up	Fundamental, Bottom-up
Minimum Investment	N/A	$2,000,000	$1,000,000	$50,000	$1,000,000
Expense Ratio	N/A	0.85%	0.87%	1.03%	0.99%
Morningstar Avg. Exp. Ratio	N/A	1.39%	1.39%	1.39%	1.39%
12b-1 Fee	N/A	-	-	-	-
Ticker Symbol	N/A	ABSIX	CRIAX	DHMIX	LVOYX

Firm Information					
Portfolio Manager(s)	N/A	Team Managed	Team Managed	Team Managed	Maher/ Maurer
Average Manager Tenure	N/A	7.2 Years	7.4 Years	5.3 Years	5.0 Years
Longest Manager Tenure	N/A	9.3 Years	7.4 Years	6.2 Years	6.0 Years
Total Assets in Style ($Mil.)	N/A	$1,580	$2,873	$277	$3,144
Total Firm Assets ($Mil.)	N/A	$405,897	$12,483	$8,662	$107,444
Headquarters	N/A	New York	New York, NY	Columbus, OH	Jersey City, NJ
Year Founded	N/A	1971	1973	2000	1929

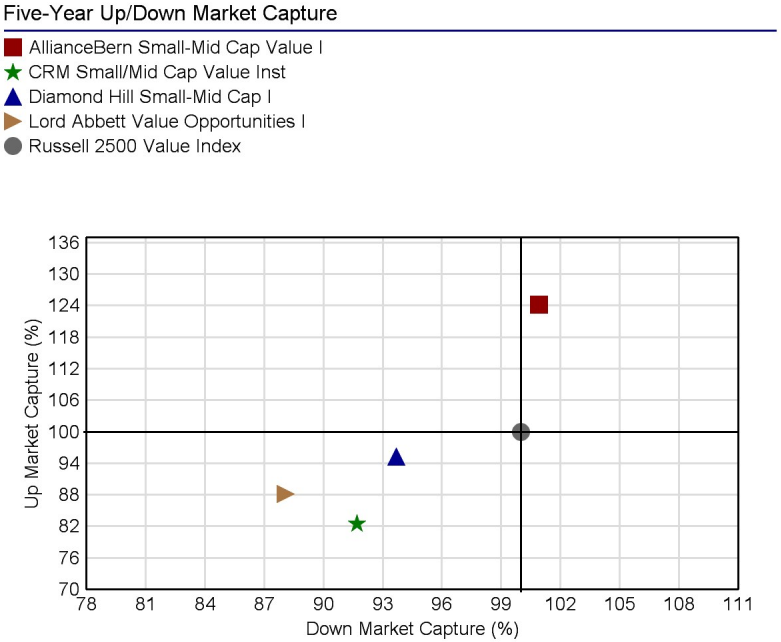
Five-Year Performance Statistics - Mid-Cap Value Universe

Period Ending December 31, 2011

	Russell 2500 Value Index	AllianceBern Small-Mid Cap Value I	CRM Small/Mid Cap Value Inst	Diamond Hill Small-Mid Cap I	Lord Abbett Value Opportunities I
Annualized Return	-0.6%	2.2%	2.2%	3.2%	5.4%
Percentile Rank	64	15	15	8	1
Annualized Std Dev	23.5%	25.9%	20.5%	22.8%	19.9%
Beta	1.00	1.08	0.83	0.94	0.82
Alpha	0.00%	3.33%	2.29%	3.69%	5.34%
Sharpe Ratio	-0.08	0.03	0.04	0.08	0.20
R-Squared	1.00	0.97	0.90	0.94	0.94
Information Ratio	-	0.56	0.37	0.65	0.94
Batting Average	1.00	0.57	0.53	0.58	0.62
Tracking Error	0.0%	4.9%	7.6%	5.8%	6.4%
Up Market Capture	100.0%	124.2%	82.5%	95.3%	88.1%
Down Market Capture	100.0%	100.9%	91.7%	93.7%	88.1%

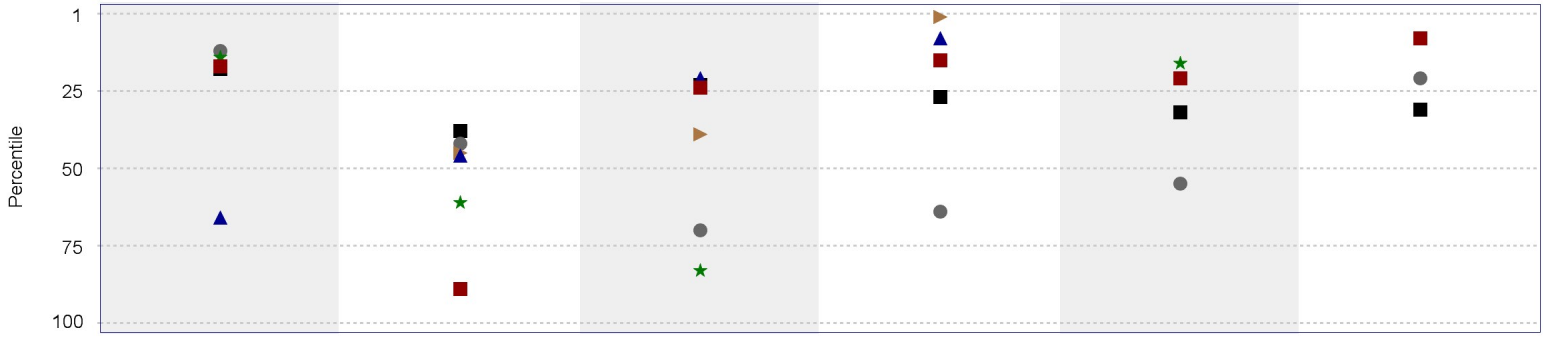
Five-Year Risk Return

Five-Year Up/Down Market Capture



Trailing Year Returns - Mid-Cap Value

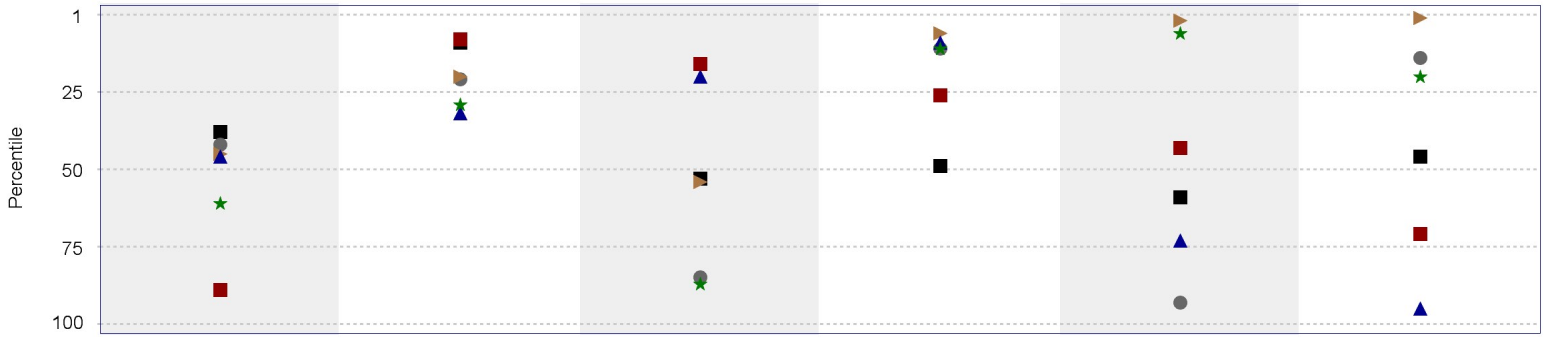
Period Ending December 31, 2011



	Current Quarter	1-Year	3-Year	5-Year	7-Year	10-Year
■ AllianceBern Small-Mid Cap Value I	14.5% (17)	-8.2% (89)	18.4% (24)	2.2% (15)	4.7% (21)	7.9% (8)
★ CRM Small/Mid Cap Value Inst	15.0% (14)	-5.2% (61)	14.4% (83)	2.2% (15)	5.2% (16)	-
▲ Diamond Hill Small-Mid Cap I	12.0% (66)	-3.9% (46)	18.8% (21)	3.2% (8)	-	-
► Lord Abbett Value Opportunities I	14.6% (17)	-3.8% (45)	17.3% (39)	5.4% (1)	-	-
● Russell 2500 Value Index	15.4% (12)	-3.4% (42)	15.5% (70)	-0.6% (64)	3.3% (55)	7.2% (21)
■ Russell 2500 Index	14.5% (18)	-2.5% (38)	18.4% (23)	1.2% (27)	4.2% (32)	6.6% (31)

Calendar Year Returns - Mid-Cap Value

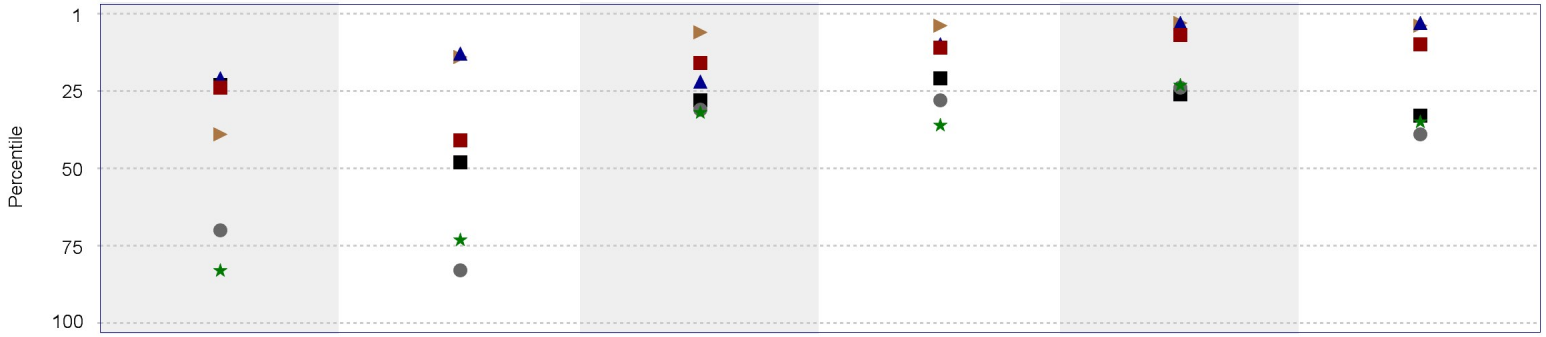
Period Ending December 31, 2011



	2011	2010	2009	2008	2007	2006
■ AllianceBern Small-Mid Cap Value I	-8.2% (89)	26.9% (8)	42.3% (16)	-34.4% (26)	2.5% (43)	14.0% (71)
★ CRM Small/Mid Cap Value Inst	-5.2% (61)	24.0% (29)	27.5% (87)	-31.4% (11)	8.5% (6)	19.4% (20)
▲ Diamond Hill Small-Mid Cap I	-3.9% (46)	23.4% (32)	41.4% (20)	-29.8% (9)	-0.4% (73)	10.2% (95)
► Lord Abbett Value Opportunities I	-3.8% (45)	24.9% (20)	34.3% (54)	-27.5% (6)	11.3% (2)	29.4% (1)
● Russell 2500 Value Index	-3.4% (42)	24.8% (21)	27.7% (85)	-32.0% (11)	-7.3% (93)	20.2% (14)
■ Russell 2500 Index	-2.5% (38)	26.7% (9)	34.4% (53)	-36.8% (49)	1.4% (59)	16.2% (46)

Rolling Three-Year Returns - Mid-Cap Value

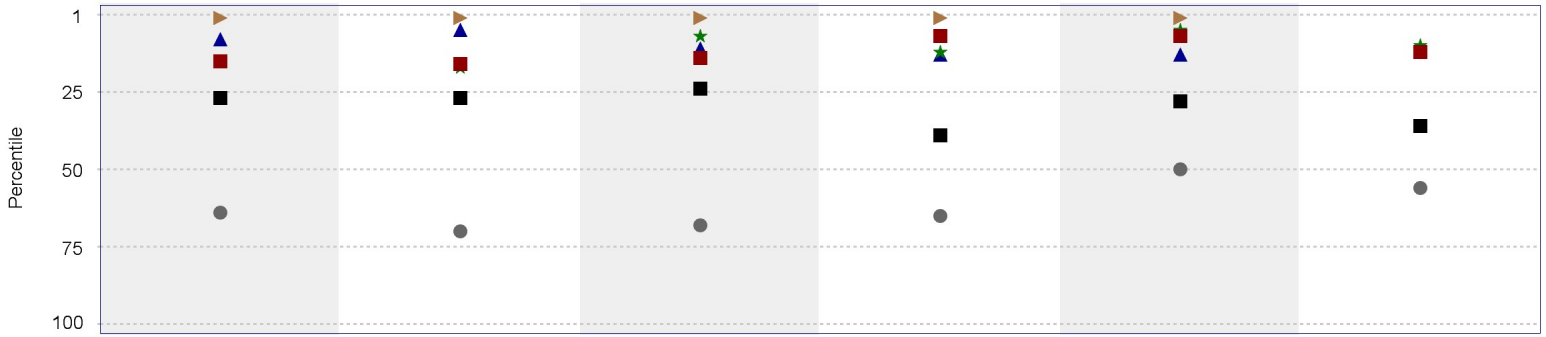
Period Ending December 31, 2011



	1Q09-4Q11	4Q08-3Q11	3Q08-2Q11	2Q08-1Q11	1Q08-4Q10	4Q07-3Q10
■ AllianceBern Small-Mid Cap Value I	18.4% (24)	2.6% (41)	9.8% (16)	9.9% (11)	5.8% (7)	-0.8% (10)
★ CRM Small/Mid Cap Value Inst	14.4% (83)	1.0% (73)	7.6% (32)	7.3% (36)	2.8% (23)	-3.7% (35)
▲ Diamond Hill Small-Mid Cap I	18.8% (21)	4.4% (13)	9.2% (22)	10.2% (10)	7.0% (3)	1.8% (3)
► Lord Abbett Value Opportunities I	17.3% (39)	4.3% (14)	11.9% (6)	12.3% (4)	6.7% (3)	1.1% (4)
● Russell 2500 Value Index	15.5% (70)	0.1% (83)	7.9% (31)	7.9% (28)	2.7% (24)	-4.0% (39)
■ Russell 2500 Index	18.4% (23)	2.3% (48)	8.2% (28)	8.9% (21)	2.5% (26)	-3.6% (33)

Rolling Five-Year Returns - Mid-Cap Value

Period Ending December 31, 2011



	1Q07-4Q11	4Q06-3Q11	3Q06-2Q11	2Q06-1Q11	1Q06-4Q10	4Q05-3Q10
■ AllianceBern Small-Mid Cap Value I	2.2% (15)	1.1% (16)	6.2% (14)	6.7% (7)	6.7% (7)	4.4% (12)
★ CRM Small/Mid Cap Value Inst	2.2% (15)	1.0% (17)	7.2% (7)	6.2% (12)	7.0% (5)	4.6% (10)
▲ Diamond Hill Small-Mid Cap I	3.2% (8)	2.5% (5)	6.3% (11)	6.1% (13)	6.1% (13)	-
► Lord Abbett Value Opportunities I	5.4% (1)	3.9% (1)	9.4% (1)	10.0% (1)	11.9% (1)	-
● Russell 2500 Value Index	-0.6% (64)	-1.7% (70)	3.5% (68)	3.3% (65)	3.8% (50)	1.4% (56)
■ Russell 2500 Index	1.2% (27)	0.2% (27)	5.2% (24)	4.4% (39)	4.9% (28)	2.4% (36)

4Q Ending 12/31/2011 — AllianceBern Small-Mid Cap Value I — ABSIX

Arnerich Massena View

- Above Expections
- Meeting Expectations
- Marginal
- Below Expectations

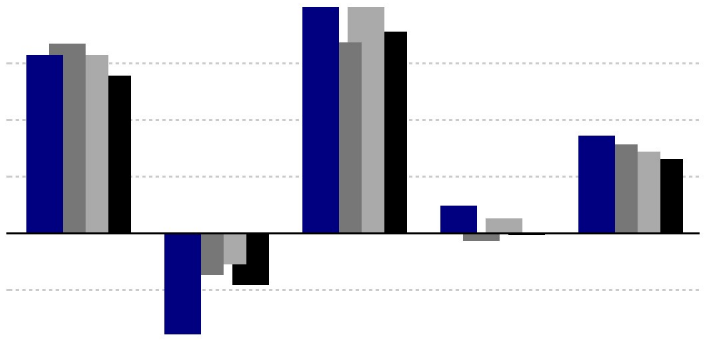
5 Year Performance ● Style Consist. ▼ Exp. Ratio ● Tenure ●

Portfolio Information

Expense Ratio	0.85%	Asset Class	Small-Mid Cap
12b-1 Fee	N/A	Peer Group Universe	Mid-Cap Value
Morningstar Average	1.39%	Firm Name	Alliance Capital Management, LP
Total Assets In Strategy ($Mil.)	$1,409	Manager Name	Team Managed
Minimum Investment	$2,000,000	Average Manager Tenure	7.2 Years

Net Historical Performance (percentile)

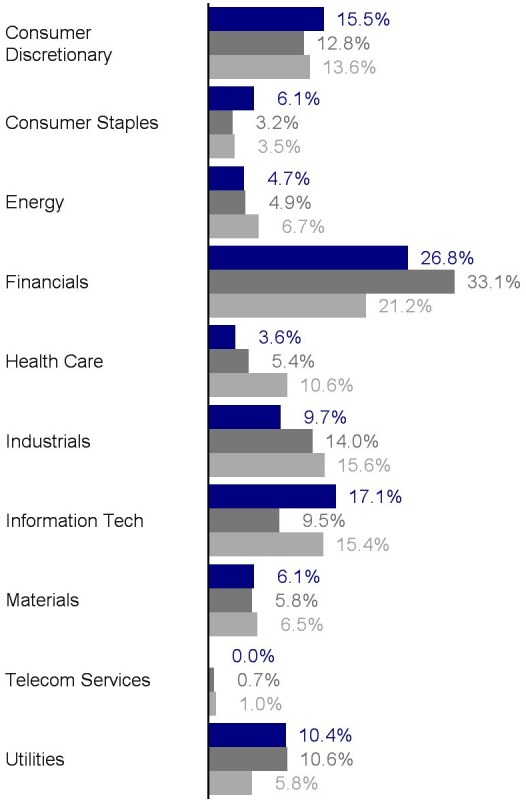
- AllianceBern Small-Mid Cap Value I
- Russell 2500 Value Index
- Russell 2500 Index
- Mid-Cap Value Median



	Q4 11	1-Yr	3-Yr	5-Yr	10-Yr
AllianceBern Small-Mid Cap Value I	14.5% (17)	-8.2% (89)	18.4% (24)	2.2% (15)	7.9% (8)
Russell 2500 Value Index	15.4% (12)	-3.4% (42)	15.5% (70)	-0.6% (64)	7.2% (21)
Russell 2500 Index	14.5% (18)	-2.5% (38)	18.4% (23)	1.2% (27)	6.6% (31)
Mid-Cap Value Median	12.8% (50)	-4.2% (50)	16.4% (50)	-0.1% (50)	6.0% (50)

Sector Weights as of 12/31/2011

- AllianceBern Small-Mid Cap Value I
- Russell 2500 Value Index
- Russell 2500 Index



Portfolio Characteristics as of 12/31/2011

Average Market Cap ($Mil.)	$2,320
Number of Holdings	102
Turnover Ratio %	72.0%
Market Cap Breakdown	
Giant	0.0%
Large	1.1%
Mid	49.6%
Small	46.7%
Micro	2.6%
Total	100.0%

Top Ten Holdings as of 11/30/2011

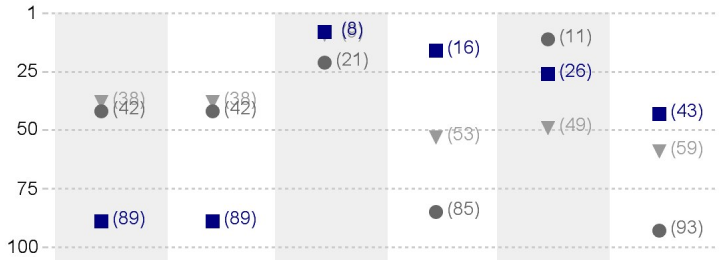
Alliancebernstein Fixed-Income Shares, Inc. - Government Stif Por	2.3%
Avnet Inc	1.5%
Comerica Inc	1.5%
Health Net Inc	1.4%
Reliance Steel and Aluminum	1.4%
UGI Corporation	1.4%
Arrow Electronics Inc	1.4%
Dean Foods Company	1.4%
Platinum Underwriters Holdings, Ltd.	1.4%
Bristow Group, Inc.	1.4%
Total % of Portfolio	14.9%

Year End Assets ($Mil.)

2006	N/A	2009	N/A
2007	N/A	2010	N/A
2008	N/A	2011	$1,356

Calendar Year Performance with Peer Comparison

- AllianceBern Small-Mid Cap Value I
- Russell 2500 Value Index
- Russell 2500 Index

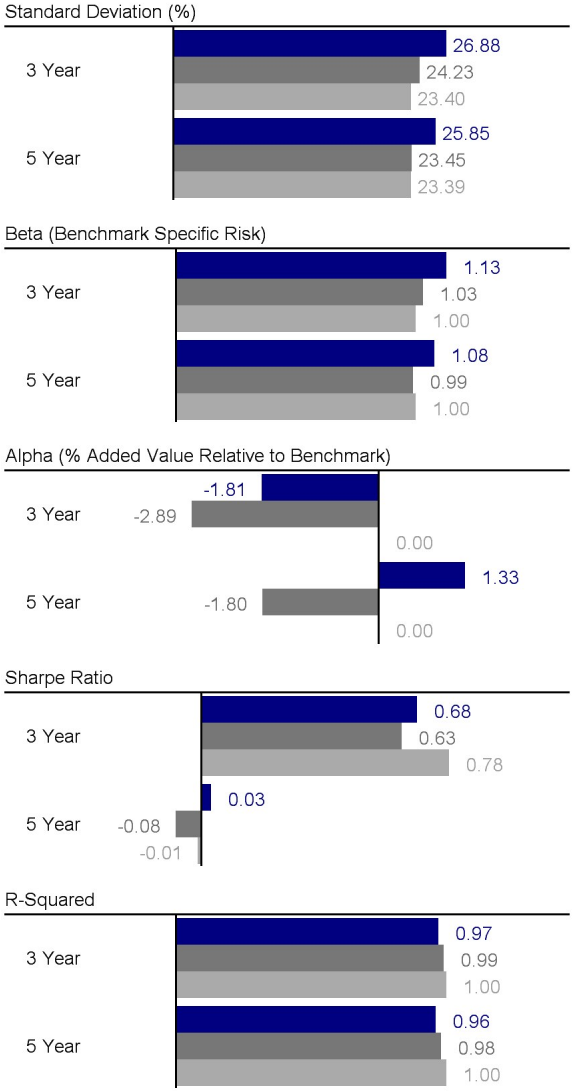


	YTD	2011	2010	2009	2008	2007
AllianceBern Small-Mid Cap Value I	-8.2%	-8.2%	26.9%	42.3%	-34.4%	2.5%
Russell 2500 Value Index	-3.4%	-3.4%	24.8%	27.7%	-32.0%	-7.3%
Russell 2500 Index	-2.5%	-2.5%	26.7%	34.4%	-36.8%	1.4%

4Q Ending 12/31/2011 — AllianceBern Small-Mid Cap Value I — ABSIX

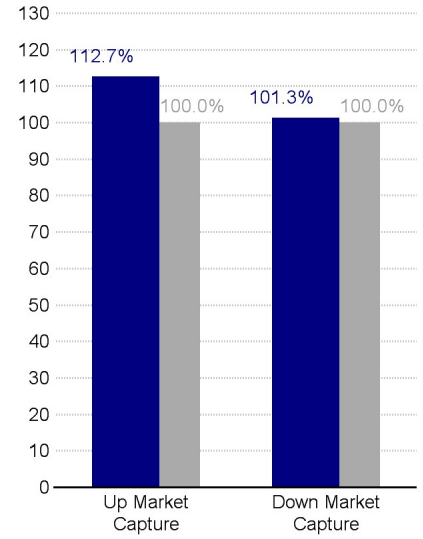
Portfolio Statistics as of 12/31/2011

- AllianceBern Small-Mid Cap Value I
- Russell 2500 Value Index
- Russell 2500 Index



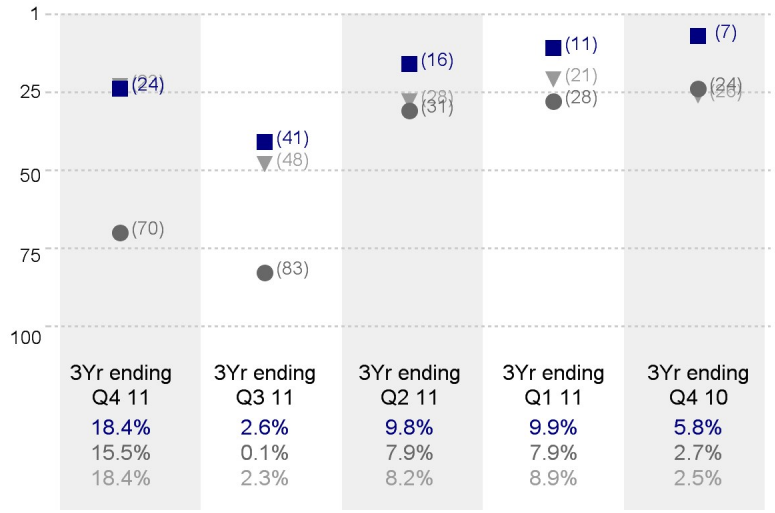
Up/Down Market Capture - 5 Year

- AllianceBern Small-Mid Cap Value I
- Russell 2500 Index



3 Year Rolling Performance with Peer Comparison

- AllianceBern Small-Mid Cap Value I
- Russell 2500 Value Index
- Russell 2500 Index



Strategy

The investment seeks long-term growth of capital. The fund invests primarily in a diversified portfolio of equity securities of small- to mid-capitalization U.S. companies, generally representing 60 to 125 companies. It normally invests at least 80% of net assets in securities of small- to mid-capitalization companies, which, at the time of investment, fall within the capitalization range between the smallest company in the Russell 2500(TM) Value Index and the greater of $5 billion or the market capitalization of the largest company in the Russell 2500(TM) Value Index.

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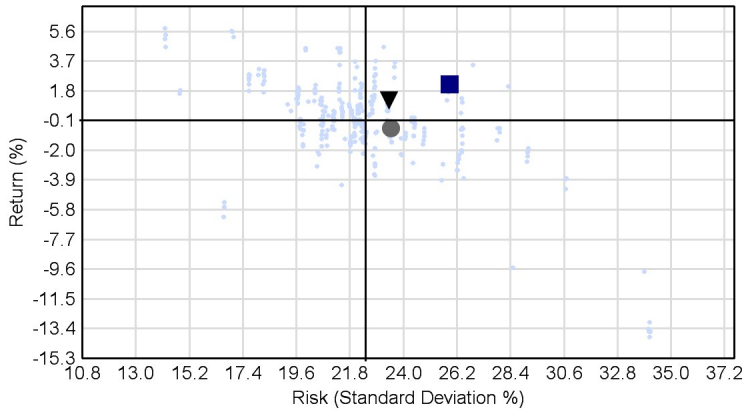
Risk/Return - 5 Year

- AllianceBern Small-Mid Cap Value I
- Russell 2500 Value Index
- Russell 2500 Index
- Mid-Cap Value Universe



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4Q Ending 12/31/2011 — CRM Small/Mid Cap Value Inst — CRIAX

Arnerich Massena View

- Above Expections
- Meeting Expectations
- Marginal
- Below Expectations

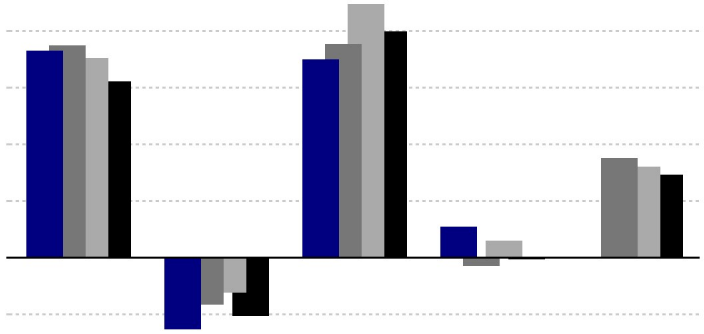
5 Year Performance: Above Expections
Style Consist.: Marginal
Exp. Ratio: Above Expections
Tenure: Above Expections

Portfolio Information

Expense Ratio	0.87%	Asset Class	Small-Mid Cap
12b-1 Fee	N/A	Peer Group Universe	Mid-Cap Value
Morningstar Average	1.39%	Firm Name	Cramer Rosenthal McGlynn, LLC
Total Assets In Strategy ($Mil.)	$746	Manager Name	Team Managed
Minimum Investment	$1,000,000	Average Manager Tenure	7.4 Years

Net Historical Performance (percentile)

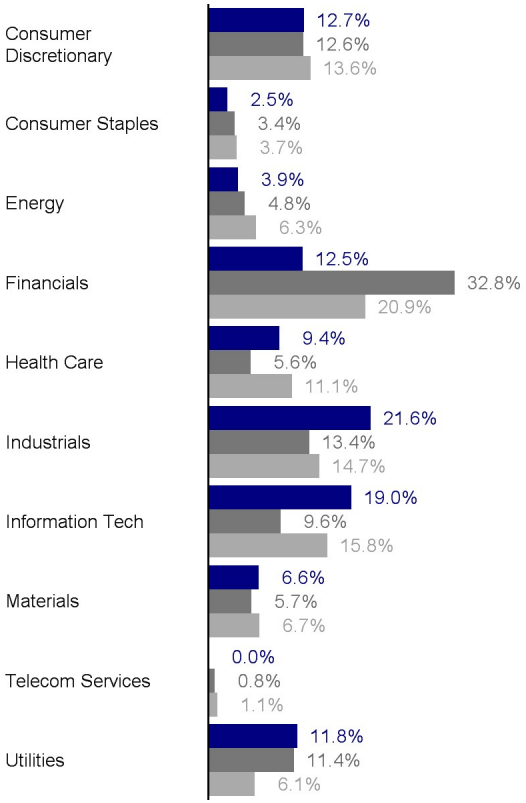
- CRM Small/Mid Cap Value Inst
- Russell 2500 Value Index
- Russell 2500 Index
- Mid-Cap Value Median



Q4 11	1-Yr	3-Yr	5-Yr	10-Yr
15.0% (14)	-5.2% (61)	14.4% (83)	2.2% (15)	-
15.4% (12)	-3.4% (42)	15.5% (70)	-0.6% (64)	7.2% (21)
14.5% (18)	-2.5% (38)	18.4% (23)	1.2% (27)	6.6% (31)
12.8% (50)	-4.2% (50)	16.4% (50)	-0.1% (50)	6.0% (50)

Sector Weights as of 9/30/2011

- CRM Small/Mid Cap Value Inst
- Russell 2500 Value Index
- Russell 2500 Index



Portfolio Characteristics as of 9/30/2011

Average Market Cap ($Mil.)	$3,148
Number of Holdings	55
Turnover Ratio %	97.0%
Market Cap Breakdown	
Giant	0.0%
Large	3.4%
Mid	67.7%
Small	28.0%
Micro	0.9%
Total	100.0%

Top Ten Holdings as of 9/30/2011

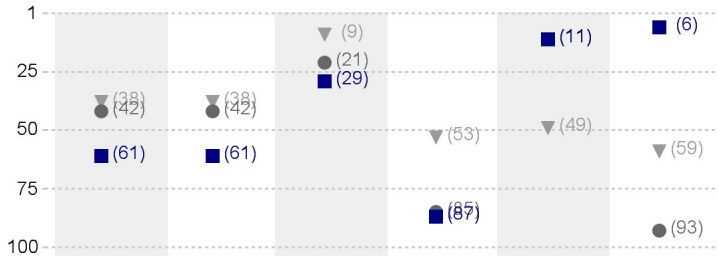
Cigna Corp	3.2%
Stanley Black & Decker Inc	3.2%
Biomarin Pharmaceutical, Inc.	2.9%
Cooper Companies	2.9%
Pall Corporation	2.8%
American Water Works Co Inc	2.8%
BMC Software, Inc.	2.8%
NV Energy Inc	2.6%
Dun & Bradstreet Corporation	2.5%
Cytec Industries	2.5%
Total % of Portfolio	28.1%

Year End Assets ($Mil.)

2006	N/A	2009	N/A
2007	N/A	2010	N/A
2008	N/A	2011	$746

Calendar Year Performance with Peer Comparison

- CRM Small/Mid Cap Value Inst
- Russell 2500 Value Index
- Russell 2500 Index

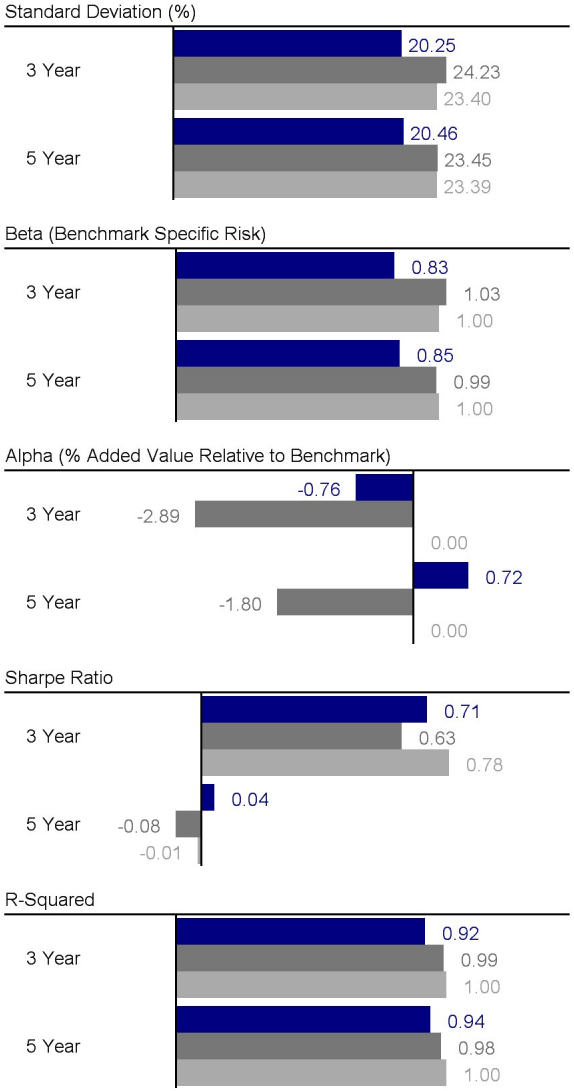


YTD	2011	2010	2009	2008	2007
-5.2%	-5.2%	24.0%	27.5%	-31.4%	8.5%
-3.4%	-3.4%	24.8%	27.7%	-32.0%	-7.3%
-2.5%	-2.5%	26.7%	34.4%	-36.8%	1.4%

4Q Ending 12/31/2011 — CRM Small/Mid Cap Value Inst — CRIAX

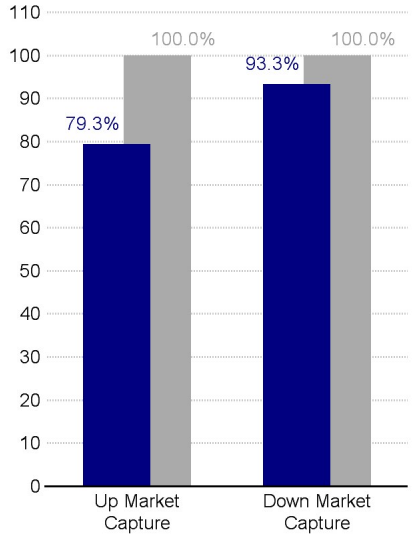
Portfolio Statistics as of 12/31/2011

- CRM Small/Mid Cap Value Inst
- Russell 2500 Value Index
- Russell 2500 Index



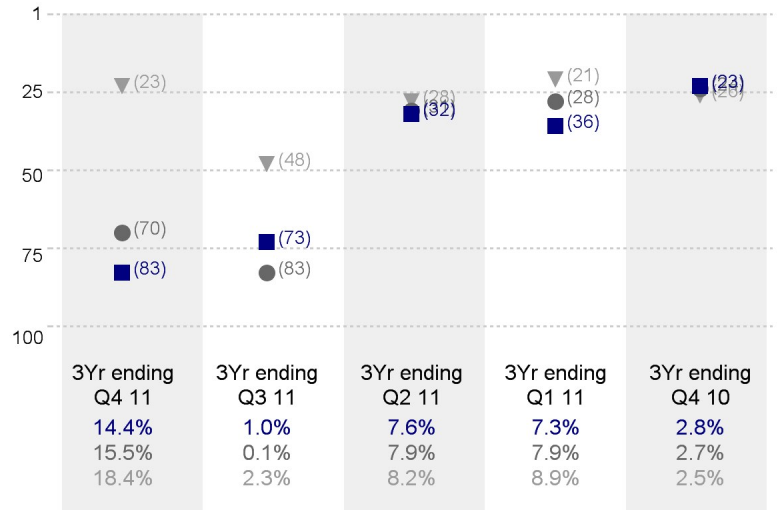
Up/Down Market Capture - 5 Year

- CRM Small/Mid Cap Value Inst
- Russell 2500 Index



3 Year Rolling Performance with Peer Comparison

- CRM Small/Mid Cap Value Inst
- Russell 2500 Value Index
- Russell 2500 Index



Strategy

The investment seeks long-term capital appreciation. The fund normally invests at least 80% of assets in a diversified portfolio of equity and equity related securities of U.S. and non-U.S. companies with market capitalizations at the time of initial purchase similar to those in the Russell 2500 Value Index or in the S&P Mid-Cap 400/Citigroup Value Index. The equity and equity related securities include: common and preferred stocks; securities convertible into common stock; and warrants on common stock.

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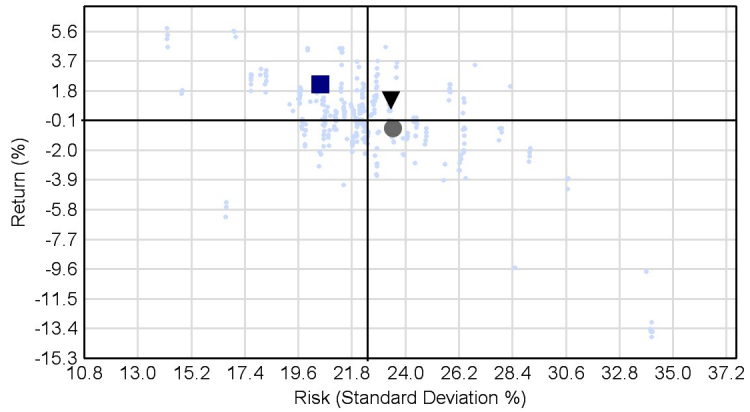
Risk/Return - 5 Year

- CRM Small/Mid Cap Value Inst
- Russell 2500 Value Index
- Russell 2500 Index
- Mid-Cap Value Universe



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4Q Ending 12/31/2011 — Diamond Hill Small-Mid Cap I — DHMIX

Arnerich Massena View

- Above Expections
- Meeting Expectations
- Marginal
- Below Expectations

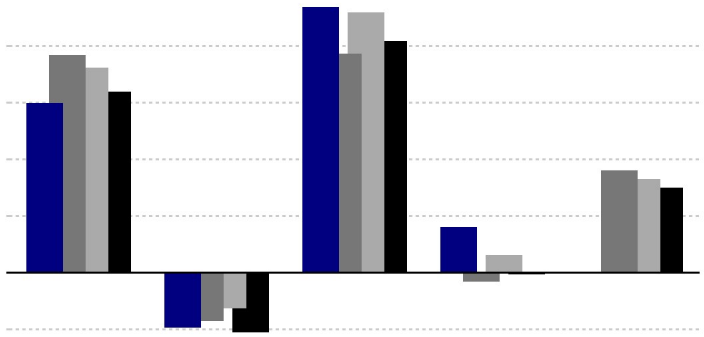
5 Year Performance ● Style Consist. ▼ Exp. Ratio ● Tenure ●

Portfolio Information

Expense Ratio	1.03%	Asset Class	Small-Mid Cap
12b-1 Fee	N/A	Peer Group Universe	Mid-Cap Value
Morningstar Average	1.39%	Firm Name	Diamond Hill
Total Assets In Strategy ($Mil.)	$73	Manager Name	Team Managed
Minimum Investment	$50,000	Average Manager Tenure	5.3 Years

Net Historical Performance (percentile)

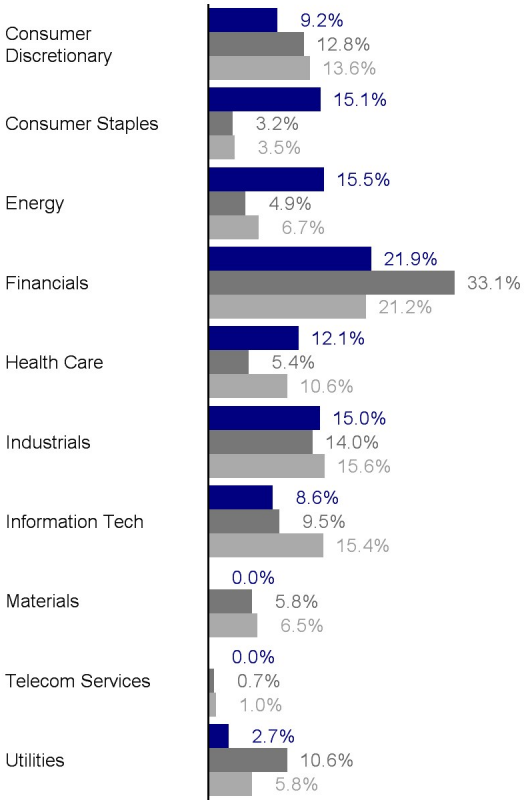
- Diamond Hill Small-Mid Cap I
- Russell 2500 Value Index
- Russell 2500 Index
- Mid-Cap Value Median



	Q4 11	1-Yr	3-Yr	5-Yr	10-Yr
Diamond Hill Small-Mid Cap I	12.0% (66)	-3.9% (46)	18.8% (21)	3.2% (8)	-
Russell 2500 Value Index	15.4% (12)	-3.4% (42)	15.5% (70)	-0.6% (64)	7.2% (21)
Russell 2500 Index	14.5% (18)	-2.5% (38)	18.4% (23)	1.2% (27)	6.6% (31)
Mid-Cap Value Median	12.8% (50)	-4.2% (50)	16.4% (50)	-0.1% (50)	6.0% (50)

Sector Weights as of 12/31/2011

- Diamond Hill Small-Mid Cap I
- Russell 2500 Value Index
- Russell 2500 Index



Portfolio Characteristics as of 12/31/2011

Average Market Cap ($Mil.)	$3,852
Number of Holdings	64
Turnover Ratio %	35.0%
Market Cap Breakdown	
Giant	0.0%
Large	5.3%
Mid	67.9%
Small	20.7%
Micro	6.1%
Total	100.0%

Top Ten Holdings as of 11/30/2011

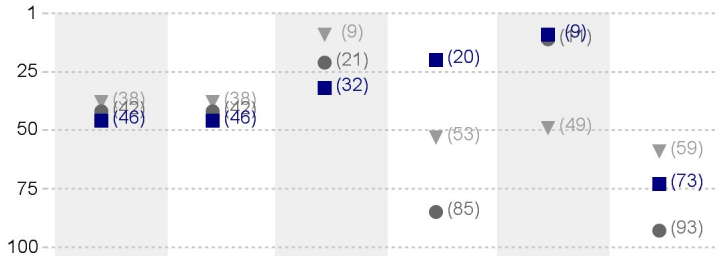
Noble Energy Inc	4.7%
ConAgra Foods, Inc.	4.1%
Dover Corporation	3.8%
Quest Diagnostics Inc	3.6%
Cimarex Energy Company	3.4%
Assured Guaranty Ltd	3.4%
Assurant Inc	3.3%
Forest Laboratories, Inc.	3.2%
Energizer Holdings, Inc.	2.9%
Denbury Resources Inc	2.4%
Total % of Portfolio	34.6%

Year End Assets ($Mil.)

2006	N/A	2009	N/A
2007	N/A	2010	N/A
2008	N/A	2011	$69

Calendar Year Performance with Peer Comparison

- Diamond Hill Small-Mid Cap I
- Russell 2500 Value Index
- Russell 2500 Index

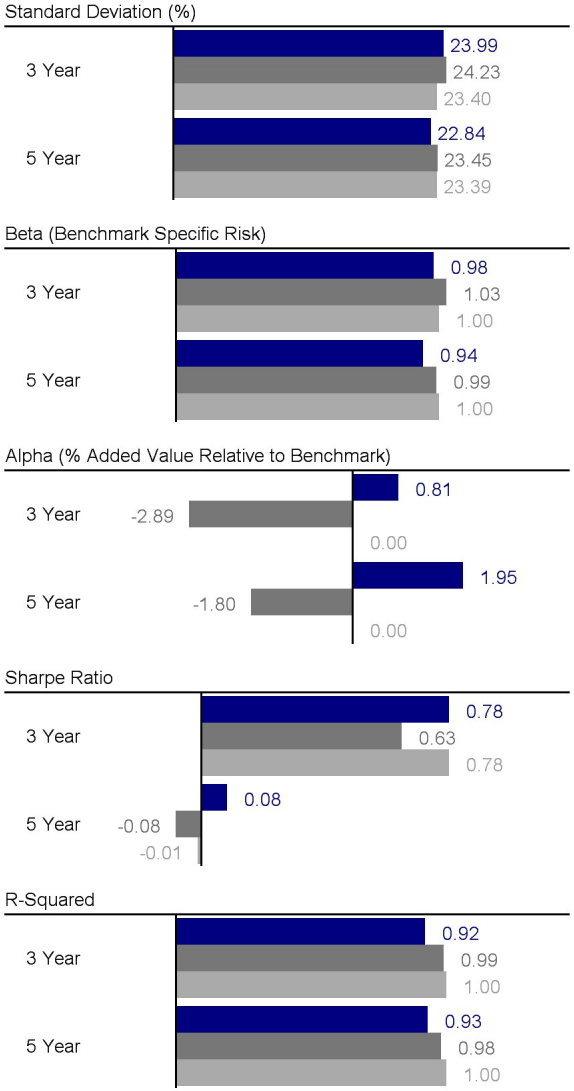


	YTD	2011	2010	2009	2008	2007
Diamond Hill Small-Mid Cap I	-3.9%	-3.9%	23.4%	41.4%	-29.8%	-0.4%
Russell 2500 Value Index	-3.4%	-3.4%	24.8%	27.7%	-32.0%	-7.3%
Russell 2500 Index	-2.5%	-2.5%	26.7%	34.4%	-36.8%	1.4%

4Q Ending 12/31/2011 — Diamond Hill Small-Mid Cap I — DHMIX

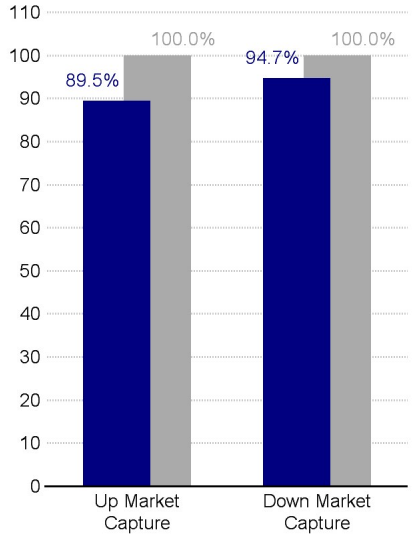
Portfolio Statistics as of 12/31/2011

- Diamond Hill Small-Mid Cap I
- Russell 2500 Value Index
- Russell 2500 Index



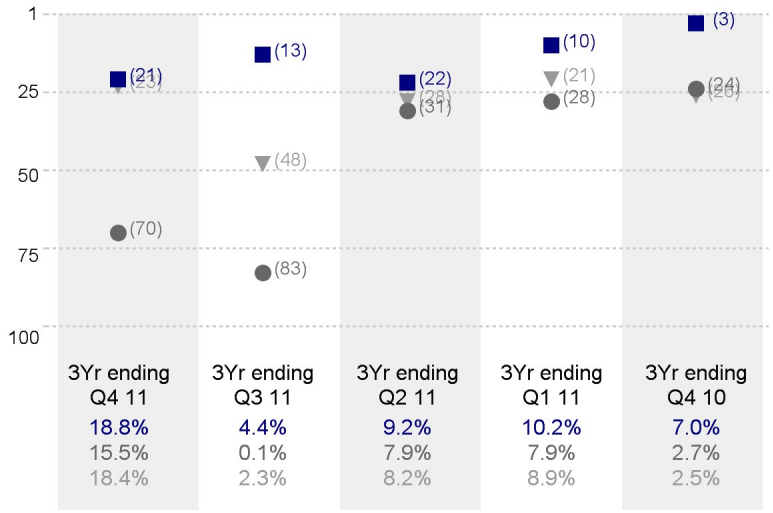
Up/Down Market Capture - 5 Year

- Diamond Hill Small-Mid Cap I
- Russell 2500 Index



3 Year Rolling Performance with Peer Comparison

- Diamond Hill Small-Mid Cap I
- Russell 2500 Value Index
- Russell 2500 Index



Strategy

The investment seeks long-term capital appreciation. The fund normally invests at least 80% of net assets in common stocks of U.S. companies with small and medium capitalization that the adviser believes are undervalued. Small- and mid-cap companies are companies with market capitalizations at the time of purchase between $500 million and $10 billion or in the range of those market capitalizations of companies included in the Russell 2500 Index.

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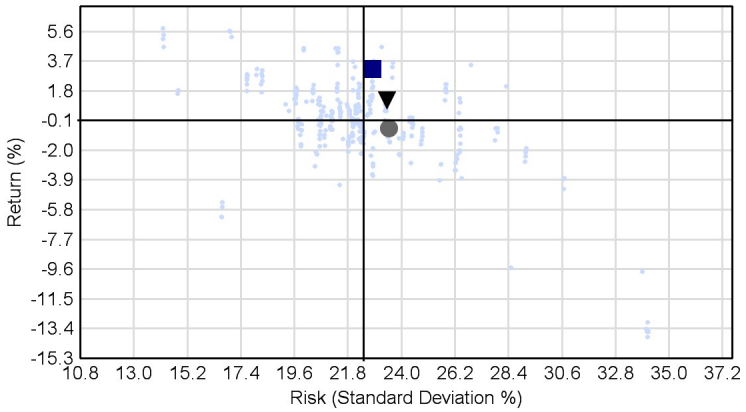
Risk/Return - 5 Year

- Diamond Hill Small-Mid Cap I
- Russell 2500 Value Index
- Russell 2500 Index
- Mid-Cap Value Universe



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4Q Ending 12/31/2011 — Lord Abbett Value Opportunities I — LVOYX

Arnerich Massena View

- Above Expections
- Meeting Expectations
- Marginal
- Below Expectations

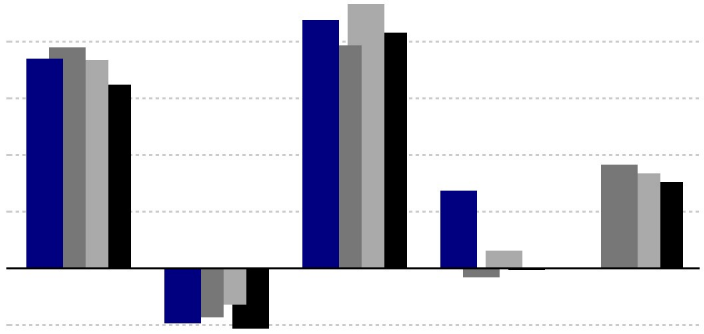
5 Year Performance: Above Expections
Style Consist.: Marginal
Exp. Ratio: Above Expections
Tenure: Above Expections

Portfolio Information

Expense Ratio	0.99%	Asset Class	Small-Mid Cap
12b-1 Fee	N/A	Peer Group Universe	Mid-Cap Value
Morningstar Average	1.39%	Firm Name	Lord, Abbett & Co. LLC
Total Assets In Strategy ($Mil.)	$1,972	Manager Name	Maher/Maurer
Minimum Investment	$1,000,000	Average Manager Tenure	5.0 Years

Net Historical Performance (percentile)

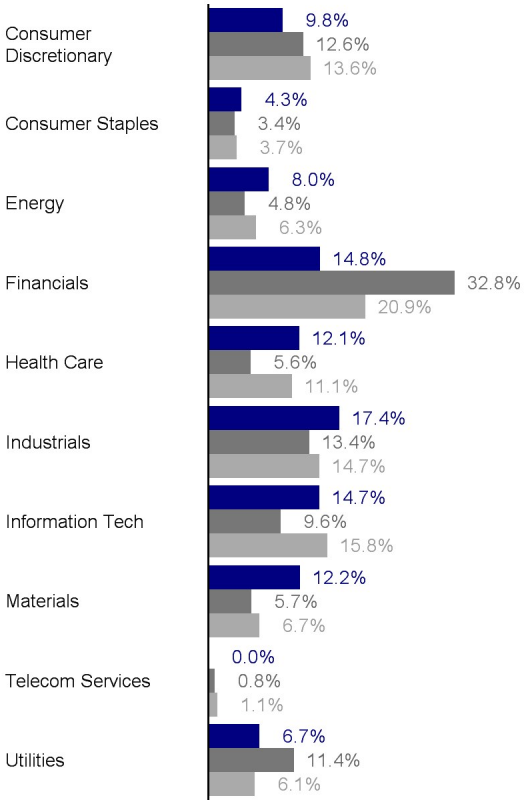
- Lord Abbett Value Opportunities I
- Russell 2500 Value Index
- Russell 2500 Index
- Mid-Cap Value Median



Q4 11	1-Yr	3-Yr	5-Yr	10-Yr
14.6% (17)	-3.8% (45)	17.3% (39)	5.4% (1)	-
15.4% (12)	-3.4% (42)	15.5% (70)	-0.6% (64)	7.2% (21)
14.5% (18)	-2.5% (38)	18.4% (23)	1.2% (27)	6.6% (31)
12.8% (50)	-4.2% (50)	16.4% (50)	-0.1% (50)	6.0% (50)

Sector Weights as of 9/30/2011

- Lord Abbett Value Opportunities I
- Russell 2500 Value Index
- Russell 2500 Index



Portfolio Characteristics as of 10/31/2011

Average Market Cap ($Mil.)	$3,283
Number of Holdings	90
Turnover Ratio %	56.9%
Market Cap Breakdown	
Giant	0.0%
Large	3.3%
Mid	70.9%
Small	25.4%
Micro	0.5%
Total	100.0%

Top Ten Holdings as of 9/30/2011

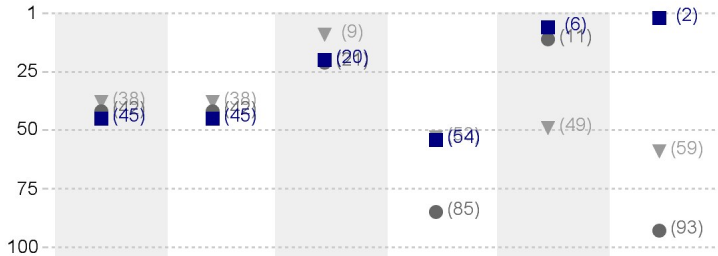
Fortune Brands Inc	2.4%
Kinetic Concepts Inc	2.3%
Alliance Data Systems Corporation	2.1%
Watson Pharmaceuticals Inc.	2.0%
Temple-Inland, Inc.	1.9%
Coventry Health Care, Inc.	1.8%
Waste Connections, Inc.	1.8%
PVH Corp	1.8%
Nuance Communications, Inc.	1.7%
Amdocs Ltd.	1.6%
Total % of Portfolio	19.4%

Year End Assets ($Mil.)

2006	$102	2009	$755
2007	$313	2010	$1,353
2008	$275	2011	$1,972

Calendar Year Performance with Peer Comparison

- Lord Abbett Value Opportunities I
- Russell 2500 Value Index
- Russell 2500 Index

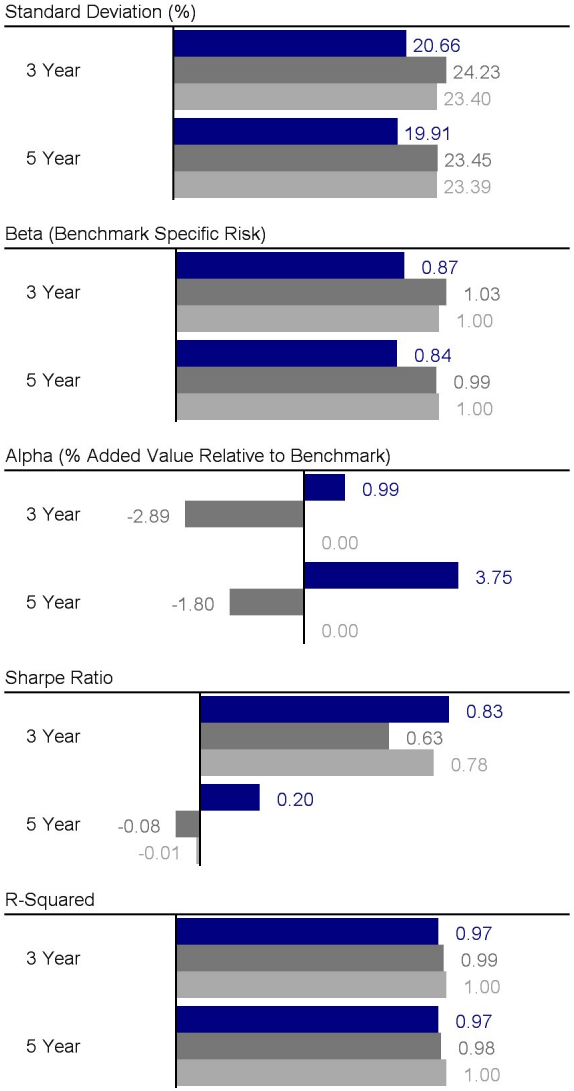


YTD	2011	2010	2009	2008	2007
-3.8%	-3.8%	24.9%	34.3%	-27.5%	11.3%
-3.4%	-3.4%	24.8%	27.7%	-32.0%	-7.3%
-2.5%	-2.5%	26.7%	34.4%	-36.8%	1.4%

4Q Ending 12/31/2011 — Lord Abbett Value Opportunities I — LVOYX

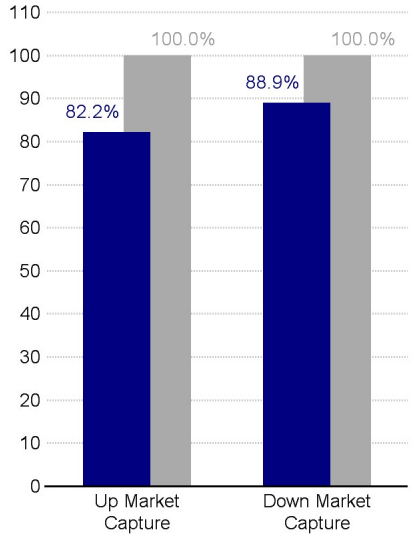
Portfolio Statistics as of 12/31/2011

- Lord Abbett Value Opportunities I
- Russell 2500 Value Index
- Russell 2500 Index



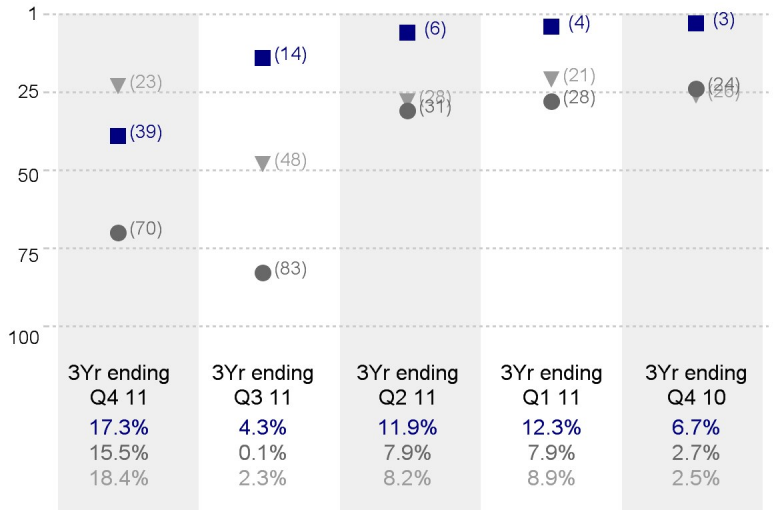
Up/Down Market Capture - 5 Year

- Lord Abbett Value Opportunities I
- Russell 2500 Index



3 Year Rolling Performance with Peer Comparison

- Lord Abbett Value Opportunities I
- Russell 2500 Value Index
- Russell 2500 Index



Strategy

The investment seeks long-term capital appreciation. The fund normally invests at least 65% of net assets in equity securities of small and mid-sized companies. It invests primarily in equity securities, value stocks, multinational and foreign company securities and derivatives.

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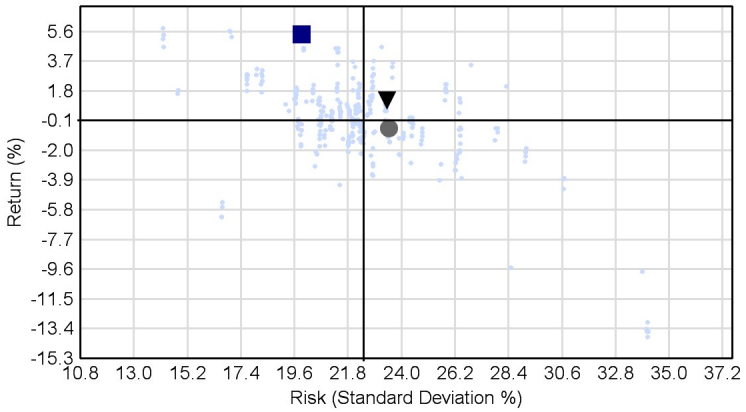
Risk/Return - 5 Year

- Lord Abbett Value Opportunities I
- Russell 2500 Value Index
- Russell 2500 Index
- Mid-Cap Value Universe



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Performance Notes

Arnerich Massena
Building Better Portfolios

1. All performance is net of annual management fees or expense ratios.

2. The annual standard deviations and up/down cycles shown on the Performance Summary sheets are for 5-year or the longest common time frame. Refer to the performance statistics tables for additional data.

3. Universe average expense ratios for the asset classes are calculated using the *Morningstar* database based on the investment objective or *Morningstar* category of the asset class.

ADR

American Depository Receipt – a negotiable receipt for the shares of a foreign-based corporation held in trust by a U.S. bank that entitles a shareholder to all dividends and capital gains.

Alpha

Alpha is a statistical calculation based on a manager's beta and the rate of return of the index over the period. Alpha measures whether a manager has added to or detracted from returns on a risk-adjusted basis. Alpha can be used when comparing dissimilar products because alpha is adjusted for risk and therefore the product with the highest alpha added the most historical value relative to its risk level.

Annualized Return

Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return is projected as though the same performance continues to occur for a twelve-month time period.

Assets Managed in Style

The total assets managed in all investment vehicles of the investment style.

Average Market Capitalization ($ Wtd.)

The average market capitalization of all stocks in a given portfolio, weighted by each company's portion of the portfolio's market value.

Beta

Beta measures volatility, which is often equated to perceived risk. Beta is always calculated relative to a benchmark. The index, by definition, has a beta of 1.0. If a product has a beta higher than 1.0, this indicates greater historical return volatility relative to the index; the opposite is true if beta is lower than 1.0.

Book Value

The balance sheet value of assets minus the balance sheet value of liabilities. Also known as shareholders' equity.

Bottom-Up Investment Approach

The investment manager concentrates on fundamental analysis of a company's financial statements. In addition, an investment manager may examine other aspects of the company such as strength of management, new product lines, valuation, historic record, etc.

Cycle Analysis

The index, by definition, automatically has an Up-Cycle of 100. If a manager has an Up-Cycle number higher than 100, the manager has historically captured more than 100% of the rising market. If a manager has a Down-Cycle number of less than 100, the manager has historically captured less than 100% of the falling market.

Dividend
A payment issued by a company that distributes a portion of its value, usually in the form of cash.

Duration
The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price. (A bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.

Earnings
Earnings are a company's accounting profits or losses, typically reported four times each year.

Emerging Markets
Countries whose economies are considered emerging or underdeveloped.

Fundamental
A company's underlying financial situation.

Growth Style Investing
Growth investors purchase companies that have above-average earnings growth and/or above-average sales growth rates.

Hedging
A strategy designed to reduce risk by offsetting potential losses from existing investments. This practice is often used in international investing, where investment managers often use hedging techniques to reduce exposure to fluctuating currencies.

Investment Vehicle
The account type that an investor can gain access to an investment manager. Examples of investment vehicles are pooled or commingled funds, mutual funds, separate accounts, and limited partnerships.

Large Cap
Large Capitalization – refers to those companies with a market capitalization of greater than $10 billion.

Liquidity
The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

Market Capitalization
The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.

Median Market Capitalization ($ Wtd.)
The market capitalization of the stock that represents the middle of the portfolio's cumulative market value. Half of the portfolio is invested in stocks larger than the median and the other half is invested in stocks smaller than the median.

Micro Cap
Micro Capitalization – refers to those companies with a market capitalization of less than $500 million.

Mid Cap
Mid Capitalization – refers to those companies with a market capitalization between $2 and $10 billion.

Net of Fees
After subtraction of management fees.

Portfolio
Refers to the complete list of securities held in an investment vehicle.

Price-to-earnings (P/E) ratio
Calculated by dividing the current share price by the trailing twelve-months earnings per share.

Price-to-book (P/B) ratio
Calculated by dividing the share price by the book value per share.

Relative Rank
"Rank" reflects funds' performance within the full universe of comparable products, which includes similar investment styles and objectives. The rank reflects which percentile the manager's absolute rate of return falls within relative to its peer universe, with 1=highest and 100=lowest.

R-Squared (Coefficient of Determination)
A statistical measure of the degree to which the movements of two variables are related. An R-Squared closer to 1.0 indicates that the two variables tend to behave similarly or that by knowing one variable you can closely estimate the other variable.

Sharpe Ratio

A risk-adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio is calculated for the past 36 month period by dividing a fund's annualized excess returns by the standard deviation of a fund's annualized excess returns.

Small Cap

Small Capitalization – refers to those companies with a market capitalization between $500 million and $1.99 billion.

Standard Deviation

Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it doesn't distinguish downside performance from upside performance.

Top-Down Investment Approach

The investment manager concentrates on analyzing the economy and investment environment to identify attractive economic sectors for investment. In international investing, a top-down investment approach is often used to identify attractive countries or regions for investment.

Treynor Ratio

The Treynor ratio is the return premium earned over the risk free rate by the series for each unit of risk taken, with risk measured as the beta of the series or portfolio relative to the market.

Value Added

Based on alpha, value-added shows how much value a manager added, after adjustment for the amount of volatility (risk) that a manager has experienced. A value-added of 1.0 means a manager has added 1% to annualized returns.

Value Style Investing

Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.

Years

This evaluation is based on quarterly return observations from inception for all advisors and the corresponding index.

Fixed Income Indices

90-Day Treasury Bills Index

The 90-day Treasury Bills Index is an index of 90-day Treasury bill issues managed by Citigroup.

Barclays Capital U.S. Aggregate Bond Index

The U.S. Aggregate Index covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The Index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM pass- throughs), ABS, and CMBS sectors. U.S. Agency Hybrid Adjustable Rate Mortgage (ARM) securities were added to the U.S. Aggregate Index on April 1, 2007.

Barclays Capital U.S. Corporate High-Yield Index

The U.S. Corporate High-Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes Emerging Markets debt, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. The U.S. Corporate High-Yield Index is part of the U.S. Universal and Global High-Yield Indices.

Barclays Capital U.S. Government/Credit Index

The U.S. Government/Credit Index is the non-securitized component of the U.S. Aggregate Index and was the first macro index launched by Lehman Brothers (now Barclays Capital). The U.S. Government/Credit Index includes Treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year), Government-Related issues (i.e., agency, sovereign, supranational, and local authority debt), and USD Corporates. The U.S. Government/Credit Index is a subset of the U.S. Aggregate Index.

U.S. Balanced Index

The U.S. Balanced Index is a weighted average of 55% S&P 500 Index, 40% Barclays Capital U.S. Aggregate Index, and 5% 90-day Treasury bills.

U.S. Equity Indices

Dow Jones Wilshire 5000 Total Market Index

The Dow Jones Wilshire 5000 Total Market Index represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The index was named after the nearly 5,000 stocks it contained when it was originally created, but it has grown to include over 5,000 issues, reflecting the growth in U.S. equity issues as a whole. Membership requires that the security is an equity issued by a U.S. company whose primary market listing is in the U.S. Reconstitutions are made after close of trading on the third Friday of each month.

Russell 3000® Index

The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected.

Russell 1000® Index

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market. The Russell 1000 Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

Russell 1000® Growth Index

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

Russell 1000® Value Index

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 1000 Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

Russell Midcap® Index

The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies. The Russell Midcap Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set.

Russell Midcap® Growth Index

The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market.

Russell Midcap® Value Index

The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Value Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap value market.

Russell 2500™ Index

The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000 Index. It includes approximately 2,500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set.

Russell 2500™ Growth Index

The Russell 2500 Growth Index measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2500 Growth Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect growth characteristics.

Russell 2500™ Value Index

The Russell 2500 Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2500 Value Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics.

Russell 2000® Index

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

Russell 2000® Growth Index

The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

Russell 2000® Value Index

The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.

S&P 500 Index

Widely regarded as the best single gauge of the U.S. equities market, the S&P 500 Index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The Index covers approximately 75% of the U.S. equities market and constituent criteria includes market cap in excess of $4 billion, financial viability, adequate liquidity and price, and industry sector representation. Membership is decided by the S&P Index Committee and reconstitutions are case-by-case.

S&P MidCap 400 Index

S&P MidCap 400 Index is the most widely used index for mid-sized companies. The Index covers over 7% of the U.S. equities market. The S&P Index Committee follows a set of guidelines for maintaining the Index and constituent criteria includes market cap in the range of $1 billion to $4.5 billion, financial viability, adequate liquidity and price, and industry sector representation. Reconstitutions are case-by-case.

S&P SmallCap 600 Index

Measuring a segment of the market that is typically renowned for poor trading liquidity and financial instability, S&P SmallCap 600 is designed to be an efficient portfolio of companies that meet specific inclusion criteria to ensure that they are investable and financially viable. The S&P SmallCap 600 covers approximately 4% of the U.S. equities market. The S&P Index Committee follows a set of guidelines for maintaining the Index and constituent criteria includes market cap in the range of $250 million to $1.5 billion, financial viability, adequate liquidity and price, and industry sector representation. Reconstitutions are case-by-case.

International Equity Indices

Morgan Stanley Capital International All Country World Index (MSCI ACWI)

The MSCI ACWI is a free float-adjusted market cap weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 47 country indices comprising 23 developed and 24 emerging market country indices. To construct a country index, every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float.

Morgan Stanley Capital International All Country World Index ex-U.S. (MSCI ACWI ex-U.S.)

The MSCI ACWI ex-U.S. is a market cap weighted index designed to measure the equity market performance of developed and emerging markets excluding the U.S. The Index combines 46 of the world's developed and emerging markets. To construct a country index, every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float.

Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE)

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. Currently, the MSCI EAFE Index consists of 21 developed market country indices. To construct a country index, every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float.

Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets)

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. Currently, the MSCI Emerging Markets Index consists of 24 emerging market country indices. To construct a country index, every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and minimum free float.

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