Earnest Partners

Small-Cap Equity

LOCATION	Atlanta, GA
YEAR FOUNDED	1993
ASSETS UNDER MANAGEMENT	$19.7 billion
CF FUNDS MANAGED	$6.5 million, 7.8% (as of 6/30/07)
INVESTMENT STYLE	Small-Cap Value

Firm Overview:

EARNEST Partners is a money management firm located in Atlanta, Georgia. The team has been managing money for institutional investors since 1993. The predecessor firm, Conners & Associates, was founded in 1993 and managed small strategies using the Return Pattern Recognition process developed by Paul Viera. In 1998, Mr. Viera Paul bought the majority ownership interest in Conners & Associates and renamed the firm EARNEST Partners. Today, EARNEST Partners provides asset management services for corporations, public funds, jointly-trusteed plans, endowments and high net worth individuals.

Investment Process:

At the heart of the EARNEST investment process is the desire to find well-run companies selling at a discount to their true value. The small cap value strategy focuses on companies with market capitalizations that range between $250 million and $3 billion. The investment process originates with a quantitative screening process called Return Pattern Recognition. With Return Pattern Recognition, EARNEST attempts to identify the combination of performance drivers, that include valuation measures, operating trends, market trends, growth measures, profitability measures, and macroeconomics, that precede out-performance for each stock. Out of those stocks whose current pattern of performance drivers suggests out-performance, the manager selects a trial portfolio that has a high probability of beating the index. Using a method called downside deviation, the manager incorporates risk control into its screening process and essentially “stress tests” the portfolio. That is, before selecting a stock, the manager measures how much each security may potentially negatively impact the portfolio under adverse conditions.

Following the initial screening and risk safeguards, the investment team performs fundamental analysis on the candidates for the model portfolio. Their analysis includes an evaluation of each company's financials, a review of industry reports, and discussions with management. Upon inclusion, stocks may typically have lower relative valuation metrics when compared to their historical or peer averages. However, many of these holdings may display strong long- term growth characteristics as well. A stock may be sold from the portfolio for any one of several reasons. For instance, a stock may be sold if bad news surfaces, or if a better opportunity is identified. A security can also be eliminated if it is no longer highly ranked in model. A stock may not always be sold based only on increasing market cap. They are reviewed, however, as market cap increases. If an issue continues to look attractive on a risk/reward basis, the team may continue to hold it.

The EARNEST Small Cap Value team will hold approximately 60 securities in the portfolio. Historically, turnover has averaged 35% annually.

Estabrook Capital Management

Large-Cap Equity

LOCATION	New York, NY
YEAR FOUNDED	1928
ASSETS UNDER MANAGEMENT	$3.2 billion
CF FUNDS MANAGED	$9.9 million, 12.0% (as of 6/30/07)
INVESTMENT STYLE	Large-Cap Core-Value

Firm Overview:

Estabrook Capital Management's (“Estabrook”) current management dates from 1970 when Charles Foley, former President of the firm, and Frank Whittelsey, Executive Vice President, bought Estabrook Capital Management from Boston based Estabrook & Co. and restructured it as an independent firm. Since then, the firm has remained exclusively in the business of investment management. In November 1999, Estabrook became a wholly owned subsidiary of The Bank of New York. Estabrook boasts a team of eight investment managers with broad financial market experience, each of whom is a member of the firm's Investment Policy Committee. The firm's senior management has an average of over 15 years at Estabrook and an average of over 25 years of investment management experience. Estabrook is a top-down (macro-economic), theme-oriented investment management firm that employs a fairly conservative philosophy and approach. The firm's objective is to manage its clients' accounts to preserve and enhance the purchasing power of capital over stock market cycles, to preserve capital in negative markets and to increase capital in real terms in favorable markets.

Investment Process:

The Large Cap Core strategy is derived from analyzing economic, political and social trends to evaluate the general outlook for investments. The cornerstone of this philosophy and approach is Estabrook's Investment Policy Committee (IPC). This Committee is comprised of nine members – eight Portfolio Managers and the Director of Marketing. The IPC, which meets weekly, begins with a worst-case analysis of the economy and applies this forecast to the investment environment. From there, the IPC develops and implements five to six strategic themes to meet clients' needs and objectives. These themes usually identify favorable industry sectors for product focus. Historically, Estabrook has generated ideas from the following sectors: Technology, Financial Services, Healthcare, Capital Goods, Consumer Cyclicals and Energy including the oil field servicing sector. All IPC members are responsible for idea generation to be used in portfolio construction. There is no formal process on how investment ideas are divided among the team. The IPC's members are generalists by nature but do have sector specialties given that many have arrived at Estabrook with an analytical background.

Prior to the IPC endorsing an investment, on-site company visits and/or management interviews are mandatory. Investment candidates are not only analyzed on fundamentals, but must also be deemed technically sound before they are purchased. Estabrook tends to buy stocks at what it believes to be reasonable valuations with strong fundamentals and little price risk. The latter is defined as shares trading at the low end of their range. In order to determine whether or not a company demonstrates a compelling valuation, Estabrook evaluates a stock's price-to-earnings (P/E) ratio, debt ratio and history of dividend growth. Estabrook also looks for companies that boast a relatively high return on equity, high return on assets and improving earnings-per-share and cash flow. Themes and ideas are included on the Large Cap Core “buy” list, or model, only after a consensus among the team members. After the “buy” list, or model, is assembled by the IPC, the responsible portfolio manager makes investment decisions for each account in line with the investment goals and objectives of each client. Estabrook maintains that its sell discipline is critical to effective asset management in order to control risk and minimize losses. Therefore, the firm attempts to act quickly to sell securities that become inappropriate due to altered fundamental factors. The firm employs a 20% decline from cost or appreciation as a warning signal to review a stock for appropriate action. Estabrook also sells securities it believes are fully valued after reaching their target price objective. On the purchase end of the process, Estabrook sets a target price objective for each security. As the security reaches that price, the IPC decides whether to continue holding that security, as the original fundamentals are still applicable, or to sell the security if it has become “yesterday's story”. This approach has resulted in annual turnover approximating between 15% and 20%.

Estabrook has a focused portfolio construction approach, developing five to six strategy themes or industry sectors and a 30- to 35-stock portfolio. Portfolios will typically be sector concentrated, and may have up to 2 - 3x the weighting of the S&P 500. A stock's typical entry-level weighting is anywhere between 2% and 4%. As weighting rises to between 6% and 7%, Estabrook revisits the stock to determine if it has additional upside potential. If it does, Estabrook will typically reduce the holding to an entry level weighting and will continue to own it. Note that as a policy since 1970, Estabrook will not purchase alcohol, tobacco and gambling stocks, or defense-related issues.

Brandes Investment Partners

International ADR Equity

LOCATION	San Diego, CA
YEAR FOUNDED	1974
ASSETS UNDER MANAGEMENT	$121 billion
CF FUNDS MANAGED	$15.5 million, 18.8% (as of 6/30/07)
INVESTMENT STYLE	International Value

Firm Overview:

Brandes Investment Partners, LLC ("Brandes") is an Investment Advisory firm that was founded in March 1974. Brandes is a bottom-up (fundamental), Graham & Dodd, value-oriented, equity manager. The firm's philosophy is predicated on an assumption that stock prices are more volatile than the underlying intrinsic value of businesses. Brandes believes that a stock should be viewed as a small piece of a business that is for sale. The key to success, according to Brandes, is to buy stocks of businesses which have determinable value, but that are unpopular or overlooked at the moment -- "undervalued" stocks. Brandes focuses on the fundamental characteristics of a company in order to develop an estimate of its intrinsic value. By choosing stocks that are selling at a discount to Brandes' estimates of their intrinsic business value, the firm believes a margin of safety and an opportunity for superior performance with below average risk are created.

Investment Process:

Virtually 100% of Brandes' investment process relies primarily on bottom-up (fundamental) security selection. However, top-down (macro-economic) factors, such as trading liquidity, political risk and currency risk, are taken into consideration in the valuation and weightings of individual stocks to control overall portfolio risk.

As global investors, Brandes literally has a world of investment possibilities on its plate. Brandes' first goal is to narrow this field to a manageable number of prospective candidates that deserve thorough, in-depth analysis. The firm starts by using computer databases to screen more than 13,000 companies across the globe. The firm attempts to identify the fair value of a company by screening for stocks that have a low price to earnings ratio, a low price to book ratio and good cash flow. In a given year, this persistent screening yields approximately 500 investment candidates. The firm, using a team approach, then examines the company's balance sheet, financial history, competitive issues and eventually broader industry and economic issues. Brandes also pays particular attention to the management record of a company, specifically stock holdings, compensation and the dedication of management to the interest of the shareholders. If a stock is perceived to be attractive in terms of its fundamentals and price, it is then presented to the investment committee for review. The International Equity ADR strategy is the responsibility of the Large Cap Investment Committee at Brandes. If approved, a stock is placed on the firm's buy list and price targets are set for both purchase and sale. These targets will be adjusted over time as companies grow and circumstances change. Brandes will hold a security as long as the intrinsic value exceeds the market price. When the company's price reaches its intrinsic value, the holding is sold. A stock will also be sold if the fundamentals of the company deteriorate to the point where the target price cannot be realized, if a better prospect appears or if a stock becomes overweighted (greater than 5% at cost of the total portfolio market value) due to appreciation.

The International Equity ADR strategy invests in between 45 and 75 issues, depending on the availability of stocks meeting the Graham & Dodd selection criteria at any given time. Initial allocations to individual securities typically range between 1% and 5% at the time of purchase. The maximum allocation to an individual security is 5% of the value of total portfolio assets at cost. While Brandes does restrict itself to a set standard on market capitalization for this strategy, the firm typically invests in stocks with market capitalizations of over $1 billion. The average is between $20 and $30 billion in a portfolio. Historical turnover has ranged between 25% and 45%.

Industry and country allocations are purely a residual of Brandes' stock selection process, as it is a bottom-up manager. In the interest of risk control and portfolio diversification, Brandes limits the maximum exposure to industries and countries to the higher of 20% of portfolio value or 150% of the index weight at cost. There is no minimum exposure requirement and there are no sector guidelines. As a value investor, Brandes perceives substantial inefficiencies in emerging markets from a valuation standpoint as well as in research coverage. The firm typically invests no more than 20% in emerging markets. Brandes does not participate in hedging activities.

Wentworth Hauser

International Equity

LOCATION	San Francisco, CA
YEAR FOUNDED	1937
ASSETS UNDER MANAGEMENT	$11.8 billion
CF FUNDS MANAGED	$6.2 million, 7.5% (as of 6/30/07)
INVESTMENT STYLE	International Growth

Firm Overview:

Wentworth, Hauser and Violich (“Wentworth”) was founded in San Francisco in 1937 under the name Burgess, Wentworth. At the time, its primary business was investment counseling to individuals. Eight years later the firm began managing tax-exempt institutional accounts. On January 8, 1962 it was registered under the Investment Advisors Act of 1940 and later became a member of the Investment Counsel Association of America. In 1966 Kurt Hauser and Paul Violich left Brundage, Story and Rose in New York and joined the San Francisco firm founded by William Wentworth. In 1975 the firm’s name was changed to Wentworth, Hauser and Violich. The firm remained a Subchapter S Corporation until May 1994 when it was purchased by the Laird Norton Financial Group. Following the purchase of the firm, it remained a stand-alone entity operating as an autonomous unit with its investment philosophy, strategies, policies and personnel remaining unchanged. The Wentworth International Growth ADR investment philosophy is grounded in the conviction that superior investment performance depends primarily on investing in the most attractive global economic sectors.

Investment Process:

Wentworth utilizes a top-down (macro-economic) sector allocation strategy to generate security selection. The team believes that the world economy has globalized by economic sectors, while a new investment force has bifurcated stocks into New Economy or Old Economy sectors. According to Wentworth, these two new dynamic global forces have merged, creating a new global investment landscape. Wentworth then utilizes a five-step, top-down sector allocation investment process as follows: First, the relative attractiveness of 10 global economic sectors is analyzed; second, the potential of 50 industry groups is examined; third, the attractiveness of 40 countries is analyzed; fourth, the universe of 600 foreign equity securities is researched; and finally, a portfolio of 30 to 50 stocks is constructed, representing primarily economic sectors that have the potential to deliver superior long-term earnings growth.

The team has created screens that look at the individual securities' propensity for future dynamic earnings growth and for firms that have exhibited superior price momentum. While some attention is paid to the selection of the individual holdings in the portfolio, macro-economic forces drive Wentworth's investment process. Stock selection is largely driven by a combination of macro-economic screens, combined with a selection of the largest names in each of the preferred sectors. Wentworth pays limited attention to the fundamental analysis of the holdings. The firm's sell discipline is an ongoing assessment of the following factors that may trigger the elimination of a stock from the portfolio: fundamentals of the company indicate signs of deterioration; industry outlook weakens; change in management; negative earnings surprise; SEC investigations; questionable accounting changes.

The firm constructs a portfolio of between 30 and 50 names. Wentworth's International Growth ADR strategy may invest up to 40% in any one sector in order to provide some limit on the size of the bet, but there is no country maximum. In addition, individual securities may be purchased up to 5% of the portfolio at cost and may grow to a maximum of 10% of the portfolio before they must be trimmed. The team may hold up to 10% in cash and may maintain emerging markets exposure of up to 10% of the portfolio. Turnover has traditionally hovered around 50%, although it is prone to be much higher when exiting and entering new sectors. The International Growth ADR strategy does not practice currency hedging. Wentworth Hauser & Violich's performance has been favorable versus the MSCI EAFE Index in both up markets and down markets, and in both growth and value-oriented markets. While the volatility of the International Growth ADR strategy has been Index-like thus far, it has the propensity to exceed the volatility of the MSCI EAFE Index when the sector bets do not pan out. While the Wentworth International Growth ADR strategy is an attractive investment alternative, it is best suited as an element of an international component of a multi-manager portfolio. Only those clients with a willingness to withstand a high level of short-term volatility should use Wentworth as a stand-alone international manager in a multi-manager setting.

TCW Investment Management Company

Large-Cap Equity

LOCATION Los Angeles, CA
YEAR FOUNDED 1971
ASSETS UNDER MANAGEMENT $152 billion
CF FUNDS MANAGED $8.0 million, 9.7% (as of 6/30/07)
INVESTMENT STYLE Large-Cap Value

Firm Overview:

The TCW Group was founded in 1971 and has been providing investment management services since that time. In July 2001, The TCW Group became an indirect subsidiary of Societe Generale, S.A. Societe Generale, S.A. is a publicly held financial firm headquartered in Paris, France. The TCW/Cowen Large Cap Relative Value team is lead by Lead Portfolio Manager Diane E. Jaffee, CFA and is supported by a team of seven Research Analysts and Product Specialists. The investment philosophy underlying the Large Cap Relative Value strategy seeks undervalued, large cap stocks of companies that have a fundamental catalyst or competitive advantage that TCW believes will ultimately be recognized by the marketplace. TCW describes the process as “the search for value poised for growth.”

Investment Process:

The TCW/Cowen Large Cap Relative Value strategy seeks undervalued, large cap stocks of companies that offer a fundamental catalyst or competitive advantage. The companies fall into two camps: companies with low current valuations but improving fundamentals that will enhance earnings and therefore company value; and fast growing companies with strong fundamentals that are selling at attractive valuations due to temporary factors. TCW describes the process as “the search for value poised for growth”. The team adheres to a disciplined value-oriented investment approach and typically invests in companies with a market capitalization of $1 billion or greater. The TCW/Cowen Large Cap Relative Value team seeks to add value through active, bottom-up stock selection. Research is internally generated by the team of seven dedicated analysts. Decisions are made on a fundamental, bottom-up stock selection basis, uncovering ideas company-by-company. The investment process begins by screening a universe of approximately 4,000 companies based on one or more of five valuation characteristics: Price/Cash Flow, Price/Sales, Price/Book, Price/Earnings and Dividend Yield. The valuation screening process yields a universe of approximately 300-400 companies, which are then subjected to rigorous internal fundamental analysis to identify a company's competitive advantage and price catalyst.

The team constructs a diversified portfolio based on the bottom-up stock selection of the team by buying stock in the companies with the best chance of realizing a competitive advantage. Each position must have at least a 30% upside potential over the next one to two years in order to be included in the portfolio. Individual positions range in size from 1.0% to 5.0% at cost. All stocks are initially purchased with a 1% minimum position. Holdings may appreciate to a maximum of approximately 5% at market. New accounts are generally invested over a period of 1-5 days. Sector weights are the results of the bottom-up process.

Neuberger Berman

Core Equity

LOCATION	New York, NY
YEAR FOUNDED	1939
ASSETS UNDER MANAGEMENT	$145 billion
CF FUNDS MANAGED	$9.6 million, 11.6% (as of 6/30/07)
INVESTMENT STYLE	All-Cap Core

Firm Overview:

Founded in 1939 by Roy Neuberger, Neuberger Berman ("Neuberger") operated as a limited liability company until October 7, 1999, when it offered shares to the public for the first time. The firm's business focused exclusively on discretionary money management for wealthy individuals until 1950, when Mr. Neuberger introduced one of the first value-style, no-load equity mutual funds in the United States. In 1968, Neuberger Berman began managing portfolios for pension funds and other institutional clients. Until its recent acquisition by Lehman Brothers, the firm was a public company that was 68% owned by employees and former principals. Neuberger Berman's Kaminsky Group runs the All Cap Core strategy. The Kaminsky Group has a history that dates back to 1963 when Joseph Lasser and Gerald Kaminsky worked together at Wertheim & Co., Inc. In 1976, Lasser moved to Neuberger Berman. Linda Shields joined Gerald Kaminsky at Wertheim & Co, Inc. in 1977 and in 1983, the two left Wertheim to form Friedlander, Hockler, Kaminsky & Co. In 1985, the two moved to Cowen & Co. Gary Kaminsky then joined them at Cowen & Co. in 1992. Back at Neuberger Berman, Michael Kaminsky joined Joseph Lasser in 1996. Following Cowen & Co.'s sale to Societe Generale in 1998, Gerald and Gary Kaminsky and Linda Shields moved to Neuberger Berman. The Kaminsky Group's goal is to invest in the most attractive opportunities in the marketplace through a series of what it calls systematic, logical steps.

Investment Process:

The All Cap Core team begins with a universe of 5000+ companies across the market capitalization spectrum. Following the team's internal macro viewpoint and quantitative analysis, approximately 500 companies are subject to fundamental research. Approximately 75-100 companies will then be subject to qualitative analysis, which involves speaking to industry analysts, performing technical analysis, utilizing a risk-reward model and considering tax ramifications. Out of the remaining 40-50 stocks, portfolio construction will determine the final 20-30 stocks to be selected.

Unique to Neuberger Berman's strategy is the team's belief that risk comes in many forms including market, credit, legal, operational and market liquidity, to name a few. Neuberger Berman's strategy in managing those risks is to determine which risks are relevant to its All Cap Core portfolio, and then establishing procedures to minimize or eliminate any undue exposure. The team attempts to estimate the potential macro risk, then the micro risks. If there is substantial macro risk and the economy is in what Neuberger believes to be a bear market, the team also incorporates an opportunistic income orientation to its investment process. This is accomplished through the use of bond equivalents such as: master limited partnerships (taxable accounts only), REITs, convertible securities and special situations. This substitute for a portion of the team's fixed income allocation attempts to provide capital safety, expected growth of income and/or principal. The team's investment horizon ranges from two to five years. A stock will be sold or considered to be sold when: the team loses confidence in company management, or the structure of a company has changed dramatically, if there is a change in the team's investment thesis pertaining to the economic environment, industry outlook, company fundamentals, management strategy and from a valuation perspective.

Neuberger's All Cap Core team constructs a focused portfolio of 20-30 stocks, however, no single position will exceed 7.5% at cost or 15% at market value. There are no capitalization constraints in the All Cap Core strategy. Historically, portfolio turnover has ranged between 40% and 60%.Investors should note that on average, the portfolio has held 15% cash over the last two years with the highest level at 30%. The team will consider switching into cash (maximum of 30%) depending upon its macroeconomic outlook.

Calamos

All-Cap Equity

LOCATION	Naperville, IL
YEAR FOUNDED	1971
ASSETS UNDER MANAGEMENT	$46 billion
CF FUNDS MANAGED	$8.0 million, 9.7% (as of 6/30/07)
INVESTMENT STYLE	All-Cap Growth

Firm Overview:

Calamos Investments, Inc. ("Calamos") and its predecessors have managed money since 1977. Calamos has been in business under its present name and principal ownership since 1987. Calamos Asset Management, Inc. is a wholly owned subsidiary of Calamos Holdings, Inc., a Delaware corporation. Calamos Holdings, Inc. is 100% employee-owned by the Calamos family. John P. Calamos is the majority owner of Calamos Holdings, Inc. Calamos continues to believe that the drivers of economic growth stem from small- to mid-cap companies. The firm feels that these companies are often more innovative and more creative than the larger companies. However, size alone is not the only criteria. Calamos' long-term view of the economy is constructive in that the firm feels it presents a vibrant, and opportunistic and exciting environment for companies to excel. The All Cap Growth strategy seeks to achieve long-term capital appreciation through direct equity participation by investing primarily in the common stocks of rapidly growing small- to mid-sized companies where the earnings growth and value are not yet reflected in their stock prices.

Investment Process:

Calamos designed this strategy with the objective to be nimble, moving swiftly in and out of stocks seeking to take advantage of market changes. The firm selects companies—often small- or mid-cap—that it believes have growth potential beyond the projected earnings estimated by analysts, evaluating factors that might create a surprise up or down from analysts' reports. As a company's street price begins to reflect its earnings potential more closely, Calamos can sell and move quickly to another undervalued stock, maintaining the overall growth momentum. The firm also identifies business sectors where sustained growth is most likely and may take a heavier position in market sectors that appear especially attractive. While turnover may be high, Calamos' realized gains have typically been long term, and tax-efficient management is available.

While the firm's confidence in the economy is steadfast, Calamos also believes the key to creating wealth over the long-term is to actively manage the balance between risk and reward on a day-to-day basis, remaining fully invested throughout all market cycles. Calamos designs portfolios to be flexible, striving to provide superior long-term investment performance and help guard against unforeseen events. This fundamental philosophy underlies everything Calamos does. Central to Calamos' investment process is the belief that the financial markets operate in a manner which precludes using a single all-encompassing method of analysis, and that instead, market fluctuations call for a more flexible approach. Calamos' long-term strategy is therefore based on the Calamos Proprietary Investment Process that uses sophisticated quantitative models to go far beyond traditional security analysis. This multi-step process assures that Calamos approaches the investment challenge from both top-down and bottom-up perspectives, fully addressing both sector-allocation and issue-specific decisions. These four steps were originally developed for sophisticated convertible investing. Now, each step makes a unique contribution to the disciplined investment process across all of the firm's various strategies with the steps prioritized according to each asset class' characteristics. Combining proprietary models with the company-specific and industry insights of the investment team allows Calamos to adapt swiftly to changes in market conditions. Calamos may sell a security under the following circumstances: Deceleration in relative return on capital, revenue or earnings growth; Expectations regarding operating margins, revenue or earnings fall short; Stock price well above sustainable growth level; Better relative opportunity in sector or industry; Balance sheet deterioration or loss of financial flexibility. Other catalysts that might cause Calamos to sell a security include: Management changes; Negative news; Industry or competitor problems.

The entire process comes together in portfolio construction: investment themes, sector allocations, diversification requirements, attribution analysis and style consistency. Macro "themes" set the tone for the portfolios. The firm's view on the economy, interest rates, political and regulatory issues, and other factors influence industry weightings as well as individual holdings. Calamos positions portfolios for the environment foreseen six to twelve months into the future, with the intent that each stock may return at least 20% over a 12-month period under ordinary market conditions. An initial position constitutes 1% to 2% of the portfolio, and is typically trimmed over time to remain less than 5% of the portfolio. A portfolio may hold 50-80 securities to help assure sufficient diversification, and management aims to stay fully invested with a cash position typically less than 3%. It is anticipated that turnover should average around 100%.

Systematic Financial Management

Mid-Cap Equity

LOCATION	Teaneck, NJ
YEAR FOUNDED	1982
ASSETS UNDER MANAGEMENT	$9.9 billion
CF FUNDS MANAGED	$4.2 million, 5.1% (as of 6/30/07)
INVESTMENT STYLE	Mid-Cap Value

Firm Overview:

Founded in 1982, Systematic Financial Management ("Systematic") was privately owned by Ken Hackel until 1995. In 1995, Hackel sold a majority stake in Systematic to AMG (Affiliated Managers Group). AMG then brought in the current investment team of Joe Joshi, Kevin McCreesh and Greg Wood in June of 1996. Hackel retired shortly after the arrival of this team. Systematic is organized as a limited partnership with its parent company, AGM, owning a majority stake (55%) and the five active senior partners of Systematic owning the remaining 45%. Ronald Mushock, CFA is the lead Portfolio Manager for the Mid Cap Value strategy, which was incepted on April 1, 2000. Mushock has been the lead PM since the strategy's inception. Systematic focuses on buying low price-to-earnings (P/E) stocks with a proven earnings catalyst for stock price appreciation in its Mid Cap Value approach.

Investment Process:

The Mid Cap Value strategy is based on a value discipline with a proven catalyst. Systematic believes that buying stocks based purely on valuation is often a mistake and that buying stocks based upon unproven catalysts has the potential to lead to inconsistency. Systematic takes all publicly traded U.S. companies with a market cap of between $1 - $10 Billion and ranks them from lowest to highest based off two factors, lowest forward price-to-earnings (P/E) and the firm's proprietary earnings catalyst score. Systematic will then take the best 15 names in the 10 S&P economic sectors with the best relative score. These 100-150 names make up Systematic's focus list. All new names on this list that are not already in the portfolio or have not been rejected due to other fundamental reasons, are then subject to Systematic's rigorous fundamental analysis, which is conducted by the firm's analysts. After the analysts complete this study and they believe that the security is a good candidate for the portfolio, they will then present their case to the portfolio manager. The portfolio manager has the ultimate authority with regards to adding a security to the portfolio.

Systematic's sell discipline is essentially a reverse of its buy discipline. While Systematic buys based on confirmation of good news, the firm sells in anticipation of negative news. Systematic will also sell a stock due to an increase in valuation, deteriorating fundamentals and a significant negative earning surprise. Finally, stocks will also be sold if a superior investment alternative arises or if a company reaches $15 billion in market capitalization.

The Mid Cap Value strategy invests in companies with market capitalizations between $1 billion and $10 billion. The portfolio generally holds between 60 and 80 securities, with maximum individual holding weights of 5%. The firm follows sector guidelines of investing no more than 30% in any one sector and +/- 5% weighting vs. the Russell Midcap Value Index weight. Turnover has averaged approximately 115% annually.

PIMCO

Fixed Income

LOCATION	New York, NY
YEAR FOUNDED	1971
ASSETS UNDER MANAGEMENT	$720 billion
CF FUNDS MANAGED	$14.8 million, 17.8% (as of 6/30/07)
INVESTMENT STYLE	Total Return (Core Fixed Income)

FIRM OVERVIEW

Pacific Investment Management Company (PIMCO) is an institutional money manager specializing in fixed income management, headquartered in Newport Beach, CA. PIMCO was founded in 1971 as a subsidiary of Pacific Mutual (now known as Pacific Life) to expand the services of its parent to include separate account management of employee benefit plans, foundations and endowments. PIMCO employs a top down approach to fixed income portfolio management. Similar to all of PIMCO's Total Return accounts, the Total Return for Managed Accounts strategy utilizes a generalist and specialist portfolio management framework.

INVESTMENT PROCESS

The Total Return for Managed Accounts strategy is designed to offer the strengths of PIMCO's Core Plus Fixed Income investment style within the managed account distribution channel. A typical portfolio has eight to twelve US Treasury and/or US Agency bonds that represent approximately 60% of the portfolio. The remaining 40% is invested in PIMCO's Fixed Income Shares ("FISH")*, which is comprised of 40-Act registered Mortgage-Backed Securities and Investment Grade Corporate sector funds. The sector funds are afforded some flexibility are not limited to strictly mortgage backed securities or investment grade debt. Thus, this product's design allows clients to participate in all sectors of the bond market, including governments, corporates, mortgages, asset-backed, emerging markets, and high yield. In selecting securities, PIMCO considers the entire fixed income universe worldwide. The Investment Committee receives top-down input from its macro-economic forecasting process in which all PIMCO investment professionals participate. Bottom-up input on various fixed income sectors comes from teams of sector specialists with expertise and long experience in their particular sector. The sector specialists are supported by in-house analysis performed by a team of highly seasoned analysts. PIMCO's Investment Committee operates on a team or consensus basis, so accounts with similar objectives and constraints will be structured similarly. The Investment Committee develops model portfolios that reflect consensus strategy judgments. Portfolios must remain within limited tolerances. Portfolio duration is held between 3 to 6 years, but there are no set formal boundaries. Duration typically falls within +/- 1.5 years of the benchmark. PIMCO does not have any automated selling procedures. Securities are always sold, however, when their credit analysis indicates that a company or a particular issue will become fundamentally flawed. Current holdings are constantly re-evaluated for their relative attractiveness versus investments available in the marketplace. Securities are sold when they individually no longer represent good value, when superior risk/return potential exists in substitute positions (factoring in transaction costs) or when they no longer fit with the macroeconomic or structural strategies in the portfolio.

*The FISH Shares are registered under the Investment Company Act of 1940. As such, they are subject to Non-Resident Alien withholdings if purchased by Non-Resident Aliens. Please keep this in mind when offering the PIMCO Total Return strategy for Managed Accounts to overseas clients.