

Mariner Concentrated Value

Perspectives

May 2009 Discussion

with Scott A. Moore, CFA—Partner, Chief Investment Officer and Senior Portfolio Manager

Performance Update

- The Mariner Concentrated Value Composite (since its inception November 13, 2008 and thru May 31, 2009) is up 12.54 percent (net of fees) versus the S&P MidCap 400/Citigroup Value Index up 6.62 percent, the Russell Mid Cap Value Index up 5.53 percent, and the S&P 500 Index up 2.48 percent.
- Year-to-date thru May 31, 2009, the Mariner Concentrated Value Composite is up 8.50 percent (net of fees) versus the S&P MidCap 400 Value Index up 3.63 percent, the Russell Mid Cap Value Index up 2.99 percent, and the S&P 500 Index up 2.96 percent.
- We continue to be pleased with these results, but want our clients to remember that these results were compiled over a short period of time. Your team believes that longer term results are much more meaningful. A longer term perspective of your team's performance is available upon request.

Stocks we recently added to your portfolio

- Diebold Inc. (DBD)— one of the leading ATM (advanced teller machine) and security companies in the world—has materially underperformed this recent market rally and created an attractive risk versus reward entry point. As early as March of 2008, United Technologies Corp. had offered \$40 per share in cash for the company. The board of DBD turned down that offer as inadequate. Trading today in the mid \$20's, we will earn close to a 4% dividend yield while we wait on positive fundamental news from the company or another potential takeover bid.

Stocks we recently sold from your portfolio

- We did not sell any holdings in their entirety during the month of May.

Interesting Notes For the Month

- Lower quality stocks (those rated B or worse by S&P) continue to outperform higher quality stocks (those rate B+ or better by S&P) in 2009. This is typical of early market rallies after extreme downside volatility. Per Merrill Lynch, lower quality stocks are up 9.40 percent this year (thru May 31, 2009) while higher quality stocks are up 3.78 percent. This factor is not the most favorable for us considering our portfolios are comprised of higher quality companies. Your team believes that higher quality companies will outperform over the long-term.
- Value, as a style of investing, continues to materially underperform Growth in the market so far in 2009. We are quite pleased to be outperforming thus far this year despite this material "wind in our face."
- We continue to believe that each company we own is trading at a significant discount to our internal view of intrinsic value. As we have stated numerous times over the last six months, while psychologically challenging to most investors, the most attractive investment opportunities typically come at times of market stress as extreme volatility translates into excellent opportunities for the disciplined investor.

Don't forget to visit our website at www.marinervalue.com for more information about our team, our process, and value investing. You can also get real-time access to Mariner Value website updates and information via traditional mail or email. Simply contact us at client.services@marinervalue.com or call 913-387-2714 to sign-up.

Thank you for your continued confidence and support.



Scott A. Moore, CFA

