

Quantum Principal Safety

December 31st, 2011

Investment Objective

Investors who seek participation in the equity market with reduced levels of risk. Hedging Strategies are utilized in order to significantly reduce (minimize) loss on the downside, while capturing substantial upside relative to the S&P 500 Index.

Investment Team

	Experience (Yrs)
Howard Aschwald, CFA Chief Investment Officer	29
Stephen Bradley Portfolio Manager	41
Mat Johnson Portfolio Manager	18
Stephen Bradley Jr. Research Analyst	6

Portfolio Overview	December 31st, 2011	
	Portfolio ⁽⁴⁾	Benchmark ⁽²⁾
Holdings ⁽⁴⁾	37	500
Wtd. Avg. Market Cap.	\$86,514	\$96,963
Median Market Cap.	\$37,010	\$9,790
Current Dividend Yield	2.7%	2.1%
Forward P/E	11.9x	12x
Price-to-Book	2.3x	2.1x
Forward Return on Equity	24.5%	29.4%

Performance⁽¹⁾

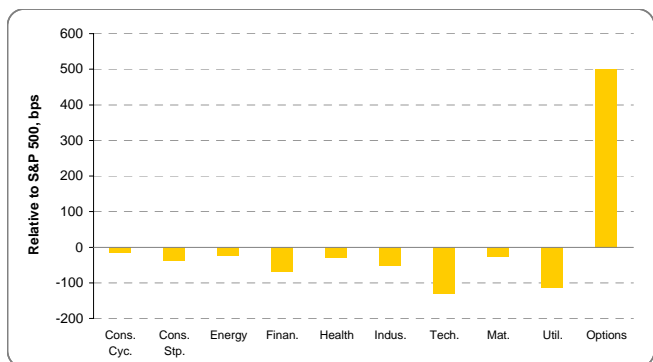
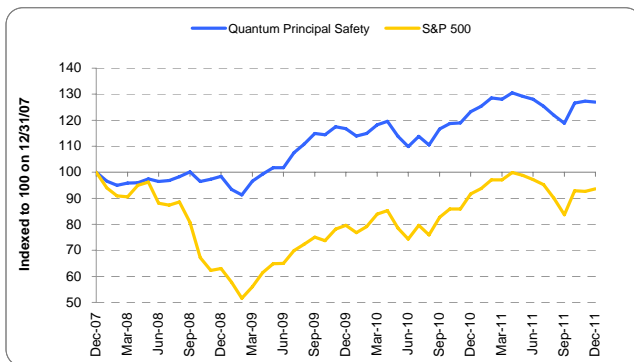
Comparative Statistics	December 31st, 2011		
	2 year	3 year	4 year
Beta	0.54	0.50	0.38
Alpha	-0.3%	1.7%	7.3%
Tracking Error	7.6%	9.7%	13.5%
Information Ratio	-0.04	0.18	0.54
R ²	0.93	0.88	0.70
Standard Deviation	9.9%	10.3%	9.5%
Index Standard Deviation	17.0%	18.7%	20.4%
Sharpe Ratio	0.43	0.86	0.76
Index Sharpe Ratio	0.49	0.75	-0.01
Monthly Upside Capture	54.8%	54.6%	56.4%
Monthly Downside Capture	57.6%	50.5%	28.4%

Sector Exposure	December 31st, 2011	
	Holdings ^(1,4)	Target Weight
U.S. Equities	37	100.0%
Consumer Discretionary	4	11.0%
Consumer Staples	4	11.5%
Energy	5	12.5%
Financials	5	13.0%
Healthcare	4	11.5%
Industrials	4	10.5%
Information Technology	8	23.0%
Materials	2	3.5%
Utilities	1	3.5%

Returns

	Strategy	Index ⁽²⁾	HFRX HE ⁽⁶⁾
1 Month	-0.3%	1.0%	-1.3%
QTD	6.8%	11.8%	-0.7%
1-year	2.9%	2.1%	-18.9%
2-year	4.3%	8.4%	-6.0%
3-year	8.8%	14.1%	0.0%
Inception (12-31-07)	6.1%	-1.6%	-7.1%

Largest Holdings ^(1,5)	December 31st, 2011	
	Company	Weight
Consumer Discretionary	TJX Companies	3.0%
Consumer Staples	Coca-Cola	3.0%
Energy	ConocoPhillips	2.5%
Financials	PNC Financial Services	3.0%
Healthcare	Bristol Myers	3.5%
Industrials	Rockwell Automation	3.0%
Information Technology	IBM	3.0%
Materials	Freeport McMoran	2.0%
Utilities	Duke Energy Corp	3.5%



⁽¹⁾ Performance shown is gross of fees. Figures quoted represent past performance, which is no guarantee of future results. Returns for periods of less than 1-year are not annualized. All holdings and performance information is supplemental to the GIPS® fully compliant presentation located at www.quantumcap.com under the performance tab on the institutional website.

⁽²⁾ S&P 500.

⁽³⁾ Risk Adjusted Index Performance was calculated using $(R_m \cdot \text{Beta}_p)$, Sharpe Ratio calculated with assumed R_f of 0%

⁽⁴⁾ Based upon model holdings. Actual holdings held per account may vary, accounts with 80% or more of the model holdings are included in account performance. Does not include options.

⁽⁵⁾ Based on model holdings, shows largest holding per sector. When multiple securities have the same weight, holding shown is discretionary, does not include options

⁽⁶⁾ Data from the HFRX Website, HE stands for the Hedged Equity Index

**QUANTUM CAPITAL MANAGEMENT
QUANTUM PRINCIPAL SAFETY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION**

	Total Firm	Composite Assets		Annual Performance Results			
Year	Assets	USD	Number of	Composite	Composite	S&P	Composite
End	(millions)	(millions)	Accounts	Gross	Net	500	Dispersion
2010	303	31	46	-	-	-	-
2009	194	9	7	18.6%	17.2%	26.5%	NA
2008	172	<5	<6	(1.6%)	(2.8%)	(37.0%)	NA

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

Principal Safety Composite Contains fully discretionary diversified accounts with either Large Cap Growth or Dividend Growth underlying, managed with a derivatives overlay hedging strategy. Long puts are used to decrease downside risk. Short Calls are used to increase income. For comparison purposes this composite is measured against the S&P 500 Index. The minimum account size to be included in this composite is \$250,000.

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. 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.

The Quantum Principal Safety Composite was created December 31, 2007. 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.

The Principal Safety Composite Contains fully discretionary diversified accounts with either a Large Cap Growth or Dividend Growth underlying strategy managed with a derivative overlay hedging strategy. The representative account holdings shown are for a Dividend Growth account with a derivatives hedge and are shown as supplemental information to the GIPS compliant presentation on the reverse page. Representative account holdings for a Large Cap Growth account with a derivate hedge are available upon request.