

Small Cap Value | Q1 2012

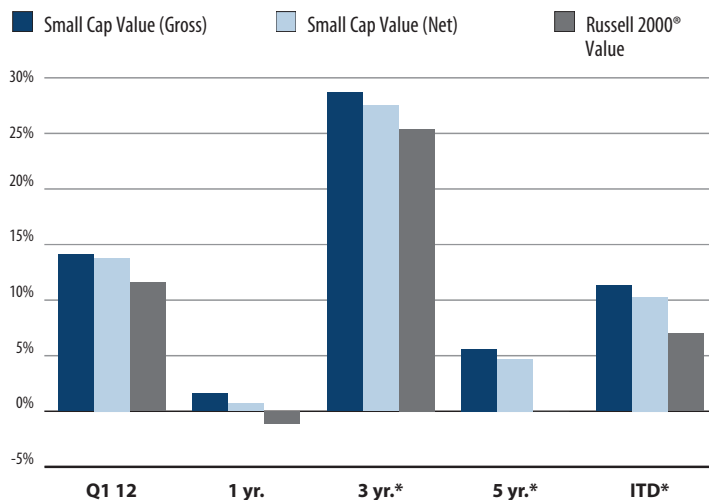
INVESTMENT APPROACH & STRATEGY

- The Small Cap Value strategy invests in stocks offering high probability of modest outperformance rather than a low probability of high performance
- Classic value-driven strategy
- Belief that leading business strategies selling at a discount to fair value have the potential to generate excess returns
- Focus on assessing the *probability* of a catalyst occurring rather than predicting the *timing* of a catalyst

DISTINGUISHING CHARACTERISTICS

- Employs a bottom-up, classic value approach investing in high quality small-cap companies which are temporarily out of favor
- Provides strong risk-adjusted returns by taking modest bets and limiting the downside, not only capturing the upside

PERFORMANCE



■	14.1	1.6	28.7	5.6	11.3
■	13.8	0.7	27.5	4.7	10.3
■	11.6	-1.1	25.4	0.0	7.0

*Annualized; Inception: July 1, 2002

Past performance is not indicative of future results. See full composite presentation on next page.

VALUE TEAM

Todd Vingers, CFA

Value Team Leader,
Lead Small Cap Value Portfolio Manager
• 22 years experience

Don Clevon, CFA

Lead Mid Cap Value Portfolio Manager
• 15 years investment experience

Jay Willadsen, CFA

Analyst
• 14 years experience

Timothy Murphy, CFA

Analyst
• 10 years experience

Ryan Satterfield, CFA

Analyst
• 2 years experience

PRODUCT OVERVIEW

BENCHMARK: Russell 2000® Value Index

MARKET CAP: < \$3B

STYLE: Classic Value

APPROACH: Fundamental

TYPICAL HOLDINGS RANGE: 80 – 115

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INVESTMENT PROCESS

Security Valuation

- Price filter screens identify the least expensive stocks based on: Enterprise Value to EBITDA, Price to Book Value, Price to Cash Flow, Price to Earnings, Dividend Yield
- Stocks meeting at least 2 of 5 price filter screens are added to the investable universe

Security Analysis

- Fundamental research examines broad and company-specific issues to identify leading businesses selling at discounts to fair value
- A full review of the company is then presented and discussed
- The team determines the range of possible outcomes and identifies a prospective price target for the stock

Portfolio Construction

- Market capitalization typically below \$3B
- Typically 80–115 securities with 10 largest holdings representing 12%–20% of the portfolio and individual positions <3%
- Sector weights versus the Russell 2000® Value benchmark $\pm 10\%$; financials $\pm 15\%$
- Focus on stocks with asymmetrical risk/rewards

RISK STATISTICS SINCE INCEPTION (7/1/02)

	Small Cap Value	Russell 2000® Value Index
Annualized Return (Gross)	11.3%	7.0%
Annualized Standard Deviation	19.3%	21.0%
Sharpe Ratio	0.5	0.3
Annualized Alpha	4.6%	N/A
Information Ratio	1.0	N/A

Source: Zephyr

Information above is supplemental only and complements the full composite presentation below.

SMALL CAP VALUE COMPOSITE

Schedule of Annual Returns

July 1, 2002 (date of inception) through December 31, 2011

	Gross Returns (%)	Net Returns (%)	Benchmark Returns (%)	Standard Deviation (bps) ²	Composite 3yr Ex Post Standard Deviation	Benchmark 3yr Ex Post Standard Deviation	Number of Accounts	Composite Assets at end of period (\$ millions)	Total Firm Assets (\$ millions)
2011	-6.6	-7.4	-5.5	25	24.1	26.1	73	2,096.0	4,200.7
2010	26.7	25.6	24.5	25	25.9	28.4	66	2,201.8	4,412.7
2009	36.2	35.0	20.6	79	23.3	25.6	62	1,897.0	4,365.1
2008	-26.0	-26.7	-28.9	24	17.8	19.1	46	1,205.9	2,527.4
2007	0.5	-0.4	-9.8	19	11.1	12.6	48	1,780.4	4,124.5
2006	21.7	20.6	23.5	16	11.1	12.3	48	1,814.2	4,027.2
2005	5.8	4.8	4.7	28	13.1	14.1	34	1,141.4	2,325.5
2004	24.5	23.4	23.2	7	-	-	9	602.2	2,739.6
2003	42.3	41.0	40.1	NA	-	-	3	241.3	2,202.6
2002 ³	-9.2	-9.6	-18.9	NA	-	-	2	32.7	1,122.4

1. Benchmark returns have been obtained from an independent source and have not been examined by independent accountants.

2. N.A. – Not calculated for 2002 because the period is a partial year. Not statistically significant for 2003 due to an insufficient number of portfolios in the composite for the entire year.

3. Partial year performance for the period of July 1, 2002 through December 31, 2002.

Small Cap Value Composite consists of accounts managed in the Small Cap Value ("SCV") strategy. SCV seeks to achieve long term appreciation through investments in high quality, though temporarily out of favor, US equities with market capitalizations that generally fall within the range of market capitalizations of the S&P Small Cap 600 and/or the Russell 2000 indices. Income is a secondary objective. For comparison purposes, the composite is measured against Russell 2000 Value Index. For periods prior to 2005, the composite is measured against S&P Small Cap 600/Barra Value Index, which was discontinued in 2005. The composite was created in July 2002.

Effective July 2009, the firm is defined for GIPS purposes as Lee Munder Capital Group, LLC ("LMCG"), an investment adviser registered with the Securities and Exchange Commission. In July 2009, LMCG became an affiliate of Convergent Capital, the Chicago-based diversified asset management holding company subsidiary of City National Corporation. Prior to July 2009, the firm was defined as Lee Munder Investments Ltd. ("LMIL"), a majority owned subsidiary of Lee Munder Capital Group and an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request.

LMCG has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Account performance is calculated on a total return basis including income and realized and unrealized gains and losses. Composite performance is presented gross and net of management fees. Net returns are calculated by applying the investment management fee schedule noted below to the gross returns of the accounts included in the composite. The annual composite dispersion presented is an asset weighted standard deviation calculated for the accounts in the composite the entire year. The U.S. Dollar is the currency used to express performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

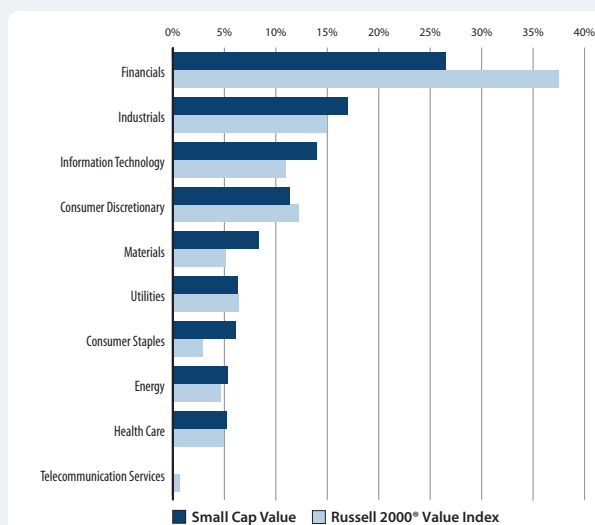
The investment management fee schedule is as follows: 1% on the first \$25 million, 0.90% on the next \$25 million, and 0.80% thereafter. Actual investment advisory fees incurred by clients may vary.

LMCG's compliance with the GIPS standards has been verified for the period July 1, 2002 through September 30, 2011 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Small Cap Value Composite beginning July 1, 2002. The firm was verified for the period October 2000 through June 30, 2002 by another firm. A copy of the verification report is available upon request.

Past performance is not indicative of future results.

Comp. Rev. #2674

SECTOR WEIGHTS



Sector Weights of a Small Cap Value Rep. Account managed against the Russell 2000® Value Index. Calculated by FactSet.

PORTFOLIO CHARACTERISTICS

	Small Cap Value	Russell 2000® Value Index
Weighted Average Market Capitalization (\$mil)	1,871.7	1,166.0
Average Annual Turnover	32.0%	N/A
Price/Earnings	16.1x	15.1x
Price/Sales	0.8x	0.7x
Price/Cash Flow	7.2x	7.0x
ROA	4.2%	3.3%
Number of Holdings	111	1,339

Source: FactSet