



Quantum Capital

San Francisco | Marin County

Second Quarter 2010 Overview

Organization

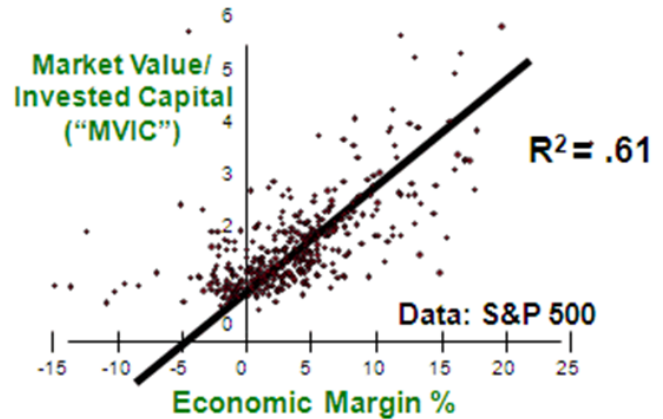
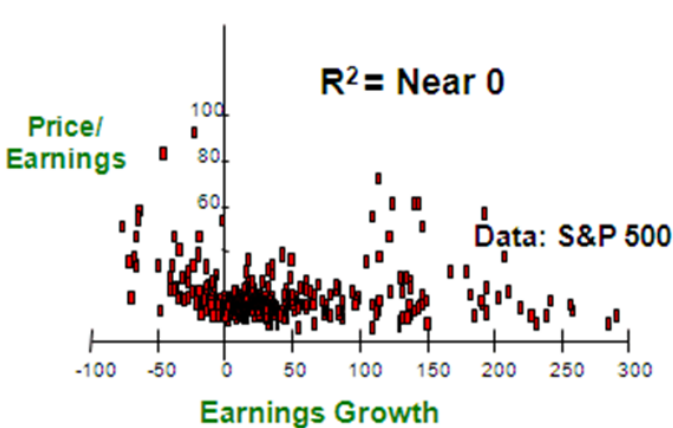
Quantum Capital is an independent investment management company founded in the San Francisco Bay Area in 1996. At Quantum, we manage traditional long-only equity and hedged equity products with the investment pillars listed below.

Investment Pillars Across All Equity Strategies

- 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

Evolved Valuation Framework

- Economic Margin is defined as Operating Cash Flow less Capital Charge divided by Invested Capital
- With Economic Margin 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



Contact Us

Marin County

770 Tamalpais Drive, Suite 204
Corte Madera, CA 94925
415-927-8430
www.quantumcap.com

Downtown San Francisco

Transamerica Pyramid
600 Montgomery Street
40th Floor
San Francisco, CA 94111

Traditional Equity Strategies (as of 06/30/10):

	YTD	1 Year	3 Years	5 Years	Since Inception 11/30/02
Dividend Growth	-5.51%	14.42%	-7.62%	0.06%	4.24%
S&P 500	-6.66%	14.42%	-9.82%	-0.79%	3.31%
Russell 1000 Value	-5.11%	16.93%	-12.32%	-1.64%	4.11%

	YTD	1 Year	3 Years	5 Years	Since Inception 9/30/05
Mid Cap Growth	2.22%	32.25%	-0.99%	3.44%	
Russell Mid Cap Growth	-3.31%	21.30%	-7.53%	0.09%	
S&P 400	-1.37%	24.92%	-5.89%	1.31%	

	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/96
Large Cap Growth	-8.07%	11.31%	-9.24%	-1.17%	-2.65%	4.02%
S&P 500	-6.66%	14.42%	-9.82%	-0.79%	-1.59%	4.28%
Russell 1000 Growth	-7.65%	13.59%	-6.91%	0.37%	-5.14%	2.96%

Alternative Strategy

	YTD	1 Year	2 Years	Since Inception 12/31/07
Principal Safety	-5.98%	7.88%	8.02%	3.80%
S&P 500	-6.66%	14.423%	-9.68%	-11.21%
HFRX Hedged Equity	-3.42%	3.11%	-9.05%	-7.05%

