

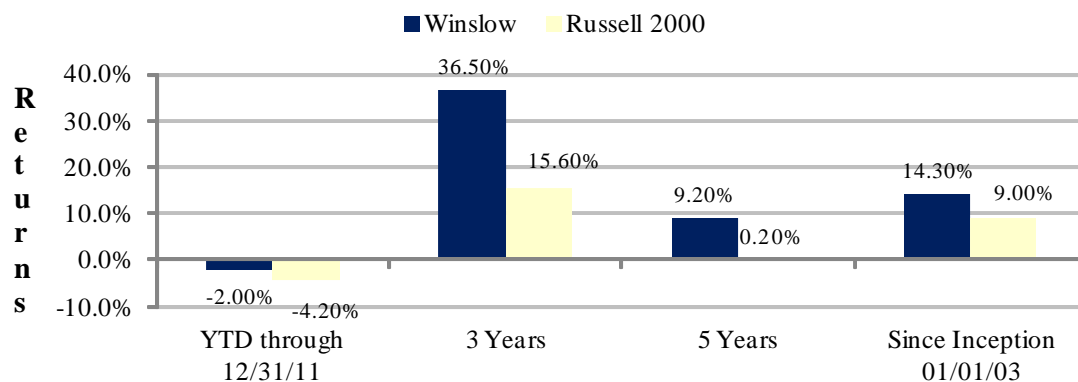
# FOURTH QUARTER 2011 UPDATE

## SMALL-CAP PERFORMANCE

**WINSLOW**  
ASSET MANAGEMENT, INC.

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- ◆ All-Cap & Small-Cap Core equity manager
- ◆ Employee-owned firm founded in 1992
- ◆ Top-quartile, GIPS-compliant performance
- ◆ Approximately \$500M in AUM



Annualized Returns for periods greater than 1 year  
Performance as of 12/31/11 and shown net of fees in US\$

### MARKET COMMENTARY

As we hoped and perhaps expected, the market had a pleasant double-digit recovery in the 4<sup>th</sup> quarter. The Winslow Small-Cap Core strategy was up 12.30%, but was outpaced by the Russell 2000, which advanced 15.47% for the quarter. For the year, the Small-Cap strategy was down 2%, but nicely outperformed the 4.2% decline in the Russell 2000.

The largest contributor to performance was GATX Corporation (GMT), which was up over 40% for the quarter. Shares rose on improving US fundamentals, which are leading to stronger rail volumes and have a positive impact on pricing. Stock selection within the Consumer Discretionary sector was another bright spot for the quarter. Pulte Group, Inc. (PHM) was up 60% in the quarter as data suggests we are near a bottom in housing. Both Life Time Fitness Inc. (LTM) and LKQ Corp. (LKQX) were up approximately 25% for the time period. LTM continues to produce solid earnings results and the market responded favorably to the positive impact improving employment data will likely have on the consumer. LKQX benefitted from the acquisition of Europcar, giving them access to an important new market.

Within Technology, several specific stock picks produced a drag on quarterly performance. Small cap stocks, Digital Generation, Inc. (DGIT) and Marchex, Inc. (MCHX) were down over 25%. DGIT declined significantly after its 3<sup>rd</sup> quarter earnings announcement due to a poorly communicated management change and concerns over pricing. It is clear to us that the company had been internally focused on this transition for over a year. We also believe the price declines will be significantly less than investors are forecasting. MCHX was down in the quarter due to the perceived weak performance of its legacy web publishing business. However, the company's core call advertising business continues to grow rapidly and makes us positive on the stock.

The New Year is starting off well both for markets and our relative performance. The confidence we expressed in our 3<sup>rd</sup> quarter update has been validated by evidence of a "growth-patch" in the US economy and a self-sustaining recovery. The most important issue is whether the US can "de-couple" from the sovereign debt problems. Coming from a market filled with extreme pessimism and fright, the continued recovery is logical.

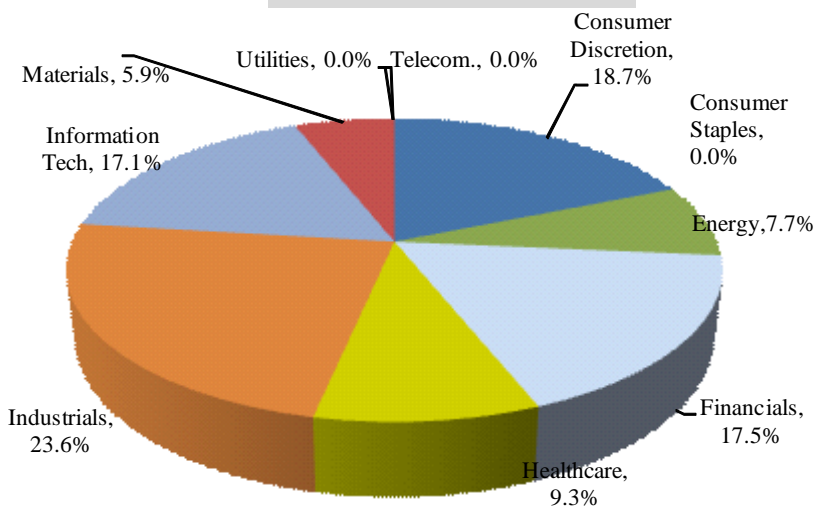
We continue to add value from our "rust-belt" heartland location in Ohio, where we are best able to comprehend the resilient and exciting turnaround in the US manufacturing base and less persuaded by the pessimism professors Reinhart and Rogoff expressed in their book, *This Time is Different*.

### TOP TEN HOLDINGS

Portfolio Weight

LIQUIDITY SERVICES	6.4%
COHEN & STEERS	5.0%
LKQ CORP	4.4%
AMERICAN CAMPUS	4.4%
LIFETIME FITNESS	4.3%
GATX CORP	4.2%
REX ENERGY CORP.	3.9%
SVB FINL GROUP	3.7%
GENCORP INC	3.7%
FOREST CITY ENT	3.7%

### SECTOR ALLOCATION



PORTFOLIO CHARACTERISTICS	WINSLOW	RUSSELL 2000
AVERAGE HOLDINGS	30-45	
AVERAGE TURNOVER	25-30%	
WEIGHTED AVG. MARKET CAP	\$1.8B	\$1.2B
MEDIAN MARKET CAP	\$1.7B	\$0.47B
PRICE-TO-EARNINGS (2011)	20.1	16.9
PRICE-TO-SALES	2.0	.90
MID-CAP (\$2 billion to \$10 billion)	43.6%	
SMALL-CAP (<\$2 billion)	56.4%	

Winslow Asset Management, Inc. is an independent investment management firm that manages equity, balanced and fixed income portfolios. The firm invest primarily in U.S. stocks and bonds. Winslow claims compliance with the Global Investment Performance Standards (GIPS). Top ten holdings, sector allocation and portfolio characteristics are supplemental information for the Small Cap Core composite, as provided above. To receive a complete list and description of Winslow's composites and/or a presentation that adheres to the GIPS standards, please contact Kara Lewis at 216.360.4700 or [kara@winslowasset.com](mailto:kara@winslowasset.com).