

Mariner Concentrated Value

Perspectives

February 2010 Discussion

with Scott A. Moore, CFA—President and Chief Investment Officer

Performance Update

- Since its inception on November 13, 2008, the Mariner Concentrated Value Composite (through February 28, 2010) is up 35.34 percent (annualized and net of fees) versus the Russell Midcap Value Index up 30.23 percent, the S&P MidCap 400/Citigroup Value Index up 30.32 percent, and the S&P 500 Index up 19.00 percent.
- Year-to-date through February 28, 2010 the Mariner Concentrated Value Composite is down 0.10 percent (net of fees) versus the Russell Midcap Value Index up 2.18 percent, the S&P MidCap 400/Citigroup Value Index up 2.19 percent, and the S&P 500 Index down 0.61 percent.
- Overall, the first two months of the year have been rather benign as lower than average volatility in the markets perversely contrasted the ongoing concerns regarding rising government debt levels in the United States and its implications, issues with overseas governments like Greece, along with valuation levels that suggest continued economic improvement. Typically, these conflicts and issues result in higher volatility and continued new idea generation for your team. During these first two months, the overall impact was that the valuations for the companies we monitor stayed in a relatively consistent range.

Stocks we recently added to your portfolio

- There were no new stocks added to your portfolio during February.

Stocks we recently sold from your portfolio

- There were no new stocks sold from your portfolio during February.

Notes For the Month

- Higher quality stocks (those rated B or worse by the S&P) underperformed lower quality stocks (those rated B+ or better by the S&P) this month with higher quality stocks up 5.11 percent while lower quality stocks were up 4.18 percent per Merrill Lynch. Remember that your team believes that higher quality stocks will outperform over the long-term and we may struggle during periods of lower quality stock outperformance.
- Value, as a style of investing, was roughly neutral versus growth during the month. For example, the Russell Midcap Value Index was up 5.04 percent while the Russell Midcap Growth Index was up 4.96. Remember that your team believes Value investing will outperform Growth investing over the long-term.
- Overall, we continue to believe that each company we own in your portfolio is trading at a discount to our internal view of intrinsic value. While the level of discount has diminished given the sharp rise in the market and our stocks since March of 2009, we continue to see opportunities in individual stocks.

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 e-mail. 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

