

What's Inside ...

Performance Recap

Indices across all capitalization and style segments advanced in the fourth quarter and for 2009

Growth outperformed Value for the quarter and the year

Lower capitalization, higher Beta, and higher growth stocks prospered in 2009

Review and Outlook

U.S. economy entering a recovery phase as stimulus takes effect and uncertainties diminish

Profit expectations for small and mid capitalization companies reflect a dramatic recovery

Investors just now beginning to place more emphasis on company fundamentals

Relative Portfolio Structure – Long-Term Themes

Overweight
Technology
Healthcare
Energy

Underweight
Financial Services



William Jeffery, III
President / Chief Investment Officer

“The economy has transitioned through a low point and we see a prolonged period of sluggishness ahead. History tells us that at points like this, company fundamentals become the primary driver for stock market action and a great scenario for small and mid cap growth stocks begins to unfold”.

Quarterly Review – 4Q09

Market Performance Recap	Page 2
Fourth Quarter Review	Page 3
Portfolio Structure	Page 4
Market Outlook	Page 6
WSA Composite Performance	Page 7
Performance Disclosure	Page 8

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Market Performance Recap

Equity indices across all style and capitalization segments turned in a solid fourth quarter to end a banner 2009, with Russell's Growth style indices outperforming the Russell Value indices for the quarter and the year. Growth's dominance in the small and mid-cap indices is generally attributable to its heavier weighting in relatively outperforming Technology issues coupled with Value's heavier weighting in relatively underperforming Financial Services stocks. **The environment for active growth managers proved difficult in 2009**, with 51% of small-cap growth and 27% of mid-cap growth managers outperforming their respective benchmarks. In the fourth quarter, the environment improved for small-cap growth managers as 71% outperformed their benchmark indices. However, only 26% of mid-cap growth managers were able to beat their benchmarks in the fourth quarter (Source: Merrill Lynch).

Russell Index Performance (%)

Period	Russell 2000		Russell Mid Cap		Russell 1000	
	Growth	Value	Growth	Value	Growth	Value
4Q09	4.14	3.63	6.69	5.21	7.94	4.22
2009	34.47	20.58	46.29	34.21	37.21	19.69
Since 3/9/09	80.00	84.50	77.60	88.40	64.10	69.40

As of 12/31/09 (Sources: Russell / Baseline)

For 2009, investors favored lower capitalization, higher beta, and higher growth stocks; an environment decidedly favorable to WSA's growth investment specialty. The year also saw investor support for previously hard-hit issues as low and "non-earner" (N/A) P/E shares prospered. As for the fourth quarter, Growth shares continued to outperform while higher capitalization and lower beta stocks found favor (see the table below for details).

Vestek "All-Shares" Universe

P/E Sector	4Q09	2009	Cap Sector \$b	4Q09	2009	Growth Sector	4Q09	2009	Beta Sector	4Q09	2009
0.0-8.0	2.64	30.64	Above 5.0	5.67	24.76	0.0-8.0	4.19	16.54	0.0 - 0.9	6.44	8.76
8.0-12.0	10.37	36.82	1.0-5.0	6.18	39.17	8.0-12.0	5.67	28.12	0.9 - 1.1	7.94	24.69
12.0-16.0	7.35	16.58	0.5-1.0	4.14	41.55	12.0-16.0	4.24	33.50	1.1 - 1.3	6.87	38.47
Above 16.0	4.83	29.15	0.1-0.5	1.28	43.30	16.0-20.0	11.35	55.11	1.3 - 1.5	1.25	46.64
N/A	1.75	46.74	0.0-0.1	-1.36	50.22	Above 20.0	8.38	48.32	Above 1.5	-1.43	68.35

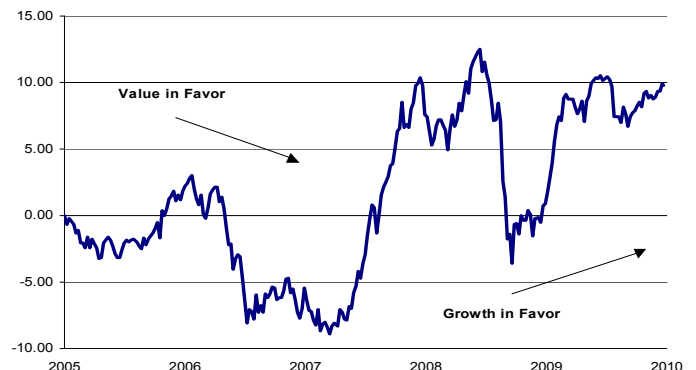
Capitalization-weighted performance; Vestek All Shares as of 12/31/09 Source: Thomson Vestek

Growth significantly outperformed Value in 2009. Despite an impressive run, we believe Growth stocks are poised to maintain their command. Growth stock earnings have held up better and they continue to provide more compelling valuations than their Value counterparts. The environment for active managers should also continue to improve. Investors are beginning to reward fundamentals after a prolonged attraction to lesser quality, previously hard hit stocks. Moving into 2010, this renewed focus should lead investors to stocks exhibiting exceptional earnings growth and the potential for positive earnings revisions.

*Russell 2000 Growth Vs. Russell 2000 Value
January 2005 – December 2009
Base: Russell 2000 Value (Source: Baseline)*



*Russell Mid Cap Growth Vs. Russell Mid Cap Value
January 2005 – December 2009
Base: Russell Mid Cap Value (Source: Baseline)*



Fourth Quarter Review

The fourth quarter capped a year of sharp contrasts and strong equity returns typical of an emerging cyclical recovery. Markets extended their dramatic gains as the economy – having experienced its worst downturn since WWII – entered a recovery phase. Indeed, the global economy is improving and the U.S. is participating due to “shock and awe” monetary and fiscal stimulus, Cash-for-Clunkers, rising home sales, improving retail sales, less negative employment trends, and sustained rock bottom interest rates. In their last meeting of the year, the Federal Reserve resolved to maintain “exceptionally low” interest rates for “an extended period” and, by the end of the quarter, stock indices hit new recovery highs (the S&P 500 surged over 65% from its March-09 lows).

History shows that stylized cyclical bull markets are typically comprised of three phases: (1) a strong initial liquidity-driven rally out of a bear market, which averages 60% and accounts for between a third to one-half of the total gain; (2) a consolidation phase which typically begins as interest rate rise; followed by (3) the continuation of gains in equities, typically driven by improving fundamentals. Looking back, the financial asset liquidation in the second half of 2008 sent a great deal of capital (much of it fiduciary capital) to the sidelines at minimal rates of return. As market psychology improved, risk appetites recovered, and some of the fiduciary capital returned to the market. Many thereby view 2009’s stock market gains as largely liquidity-driven and believe we are now approaching a consolidation phase. Economic uncertainties have diminished. The U.S. economy is set to return to growth. The corporate sector has retrenched – costs are now below revenues, cash flow is now positive, and earnings could expand dramatically. The point at which investors begin to anticipate interest rate hikes draws near. Investors are also very likely to anticipate higher taxes, reduced fiscal/monetary stimulus programs, more government intrusions, tougher company earnings comparisons, higher inflation measures, mid-term election worries, sovereign debt woes (e.g., Dubai and Greece) and perhaps even a strengthening dollar. This makes for a challenging investment climate where stock selection becomes extremely important.

Profit expectations for small and mid capitalization companies reflect a dramatic recovery. Current consensus is for small caps to deliver year-over-year earnings growth of 85.8% in the fourth quarter, while mid cap companies are expected to post 46.5% earnings growth (source: Merrill Lynch). Consumer Discretionary and Financial sector companies are expected to see the biggest rebound as their earnings go from losses to profits. With the assistance of easy comparisons, earnings are expected to continue their recovery in 2010.

We expect companies in our portfolios to continue seeing higher forecasted long-term earnings growth rates versus comparable benchmarks (see table at right).

While the number of U.S.-based investment opportunities remains high, we are presently encountering an expanding number of compelling investment candidates in foreign-based companies (all of which trade on major U.S. exchanges – and some of which are benchmark constituents). These foreign-based companies exhibit the same positive characteristics and compelling valuations our portfolio managers have traditionally looked for in all investment candidates. However, such companies have the added benefit of having their operations concentrated within the fastest growing economies on the planet. And in an environment where overall earnings growth rates are low, companies that exhibit strong and highly predictable rates of growth eventually command premium valuations. Historically, during economically slow periods, investors recognize the attractiveness of true growth stocks. This recognition is occurring and while valuations are not as cheap as they were earlier this year, they are still compelling. As confidence continues to build, history tells us that investors continue to have in place one of the most rewarding settings for growth equity portfolios – **an environment where growth is scarce and a premium is paid for companies expanding at a more rapid pace than the overall economy.**

Strong Earnings Growth in WSA Portfolios	
	Forecasted Long-Term EPS Growth Rates* (I/B/E/S Means)
WSA Mid Cap Growth	15%
<i>vs. Russell Midcap Growth Index</i>	13.3%
WSA Small/Mid Cap Growth	18%
<i>vs. 50/50 Blend*</i>	15.1%
WSA Small/Micro Cap Growth	20%
<i>vs. Russell 2000 Growth Index</i>	16.8%
WSA Micro Cap Growth	22%
<i>vs. Russell 2000 Growth Index</i>	16.8%

Source: Russell/Mellon Analytical Svcs and Thomson Baseline as of 12/31/09

Portfolio Structure

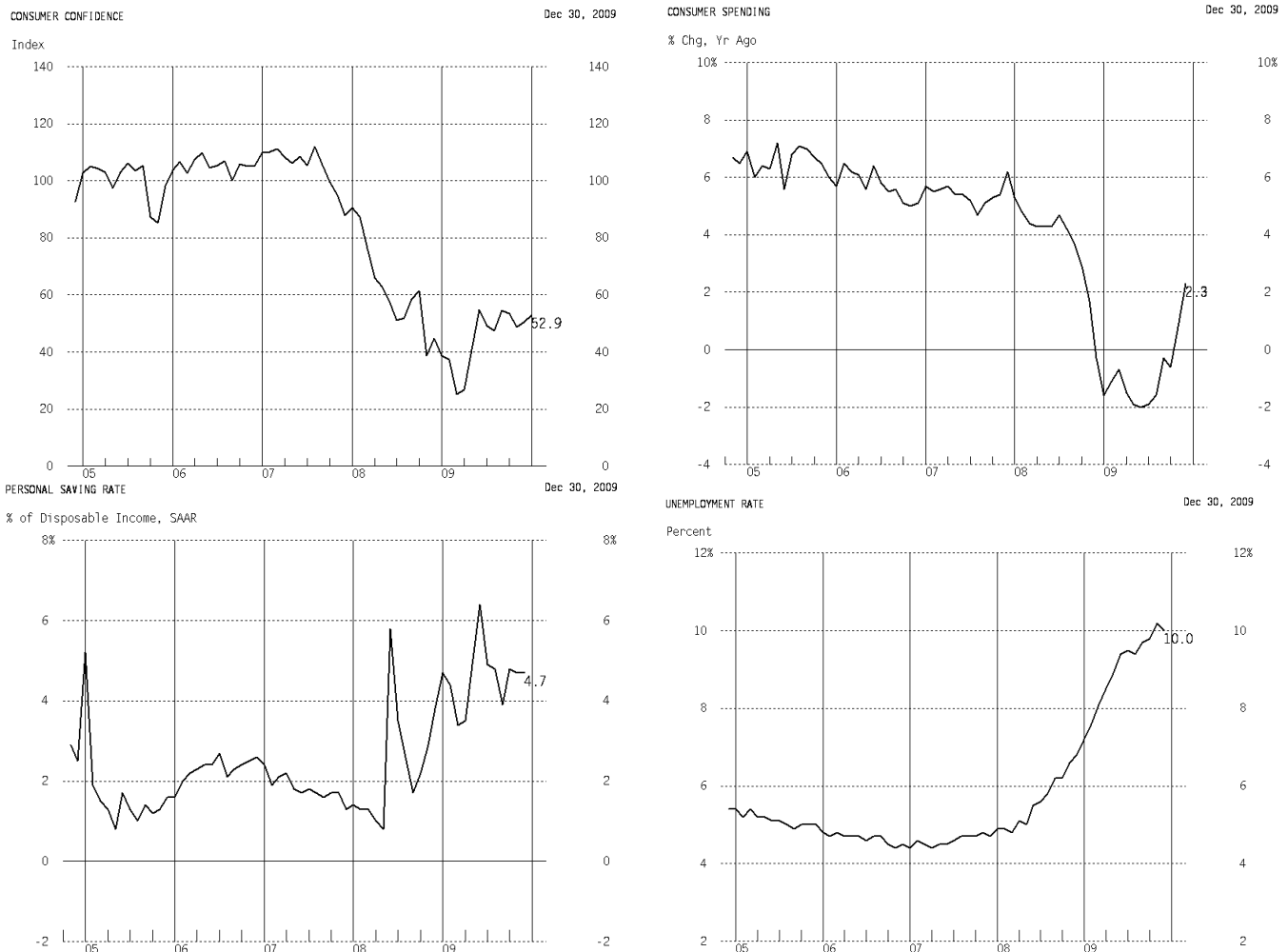
Wall Street Associates' current portfolio structure reflects an emphasis on several long-term themes expected to benefit from the unfolding market environment. **We see a positive long-term trend continuing to develop in the energy sector and so we continue to overweight the sector**, with particular emphasis on oil & gas drilling, service, exploration, production, infrastructure building, and associated technologies. While short-run demand destruction, deleveraging and a "speculative unwind" negatively impacted these groups in 2008, energy and resource-oriented companies have performed well during the recent market recovery – in recognition that they remain tied to a global secular infrastructure theme. Cyclical declines can and do occur, however, history tells us that as conditions improve demand for energy and commodities will return and prospects for related companies will improve. We therefore continue to hold positions in energy companies at industry chokepoints and exposed to the right end markets – e.g., onshore and offshore drilling operators, equipment suppliers, power transmission and distribution companies. All of these areas are where the barriers to entry are highest, the fundamentals are most powerful, and the earnings visibility extends well into the future. While near-term risks exist, the long-term fundamental outlook is very good. Our energy sector positions should continue to have strong growth prospects and are expected to be important contributors to long-term performance.

Many of the same short- and long-term factors that drive the energy markets also affect Materials and Processing stocks. Stocks in this group have recovered from the short-run demand destruction, deleveraging, a "speculative unwind" and rising inventories that negatively impacted the performance of these issues in 2008. We still view "Infrastructure" as a popular investment theme and believe that the market is now beginning to recognize its merits. There's a strong secular infrastructure and commodities cycle ahead, resulting directly from industrialization efforts and fiscal stimulus plans in developed and emerging markets, particularly in China and the U.S.A. **This long-term cycle creates an extremely profitable opportunity for companies leveraged toward energy/power/transportation infrastructure, engineering components, water projects, agriculture and manufacturers of pipeline and dredging machinery.** These types of companies historically experience strong revenue and earnings growth, large and growing backlogs and prolonged periods where demand outstrips supply. We continue to hold Materials and Processing positions in anticipation of what we see as a rewarding time for these stocks.

We continue to believe Healthcare companies will become important contributors to long-term performance and maintain an overweight target for our portfolios versus comparable benchmarks in this sector. Despite short-term underperformance as investor uncertainty increased regarding the fate of the healthcare industry (in large part due to intense regulatory pressures), there's a clear fundamental positive case for healthcare companies as many are experiencing high relative profitability, attractive valuations and improving profit margins. Demographic trends and revenue increases are positive factors for healthcare technology, equipment, services and pharmaceutical companies. **The medical technology, equipment, device and diagnostics companies** we find most attractive are in the midst of ramping product cycles and **are experiencing robust earnings growth** as a result of their "razor/razor-blade" operating models. Biotechnology companies should continue to see above-average prospects as they experience a greater share of new drug approvals and "big pharma" pushes hard via partnerships to replace many large drugs coming off patent. So while healthcare-related companies are historically resistant to economic downturns, the intense political scrutiny recently faced by this sector has raised investors' concern. However, many believe the passing of Congress' healthcare bill will mark a point where the political pressure begins to abate. Investors may then come to realize that the regulatory impact is not as bad as feared. At the very least, investor uncertainty will diminish and be replaced by the view that these groups are fundamentally strong, attractively valued, and should see a long-term improvement in revenues, earnings, and margins regardless of the economy's pace.

Fundamental conditions continue to be difficult within the **Finance sector**. The fact is that all banks are exposed to the economy and even the "good" ones will continue to face balance sheet-related difficulties. Banks are still challenged with large waves of charge-offs from bad residential and commercial real estate loans on their books, and while financial markets are recovering, credit standards are still tight. Credit card lending is down, banks continue to cut unused credit lines, and consumer loan losses, delinquency rates and loan charge-off rates continue to rise. So increased government oversight is here to stay, especially for the larger crisis-hit banks. One result of all this is that the banking industry will have to raise capital and curtail lending. Unfortunately, a growing economy requires a functioning credit market, and banks that have to raise capital and reduce loans are not growing credit and are a drag on economic growth. Because our portfolios have not held many Finance stocks, we have tended to avoid direct financial-related exposure to the current crisis. We mostly favor the exchanges, transactions processors and financial companies with innovative risk management and regulatory/governance products over traditional spread-based lenders.

Many factors continue to negatively impact household budgets, making stock selection extremely challenging and important within the **Consumer Discretionary** sector. This has been a difficult period, yet consumers have come out of hibernation – spurred by the fiscal stimulus, Cash-for-Clunkers, a rebounding stock market, and pent up demand that needs to be satisfied. We remain very cautious and maintain an equal-weight target weighting versus comparable benchmarks in this sector. There is anxiety over the extent to which the current financial conditions will impact consumer confidence and spending. Consumer Discretionary-related companies have reacted by cutting costs yet they face tremendous headwinds: high consumer debt burdens and an increase in the personal savings rate seem to indicate the consumer is likely to remain conservative. However, early cyclical stocks such as consumer discretionary and transports historically sense and react to the inevitable economic recoveries which follow weak periods with a much greater lead-time than other equities – and this has been the case again. While consumer confidence and spending have begun to improve, labor markets continue to suffer (see charts below), **making the current environment for consumer-related companies quite difficult; one which demands a focus on valuations.**



Within this sector, we favor higher-end/niche retailers with the strongest fundamentals and growth prospects. The companies most attractive to us are those with rapidly expanding consumer products and high unit growth rates, as well as Internet-based versions of traditional industries such as online education providers (which experience a boost in enrollment as unemployment goes up), advertising, retail and digital media which allow businesses to enhance productivity and to lower costs.

Technology companies did not avoid the negative impacts of lower business and consumer tech-related spending brought on by the deteriorating economic conditions seen in 2009. Indeed, Technology is a cyclical growth sector and it is difficult for tech-related companies to do well when there is neither growth nor the presence of major product cycles. However, the outlook for technology-related companies is now improved and **we believe the diverse thematic influences within technology sub-industry groups will positively impact select companies that are either gaining market share or bucking the trend and exhibiting strong growth rates.** Our software and hardware-related positions expect to benefit from outsourcing, security, data storage, business redundancy, disaster preparedness and digitization trends. **Software as a Service (“SAAS”) and cloud computing companies have found a growth niche** by focusing on underpenetrated “vertical” markets – Customer Relationship Management, Website Analytics, Travel & Entertainment Booking, Online Education Content Management, Payroll and Workforce Management – with the added benefit that these companies provide a visible recurring revenue stream that is typically in the 15% to 30% growth range. **Data Storage and Archiving solutions providers are also experiencing rapid growth.** The need for data storage - much of which is required by law and regulatory bodies to be archived - continues to expand with the vast amounts of information being created daily. In addition, **Semiconductor-related companies continue to see some positive changes:** signs are emerging that end demand is set to improve markedly due to inventory restocking, strong sales in China and a general recovery in overall technology-related spending. **Portfolios also hold companies that continue to experience the benefit of a major shift in marketing spending from offline to online.** Companies which provide online marketing services, innovative marketing communications, brand advertising consulting, and website hosting services stand to benefit as the industry’s market-share shifts. **Valuation measures for these technology groups are still attractive, and we continue to target an overweight position versus comparable benchmarks in this sector.** Looking ahead, we may be seeing the start of a PC upgrade cycle, wireless and smart phone penetration is expected to continue and technology suppliers to the developing world should see robust demand. The view here is that expectations for technology groups remain low and selected companies are likely to exceed analysts’ forecasts.

Market Outlook

Our themes have worked well in 2009, which lends confidence in our strategy moving forward. Yes, market psychology has improved and there are fewer price opportunities present now compared to early March 2009, but opportunities still abound. Indeed, much of the economic upheaval has been reflected in the stock market, policy makers have intervened, and we must no longer wait for investor panic to mount and run its course. The economy has transitioned through a low point and ***we see a prolonged period of sluggishness ahead. History tells us that at points like this, company fundamentals become the primary driver for stock market action and a great scenario for small and mid cap growth stocks begins to unfold.*** Our portfolios remain actively and optimistically positioned.

William Jeffery III, President, CIO

Micro Cap

Overview: The Micro Cap Growth strategy seeks to maximize long-term capital appreciation by investing primarily in U.S. companies with market capitalizations below \$400 million (float adjusted) at the time of purchase.

4Q09: The Micro Cap Growth composite underperformed the Russell 2000 Growth Index in the fourth quarter. Underperformance was driven mainly by stock selection in Healthcare, Consumer Discretionary, and Producer Durables shares. Relative performance was helped, however, by stock selection in Technology and Energy issues.

	4Q09	2009	1 Year	3 Years	5 Years	10 Years
Micro Cap Composite Gross of fees (%)	2.30	43.06	43.06	-6.26	2.77	-1.39
Micro Cap Composite Net of fees (%)	2.08	41.91	41.91	-7.09	1.89	-2.25
Russell 2000 Growth Index (%)	4.14	34.47	34.47	-4.00	0.87	-1.37

As of 12/31/09; See Additional Disclosure / Performance for periods greater than 1 year are annualized / Capacity Available. Composite Inception 6/1/90

Small-Micro Cap

Overview: The Small-Micro Cap Growth strategy seeks to maximize long-term capital appreciation by investing primarily in U.S. companies with market capitalizations below \$1.5 billion (float adjusted) at the time of purchase, including benchmark constituents above \$1.5b.

4Q09: The Small-Micro Cap Growth composite outperformed the Russell 2000 Growth Index in the fourth quarter. Stock selection in Technology and Producer Durables shares were the primary sources of outperformance. Stock selection in Healthcare and Consumer Discretionary stocks hurt relative performance.

	4Q09	2009	1 Year	3 Years	5 Years	10 Years
Small-Micro Cap Composite Gross of fees (%)	4.76	41.16	41.16	-6.07	0.32	-3.32
Small-Micro Cap Composite Net of fees (%)	4.54	39.99	39.99	-6.90	-0.52	-4.15
Russell 2000 Growth Index (%)	4.14	34.47	34.47	-4.00	0.87	-1.37

As of 12/31/09; See Additional Disclosure / Performance for periods greater than 1 year are annualized / Capacity Available. Composite Inception 3/1/92

Small-Mid Cap

Overview: The Small-Mid Cap Growth strategy seeks to maximize long-term capital appreciation by investing primarily in U.S. companies with market capitalizations below \$10 billion (gross) at the time of purchase, including benchmark constituents above \$10b.

4Q09: The Small-Mid Cap Growth composite underperformed its custom style benchmark, the *50|50 Blend, in the fourth quarter. Stock selection in Healthcare and Consumer Discretionary stocks provided the greatest negative impact. Stock selection and an overweight position in Technology shares helped relative performance, as did stock selection in Producer Durables shares.

	4Q09	2009	1 Year	3 Years	5 Years	10 Years
Small-Mid Cap Composite Gross of fees (%)	5.04	46.90	46.90	-6.88	0.10	-0.94
Small-Mid Cap Composite Net of fees (%)	4.92	46.25	46.25	-7.35	-0.51	-1.60
50 50 Blend* (%)	5.43	40.35	40.35	-3.53	1.69	-0.87

* The 50/50 Blend benchmark equals a 50/50 blend of the Russell Midcap Growth Index & the Russell 2000 Growth Index

As of 12/31/09; See Additional Disclosure / Performance for periods greater than 1 year are annualized / Capacity Available. Composite Inception 11/1/98

Mid Cap

Overview: The Mid Cap Growth strategy seeks to maximize long-term capital appreciation by investing primarily in U.S. companies with market capitalizations between \$1.5 and \$10 billion (gross) at the time of purchase, including benchmark constituents above \$10b.

4Q09: The Mid Cap Growth composite underperformed the Russell Midcap Growth Index in the fourth quarter. Stock selection in Healthcare and Energy stocks had a negative relative impact. Relative performance was helped, however, by stock selection and an overweight position in Technology issues.

	4Q09	2009	1 Year	3 Years	5 Years	10 Years
Mid Cap Composite Gross of fees (%)	6.33	55.84	55.84	-0.48	4.26	0.44
Mid Cap Composite Net of fees (%)	6.20	55.18	55.18	-0.96	3.77	-0.08
Russell Midcap Growth Index (%)	6.69	46.29	46.29	-3.18	2.40	-0.52

As of 12/31/09; See Additional Disclosure / Performance for periods greater than 1 year are annualized / Capacity Available. Composite Inception 9/1/92

Wall Street Associates claims compliance with the Global Investment Performance Standards (GIPS.) WSA maintains a complete list and description of composites, and GIPS compliant full disclosure presentations, which are available upon request.

Wall Street Associates ("The Firm", "WSA") is a registered investment advisor, established in 1987. WSA is defined as an independent investment advisory firm that is not affiliated with any parent organization. The Firm is defined as all actual, institutional and sub-advisory (mutual fund) accounts managed by WSA. WSA invests primarily in U.S. Micro to Mid Cap growth securities for U.S. institutional clients.

Micro Cap Growth Composite ("The Composite") was created in June of 1990. The Composite includes all actual fee paying institutional and sub advisory (mutual fund) accounts with comparable investment objectives and risks, managed by WSA for at least one full month. The Composite invests primarily in domestic growth equities with a market capitalization of less than \$400mm (float adjusted) at purchase. It is measured against the Russell 2000 Growth Index for comparison purposes. The Russell 2000 Growth Index returns, which do not reflect the deduction of advisory fees, have been provided for comparison purposes only and have not been examined by independent accountants. Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. Market capitalization for Russell 2000 Growth Index constituents ranged from a low of \$20MM to a high of \$5.6B as of 12/31/09. The full performance period is not in compliance. Prior to January 1, 1993, the Micro Cap Growth Composite was an equal weighted composite.

Small-Micro Cap Composite ("The Composite") was created in March of 1992. The Composite includes all actual fee paying institutional and sub advisory (mutual fund) accounts with comparable investment objectives and risks, managed by WSA for at least one full month. The Composite invests primarily in domestic growth equities with a market capitalization of less than \$1.5b (float adjusted) at purchase, including benchmark constituents above \$1.5b. It is measured against the Russell 2000 Growth Index for comparison purposes. The Russell 2000 Growth Index returns, which do not reflect the deduction of advisory fees, have been provided for comparison purposes only and have not been examined by independent accountants. Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. Market capitalization for Russell 2000 Growth Index constituents ranged from a low of \$20MM to a high of \$5.6B as of 12/31/09.

Small-Mid Cap Composite ("The Composite") was created in November of 1998. The Composite includes all actual fee paying institutional and sub advisory (mutual fund) accounts with comparable investment objectives and risks, managed by WSA for at least one full month. The Composite invests primarily in domestic growth equities with a market capitalization of less than \$10b (gross) at purchase, including benchmark constituents above \$10b. It is measured against a 50/50 blend of the Russell 2000 Growth Index and the Russell Midcap Index for comparison purposes. The Russell 2000 Growth/Russell Midcap Growth 50/50 Index returns, which do not reflect the deduction of advisory fees, have been provided for comparison purposes only and have not been examined by independent accountants. Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index. Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index. Market capitalization for Russell 2000 Growth Index constituents ranged from a low of \$20MM to a high of \$5.6B as of 12/31/09. Market capitalization for Russell Mid Cap Growth Index constituents ranged from a low of \$261MM to a high of \$15.5B as of 12/31/09. In order to more accurately reflect investment strategy since composite inception, the Custom Benchmark replaced the Russell 2500 Growth Index on January 1, 2005.

Mid Cap Growth Composite ("The Composite") was created in September of 1992. The Composite includes all actual fee paying institutional and sub advisory (mutual fund) accounts with comparable investment objectives and risks, managed by WSA for at least one full month. The Composite invests primarily in domestic growth equities with a market capitalization from \$1.5b to \$10b (gross) at purchase, including benchmark constituents above \$10b. It is measured against the Russell Midcap Growth Index for comparison purposes. The Russell Midcap Growth Index returns, which do not reflect the deduction of advisory fees, have been provided for comparison purposes only and have not been examined by independent accountants. Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index. Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index. Market capitalization for Russell Mid Cap Growth Index constituents ranged from a low of \$261MM to a high of \$15.5B as of 12/31/09. Prior to April 1995, non-fee-paying clients represented 100% of the Mid Cap Growth Composite; therefore the net returns for those periods reflect what a fee-paying client would have paid, based on actual assets managed.

The US Dollar is the currency used to express performance. Results are based on fully discretionary, tax-exempt accounts under management, including those accounts no longer with the firm. Performance information reflects total return and includes dividends and other earnings. There is no minimum account size for these composites. Past performance is not indicative of future results.

Returns were calculated on a total return basis. Returns include all dividends and interest, other income, realized and unrealized gains or losses, and are net of all brokerage commissions, execution costs and without provision for federal or state income taxes. Securities transactions are accounted for on trade date, with dividends and other earnings accounted for on a cash basis. Cash and equivalents are included in performance returns. Monthly returns of The Composite combine individual accounts' return (calculated on a time-weighted rate of return basis which is revalued daily) by asset-weighting each accounts asset value as of the beginning of the month. Annual returns are calculated by geometrically linking the monthly returns. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available on request. Gross returns do not give effect to investment advisory fees, which would reduce such returns. Net of fee performance was calculated using the weighted average fee rate of the previous quarters actual fees, as provided in Part II of the firm's ADV. For example, gross performance of 10.00% combined with a 1.00% management fee would produce net performance of 9.00%. For the partial quarter prior to the first complete quarter (if provided), the base management fee rate was utilized to calculate net performance. The management fee schedule is as follows: Micro Cap Growth, Small-Micro Cap Growth, Small-Mid Cap Growth - 1.00% on the first \$25mm; 0.75% thereafter; Mid Cap Growth - 0.80% on the first \$50mm; 0.70% on the next \$50mm; 0.60% thereafter. Actual investment advisory fees incurred by clients may vary due to various conditions including account size.

Performance numbers have not been audited or verified by an independent third party.

From time to time, WSA may invest some client accounts in shares of companies through initial public offerings ("IPOs"). IPOs have the potential to produce substantial gains. There is no assurance that any client account will have continued access to profitable IPOs and as account assets grow, the impact of an IPO investment in that account may decline. Investors should not rely on these past gains as an indication of future performance. No leverage or derivatives are used in the Micro Cap Growth, Small-Micro Cap Growth, Small-Mid Cap Growth, or Mid Cap Growth strategy. Disclosures are the representation of management.