



## Strategy Description

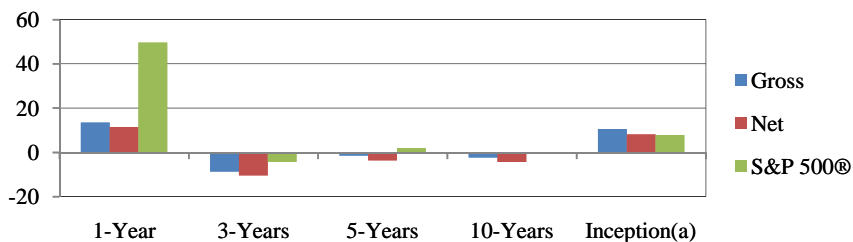
Husic Capital Management's Classic Hedge product is a U.S. equity long-short strategy, with generally a minimum of 20% short position, that utilizes HCM's 20-year time-tested thematic approach to building concentrated portfolios. Cash is used opportunistically. All securities are public, and no leverage is involved (except in the case of borrowing to sell short). As opposed to approaches that emphasize low volatility (often at the expense of returns), this strategy embodies the original intent of hedge funds: to produce high performance expectations. We manage exposure and risk through strict portfolio management procedures. The strategy strives to outperform the S&P 500® Index.

HCM was founded in 1986 as an independent investment firm specializing in a growth equity style for many prestigious institutional and high net worth clients. We actively manage small-, mid-, large- and all-cap portfolios, as well as market neutral, classic hedge and long-only concentrated growth portfolios. The HCM investment team is headed by Frank Husic, a 36-year industry veteran known for his stock picking ability.

HCM makes money from good old-fashioned stock picking, not technical quantitative models ("black boxes") or complicated credit bets. With HCM's disciplined approach to active management, we identify companies that are positioned to generate superior return on investment. Our stock ideas are centered on a selective number of investment themes (typically 4-8), enabling us to be early identifiers of change, whether at a company, industry, sector, market or other level. We capitalize by effectively executing on those changes.

Through rigorous fundamental research, HCM seeks to earn high rates of return for clients. Superior rates of return often come with higher levels of volatility; therefore, we seek to manage exposure and risk through strict portfolio management procedures. Due to our unique stock selection process (driven by an industry veteran), HCM's investment returns generally have low correlation to the market. Hence, by including HCM in their portfolio, investors may increase diversification and thus improve the overall risk-return profile of the total portfolio. We encourage prospective investors to consider adding HCM to their stable of investment managers.

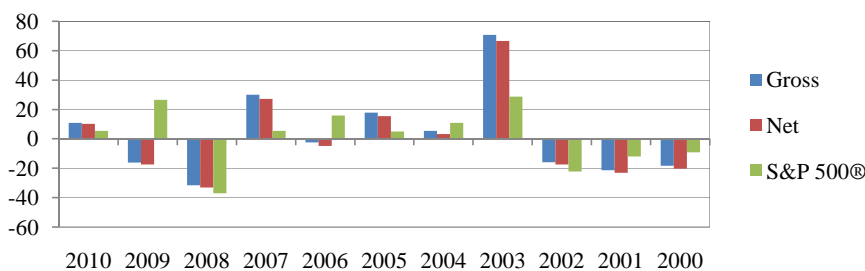
## Annualized Performance



Annualized Period	Gross	Net	S&P 500®
1-Year	13.5	11.5	49.8
3-Years	-8.5	-10.4	-4.2
5-Years	-1.4	-3.5	1.9
10-Years	-2.2	-4.2	-0.7
Inception <sup>(a)</sup>	10.6	8.2	7.9

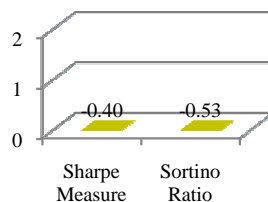
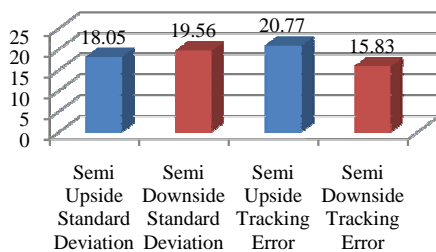
<sup>(a)</sup> October 1, 1993

## Calendar Year Performance



Year	Gross	Net	S&P 500®
2010	10.8	10.2	5.4
2009	-16.0	-17.5	26.5
2008	-31.5	-33.0	-37.0
2007	30.0	27.1	5.5
2006	-2.4	-4.9	15.8
2005	17.7	15.5	4.9
2004	5.5	3.3	10.9
2003	70.6	66.6	28.7
2002	-15.8	-17.4	-22.1
2001	-21.3	-23.0	-11.9
2000	-18.3	-20.2	-9.1

## Risk Statistics (3-Year Gross)



	Trailing 3-Years	Since Inception
Compound ROR (Annualized)	-8.53	10.63
Standard Deviation	26.57	27.05
Semi Upside Standard Deviation	18.05	22.40
Semi Downside Standard Deviation	19.56	15.66
Tracking Error	26.10	23.72
Semi Upside Tracking Error	20.77	18.72
Semi Downside Tracking Error	15.83	14.64
Beta	0.53	0.86
R <sup>2</sup>	0.16	0.24
Sharpe Measure	-0.40	0.27
Sortino Ratio	-0.53	0.45
# of Observations (Months)	36	198

Note: All risk statistics are reported gross. Please see accompanying disclosures relating to performance. Past performance is not indicative of future results. For additional information, please contact Holly Cooper, Senior Marketing Associate, at (415) 445-5211.

## HCM's Investment Philosophy

HCM's investment philosophy is based on fundamental, research-driven, bottom-up stock picking. We believe our performance-driven focus stems from:

- Early recognition of fundamental or secular changes at the company or industry level that will result in revenue and earnings growth for our target companies
- Concentration in the greatest beneficiaries of those changes
- The early identification of future stock market leaders
- Thematic growth orientation
- Sale of issues that have reached their potential or no longer exhibit the ability to do so

## About Frank J. Husic

Mr. Husic formed Husic Capital Management in June 1986 and has 36 years of industry experience. As Managing Partner and Chief Investment Officer, he oversees all investment activities for the firm. Previously, Mr. Husic was Senior Vice President and Director of Alliance Capital Management. He was also President and Portfolio Manager of the Alliance Technology Fund and the Alliance International Technology Fund. Over the years, Mr. Husic has been a guest speaker at various industry conferences as well as having appeared on programs such as CNBC, CNNfn and Bloomberg Radio. Mr. Husic earned a B.S. in Mathematics from Youngstown State University, a M.S. in Industrial Administration from Carnegie-Mellon University and a M.A. in Economics from the University of Pennsylvania.

## PERFORMANCE DISCLOSURES AND FOOTNOTES

**1. Basis of Presentation** – Husic Capital Management (HCM or the “Firm”) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). HCM has been verified for the period of January 1, 2005 through December 31, 2009 by Ashland Partners & Company LLP and for the period January 1, 1989 through December 31, 2004 by a previous verifier. In addition, a performance examination was conducted on the **HCM Classic Hedge Composite** (the “Composite”) beginning January 1, 2005. A copy of the verification report is available upon request. The presentation of investment performance sets forth the time-weighted rates of return (US\$) for the Composite. The Composite was created on January 1, 2000. HCM is an independently owned, SEC-registered investment advisor that began operations in 1986. The returns are presented for the performance periods from October 1, 1993 (inception of Composite) through March 31, 2010 and are outlined in the notes below. Past performance may not be an indication of future results and may differ for future time periods.

**2. Selection Criteria** – The Composite includes all portfolios managed on a fully discretionary basis according to an investment strategy which seeks to exceed the investment results of the S&P 500 Index. This strategy seeks to build a concentrated portfolio of equity securities, long and short, that will control risk to a level consistent with generating superior, long-term investment returns. The short positions are generally used during downside market conditions. The minimum account size required to be included in the Composite is \$1 million. As of March 31, 2010, the Composite contained five or fewer accounts and total Composite assets are \$14.5 million, which represent 11.5% of the total assets of the Firm. As of December 31 (of each year), the number of accounts in the Composite, total Composite assets (\$ million) and percentage of total Firm assets, respectively, are: 9, \$79.1, 1.9% for 1999; 12, \$59.4, 2.3% for 2000; 5, \$22.9, 1.3% for 2001; 5, \$16.9, 3.5% for 2002; 6, \$29.8, 4.6% for 2003; 5, \$26.4, 4.2% for 2004; 6, \$24.2, 5.3% for 2005; 6, \$21.9, 5.0% for 2006; 5, \$25.0, 4.8% for 2007; 4, \$16.2, 7.8% for 2008 and 4, \$13.1 and 10.2% for 2009. Eligible new portfolios are added to the Composite at the end of the first calendar month that the account is managed. A complete list and description of all the Firm's composites are available upon request.

**3. Calculation Methodology** – HCM consistently values all accounts on a trade date basis and, at a minimum, monthly. Securities are valued at fair market value. Where market quotations are readily available, securities are valued thereon (using closing quotations when available), provided such quotations adequately reflect, in the judgment of HCM, the fair value of securities. Composite performance results include the reinvestment of dividends and interest. Composite returns are calculated monthly by weighting each account's monthly return by its beginning market value as a percent of the total Composite beginning market value. Annual returns are calculated by geometrically linking the monthly returns. Annualized returns are the geometric average of the corresponding time period's cumulative return. Returns are presented both i) gross of investment advisory (management) fees, and ii) net of investment advisory fees. All Composite returns are time-weighted rates of return which are net of commissions and transaction costs and gross of custodial fees. Additional information regarding policies for calculating and reporting returns is available upon request.

**4. Description of Benchmark** – The investment performance for the S&P 500 Index is used as a benchmark because it is generally considered to represent the market for U.S. equities during the time periods shown. Note, however, that the accounts in this Composite invest, both long and short, in companies across the market spectrum, while the S&P 500 is representative of long positions in primarily large cap companies. The benchmark is provided for comparative purposes only. Index returns assume reinvestment of dividends and do not have fees deducted.

**5. Internal Dispersion** – The dispersion is measured by the asset-weighted standard deviation of the returns from the asset-weighted Composite. The annual asset-weighted standard deviation of returns for periods from 1994 through 2006 is 0.49%, 2.33%, 4.25%, 4.28%, 8.70%, 5.25%, 2.75%, 1.89%, 0.78%, 3.63%, 0.35%, 0.92% and 0.88%, respectively. Because this composite did not experience a full calendar year with six or more accounts in 2007-2009, the asset-weighted standard deviation may not be meaningful and is not reported.

**6. Management Fees** – The net returns of the Composite may not reflect net returns of new accounts because the fee structure of many of the existing accounts in the Composite are different than the existing structure. The management fees for the existing structure consist of a 1% annual base fee with a 20% performance fee and the minimum initial account size is \$1,000,000.