



Quantum Capital

Mid Cap Growth Equity Portfolio

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A light gray silhouette of a city skyline, including a prominent spire, is positioned at the top of the slide behind the title.

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Firm Overview

A faint, light gray silhouette of a city skyline, including several skyscrapers, is visible in the background at the top of the slide. A dark blue horizontal line runs across the slide below the skyline.

- Quantum Capital founded in 1996 in the San Francisco Bay Area
- 13 Employees (7 Investment Professionals)
- Seasoned Portfolio Management Team (average 25 years of experience)
- Co-Founders Continue to Actively Manage the Portfolios
- \$300 million in Total Assets Under Management
- Independent Investment Management Firm

Portfolio Management Team

Howard B. Aschwald, CFA / Co-Founder & Portfolio Manager

- Co-founded Quantum Capital in 1996
- Director of Research and Chief Investment Officer
- Morgan Stanley, Stein Roe, Technology Analyst and Portfolio Manager
- Graduated from the U.S. Naval Academy at Annapolis; retired as a Captain in the Naval Reserve
- MBA in Finance from Golden Gate University and CFA Charterholder

Stephen A. Bradley / Co-Founder & Portfolio Manager

- Co-founded Quantum Capital in 1996
- Morgan Stanley, supervising numerous financial advisors and several billion dollars in assets
- Merrill Lynch, institutional stockbroker
- Serves on the board of directors of the TH Group, Inc. and Independent Living Systems, Inc.
- Graduated from the University of the State of New York, attended University of Pennsylvania's Wharton Business School

Mat A. Johnson / Portfolio Manager & Investment Strategist

- Director of Growth Investment Strategy and Economic Research at ThinkEquity Partners
- Chief Economist and Director of Growth Strategy with Thomas Weisel Partners
- Growth stock strategist in Merrill Lynch's Global Growth Strategies Group
- Senior Economist and Growth Strategist with Montgomery Securities
- U.S. forecast economist in Bank of America's Economic and Policy Research Department
- M.A. in Financial and Development Economics from Rutgers University
- Graduate research at London School of Economics and Leningrad University

Equity Disciplines

	Traditional Equity Disciplines (Inception)			Alternative Discipline (Inception)
	Large Cap Growth Equity (12/31/96)	Dividend Growth Equity (11/30/02)	Mid Cap Growth Equity (09/30/05)	Principal Safety (12/31/07)
Primary Benchmark (Investment Style)	Russell 1000 Growth Index (GARP Style)	S&P 500 Index (Relative Value Style)	Russell Mid Cap Growth Index (GARP Style)	S&P 500 Index (Hedged Equity)
Number of Positions	40-50	35-45	35-45	35-45
Expected Equity Turnover	35-45%	30-40%	50-60%	30-40%
Annualized Excess Gross Return vs. Primary Benchmark Since Inception (through 12/31/10)	0.98%	0.73%	3.56%	10.11%
Total Product Assets Under Management	\$20 MM	\$60 MM	\$10 MM	\$34 MM

Investment Pillars Across All Equity Disciplines

DISCIPLINED

TRANSPARENT

CONSISTENT

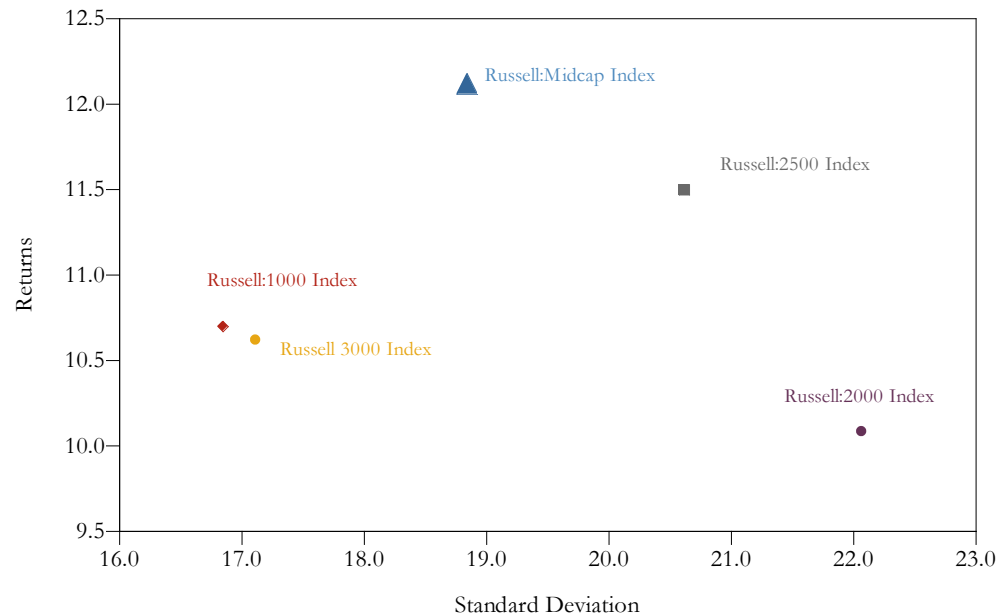
RISK-CONTROLLED

- Fundamental, research-oriented stock selection
- Investment process and philosophy is disciplined, consistent and transparent
- Portfolios hold 35-50 high-quality stock positions with moderate turnover
- Superior long-term, risk-adjusted returns
- Downside protection

Case for Mid Cap Investments

- Russell Mid Cap Index has better Sharpe Ratio than Russell 1000, 2000, 2500, and 3000 Indices
- Mid Cap Companies are small enough to have substantial growth opportunities
- Mid Cap Companies are large enough to weather modest operational challenges
- Active management premium in Mid Cap is analogous to Small Cap

Risk Reward Structure of Russell Indices
Last 30 Years



Portfolio Construction Blueprint

Initial Screening Criteria: US Domiciled Stocks with Market Capitalization Between \$1 - \$10 billion

Projected Growth in Revenue and Earnings Must be Greater than Inflation
Expected 5-year Revenue Growth Targeted to 90% or Higher of Sector Average

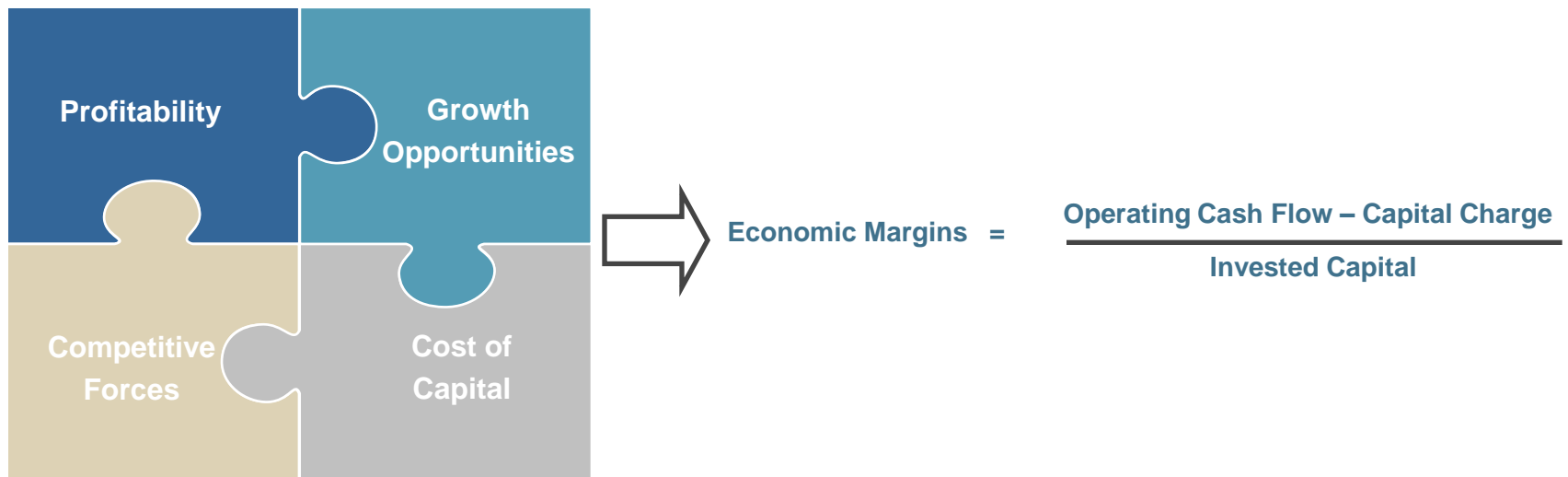
Stocks Ranked by Proprietary Equity Valuation Score
Equity Score Incorporates Valuation and Timeliness Factors

Analysts Refine Intrinsic Value Estimates
and Evaluate Qualitative Factors of Attractive Candidates

Portfolio of 35-50 Attractively Valued Securities
Modest Sector Over and Under Weights

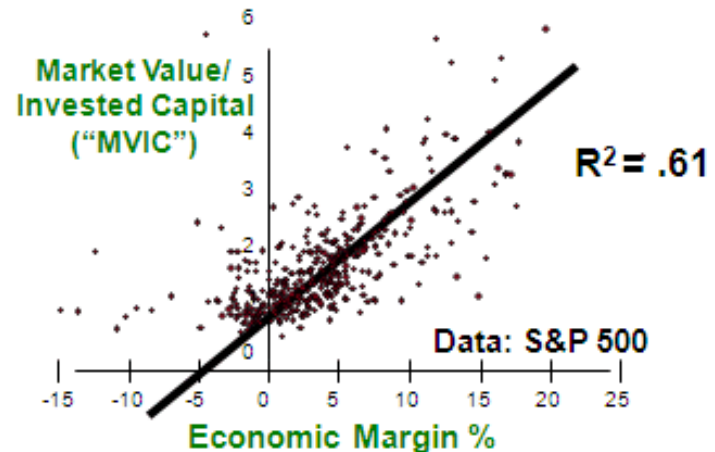
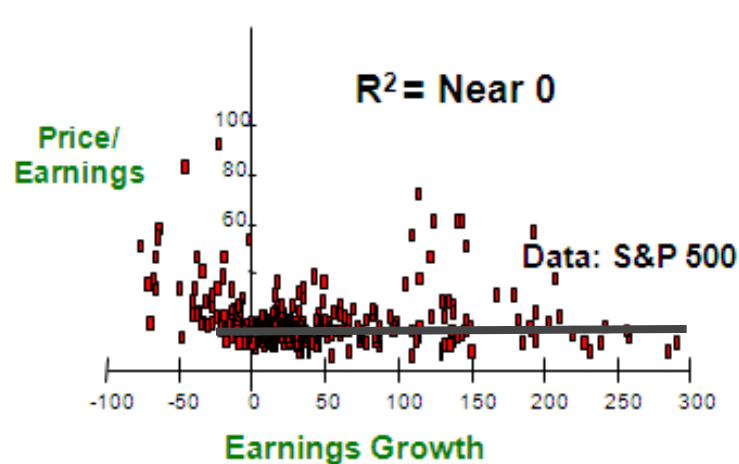
Intrinsic Value Evaluation

Applied Finance Group Economic Margin Framework addresses four primary enterprise value factors:



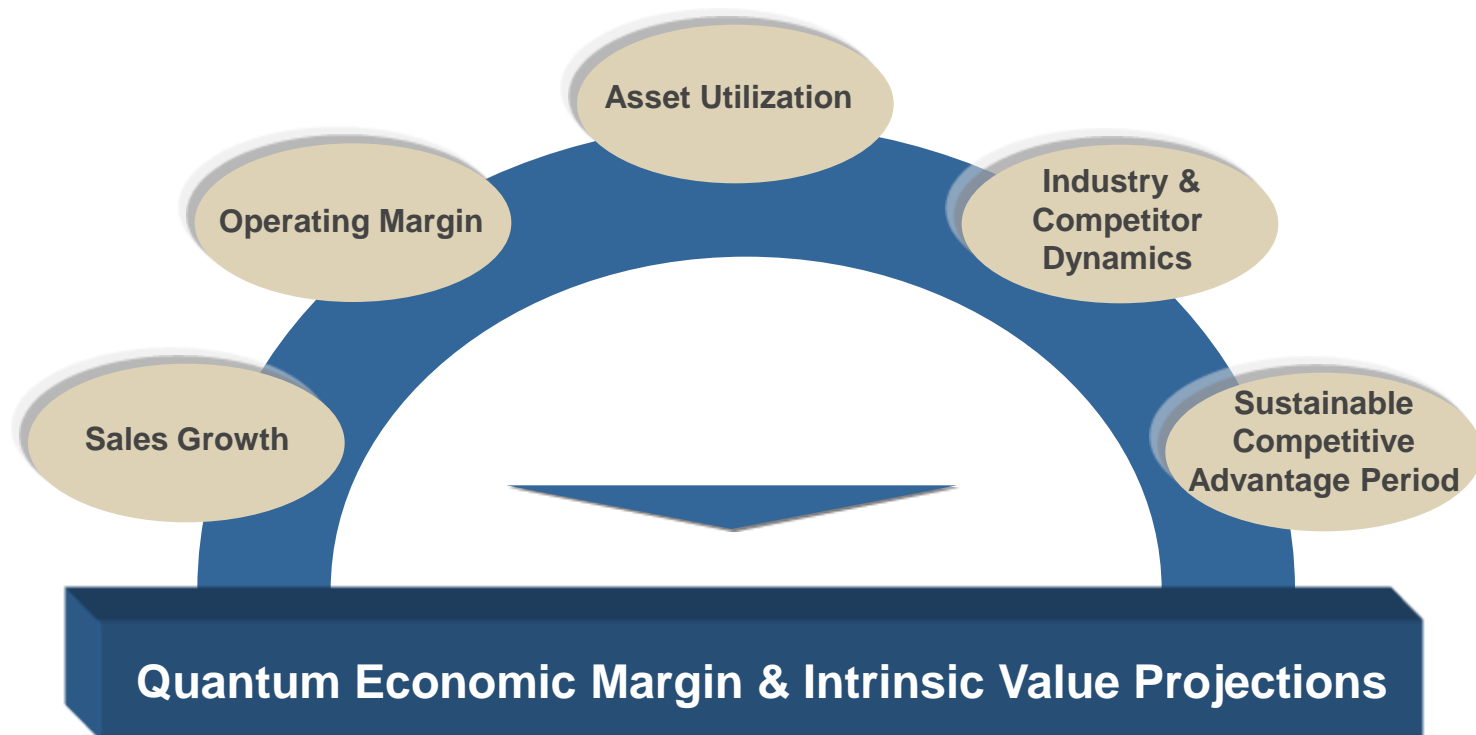
Evolved Valuation Framework

- With Economic Margin factor in hand, Quantum turns to an evolved Price to Book Metric: Market Value/ Invested Capital or “MVIC”
- Market Value is the sum of common stock market capitalization plus all debt
- Invested Capital is the cumulative sum of all funds sourced into the business less all funds removed from the business adjusted for inflation
- The relationship between MVIC and Economic Margin exhibits a stronger correlation than traditional PE to Growth valuation methodologies



Refinement of Economic Margin Drivers

Analysts Conduct Fundamental Research to Refine Key Inputs In Economic Margin Calculation



Timeliness Factors Seek to Minimize Value Traps

- Stocks often trade for extended periods of time below intrinsic value estimates
- Short-term changes in economic margin expectations show a positive relationship with subsequent share price performance
- Companies are analyzed for improvement or deterioration in forecasted economic margins for the current and pending fiscal year
- Those companies with improving projected economic margins are more likely to be candidates for purchase, while companies with deteriorating economic margins are generally avoided

Macro-Economic Top Down Component

- Principles of long term mean reversion are combined with shorter term fundamental timing attributes to set modest relative sector weights to the Russell Mid Cap Growth

Three Year Sector Performance Relative to Russell Mid Cap Growth

- Underperforming sectors receive initial rank weighting of 2
- Neutral or outperforming sectors receive initial rank weighting of 0

One Year Projected Sector Economic Margin

- Sectors with estimated Economic Margin Improvement for next fiscal year and exceeding benchmark average receive rank weighting of 1
- Sectors with substantial projected Economic Margin improvement receive rank weighting of 1 regardless of benchmark comparison

- Combined Score of 2 represents likely neutral sector weighting with overweights above this level and underweights below
- Sector over and under weights are limited to 400 basis points or 50% relative to the benchmark, whichever is lower

Sell Discipline



- **Fundamental Change**

Reduced economic margin and profitability, or change in dividend policy

- **Management Change**

Significant change in management strategy that alters original investment thesis

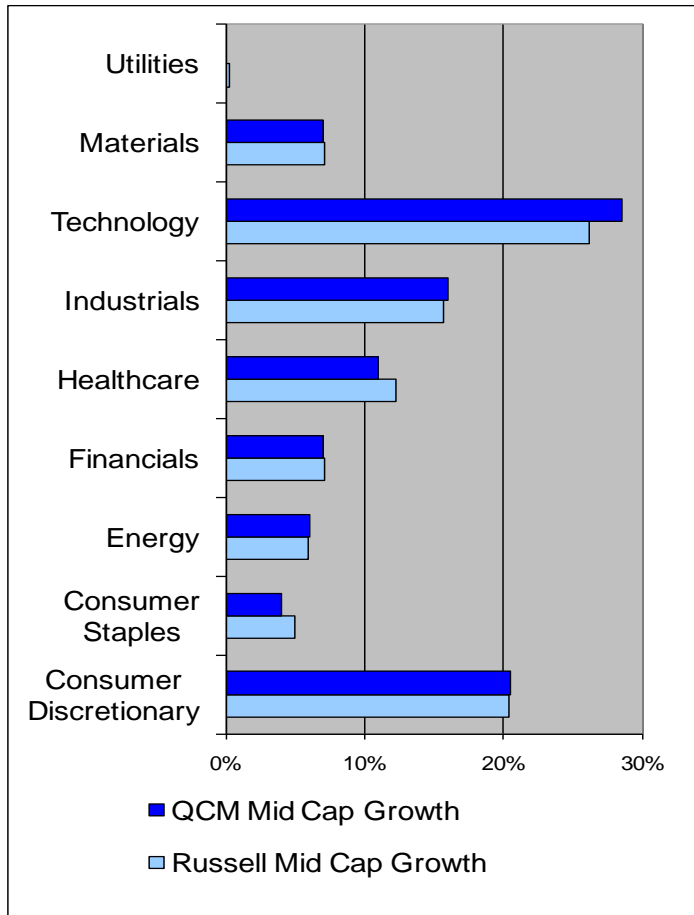
- **Valuation Change**

Security reaches price objective with no supporting change in business fundamentals

- **Portfolio Rebalance**

Significantly better alternative investment opportunity within sector

Sector Weightings and Top Ten Holdings

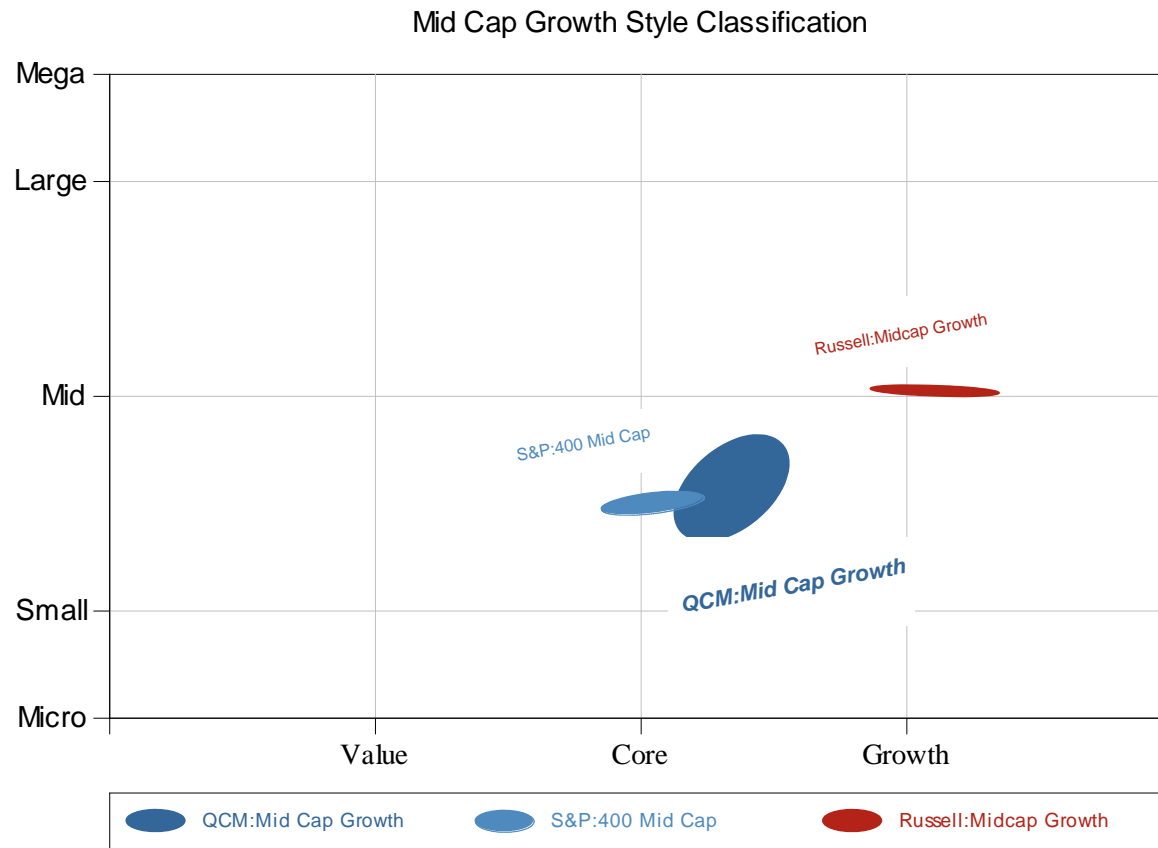


Top Ten Holdings – 12/31/10

Company	% Portfolio
• Dick's Sporting Goods	3.35
• Alexion Pharmaceuticals Inc.	3.13
• Jefferies Group Inc.	2.89
• Ansys Inc.	2.89
• Intersil Corp	2.84
• V F Corp	2.83
• Endo Pharmaceutical Holdings	2.81
• Solera Holdings Inc	2.76
• Xilinx, Inc	2.74
• Ross Stores Inc.	2.72

Supplemental Information to the GIPS compliant presentation located on the last page of the presentation

Style Classification



Gross Returns*

	Annualized				
	4Q10	1 Year	3 Years	5 Years	Since Inception 9/30/05
Quantum Mid Cap Growth	16.34%	36.06%	10.81%	8.63%	8.87%
Russell Mid Cap Growth	14.01%	26.38%	0.97%	4.88%	5.32%
S&P 400	13.50%	26.63%	3.53%	5.74%	6.12%

	2010	2009	2008	2007	2006
Quantum Mid Cap Growth	36.06%	47.58%	-32.24%	3.35%	7.60%
Russell Mid Cap Growth	26.38%	46.30%	-44.32%	11.42%	10.62%
S&P 400	26.63%	37.40%	-36.22%	7.98%	10.32%

*As of December 31st, 2010

Supplemental Information to the GIPS compliant presentation located on the last page of the presentation

Summary: Competitive Strengths

Consistent Investment Process & Philosophy Across All Equity Disciplines

- Fundamental, research oriented stock selection
 - Identifies investments during market downturns and restricts investments in elevated up-markets
- Intrinsic value focus reduces volatility and adds downside protection
 - Risk management begins before initial security purchase
 - Strict sell-discipline helps moderate volatility in elevated markets
 - Consistent application of buy and sell disciplines

Continuity of Portfolio Management Team

- Co-founders actively manage the portfolios
 - Team approach to managing all portfolios
- Investment-driven
 - Principal activity is conducting research and managing portfolios

Client Service

- Strive to exceed expectations for client service and communication

Disclosures

Mid Cap Growth Composite

Annual Performance Disclosure

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results			
		USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell Mid Cap Growth	Composite Dispersion
2010	303	8	18	-	-	-	-
2009	194	<5	10	47.6%	45.9%	46.3%	NA
2008	172	<5	<6	(32.2%)	(33.1%)	(44.3%)	NA
2007	243	<5	6	3.4%	2.1%	11.4%	0.9%
2006	230	<5	9	7.6%	6.3%	10.6%	1.7%

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Mid Cap growth Composite contains fully discretionary equity accounts managed to provide capital appreciation in smaller to mid size companies. For comparison purposes this composite is measured against the RUSSELL MID CAP GROWTH Index. The minimum account size for this composite is \$120,000, changed from 200,000 9/30/09.

Quantum Capital Management has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Quantum Capital Management is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request. *Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.*

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the highest applicable management fee of 1.2% applied monthly. The annual composite dispersion presented is equal-weighted standard deviation calculated for the equity segment of the accounts in the composite the entire year. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule is as follows: 1.2% on the first 1,000,000; 1% on the next 1,000,000 up to \$2,000,000; .8% on the next \$4,000,000 up to \$6,000,000 and .75% on the next \$5,000,000 up to \$11,000,000, .65% on the next \$15,000,000 up to \$26,000,000 and .55% over \$26,000,000. Fees are negotiable.

Prior to January 1, 2010 100% carve-outs were included in this composite and the performance reflected required total segment plus cash returns. Prior to October 31, 2006, cash was allocated monthly to segment performance based on the percent of cash held in the pure equity accounts included in the composite. Beginning November 1, 2006 sub-portfolios were used and segment returns include the effect of cash balances from dividends paid during the month and excess cash from trading; however, all cash was swept out of the segments at month-end. Beginning January 1, 2010 sub-portfolios are used and each segment is accounted for as if it were a separate portfolio with a cash balance maintained from month to month. As of 1/1/08 only accounts with 80% of the assets in the composite are included in the Mid Cap growth Portfolio performance disclosure.

The Quantum Mid Cap growth Composite was created September 30, 2005. Quantum Capital Management's compliance with the GIPS standards has been verified for the period January 1, 1997 through December 31, 2009 by Ashland Partners & Company LLP. A copy of the verification reports is available upon request.

Also as of 12/31/07, the sector weights were changed from those of the S&P 400 to those of Russell Mid Cap Growth. This constitutes a material change in the investment philosophy of Quantum Mid Cap Growth.

Disclosures



Performance Standards and Compliance

GIPS Compliance

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

Registrations

Quantum Capital Management is registered with the Securities Exchange Commission (SEC) as a registered investment advisor (RIA). Additionally, Quantum Capital Management and its personnel are subject to complying with many rules and regulations including provisions of the Act and the Corporate Advisory Laws of the State of California.

Annual Form ADV

Every client may request a copy or download a copy of Quantum Capital Management's most current Form ADV Part II from our website at www.quantumcap.com

Performance

Quantum Capital Management has been verified for the periods January 1, 1997 through December 31, 2009 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Large Cap Growth and Dividend Growth Composites beginning December 1, 2002. A copy of the verification report is available upon request.



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