Mariner Concentrated Value

Perspectives
March 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 March 31, 2010) is up 37.66 percent (annualized and net of fees) versus the Russell Midcap Value Index up 34.69 percent, the Russell 3000 Value Index up 20.09 percent, and the S&P 500 Index up 22.76 percent.
- Year-to-date through March 31, 2010 the Mariner Concentrated Value Composite is up 4.93 percent (net of fees) versus the Russell Midcap Value Index up 9.61 percent, the Russell 3000 Value Index up 7.05 percent, and the S&P 500 Index up 5.39 percent.

Discussion of the Last 12 Months—A Special Period

We are certainly pleased to report our fourth consecutive positive quarterly performance period. However, in our view, the real story is what happened to the stock market and our product over the 17 months since we launched our new firm. The volatility in market values has been remarkable and periods of volatility are important as they allow us and our investors to take a deeper look into our investments processes to insure we are providing appropriate returns for our clients in various market environments. So let's look at the data by starting with the downturn. Since our inception date on 11/13/2008 until March 31, 2009, the Russell Mid Cap Value Index was down 12.57 percent, the Russell 3000 Value Index was down 16.67 percent, and the S&P 500 Index was down 11.43 percent. Your Mariner Concentrated Value Composite was down 0.40 percent. While this data is over a very short time period, we are pleased to have protected our client's capital in a reasonable way. During the upside market volatility experienced over the last 12 months the Russell Mid Cap Value Index was up an incredible 72.41 percent, the Russell 3000 Value Index was up 54.45 percent, and the S&P 500 Index was up 49.77 percent. Your Mariner Concentrated Value Composite was up 55.97 percent.

So what does this information tell us? Remember that we consistently try and convey to our clients that we strive to protect your capital better than the market during down periods, and do our best to outperform during up periods, but we may lag on the upside due to the conservative nature of our investment process. We suggest that when you link the periods over the years, you should expect us to outperform the indexes with less volatility. Putting this recent sharp downturn and sharp upturn together gives you a sense for how we are doing on that claim. Since its inception on November 13, 2008, the Mariner Concentrated Value Composite (through March 31, 2010) is up 37.66 percent (annualized and net of fees) versus the Russell Midcap Value Index up 34.69 percent, the Russell 3000 Value Index up 20.09 percent, and the S&P 500 Index up 22.76 percent. So over our first 17 months, we have indeed outperformed the market with less volatility. Remember that 17 months is a relatively short time horizon in the framework of investing and historical results do not indicate what will happen in the future. Nonetheless, this extraordinary market environment is educational and allows us to observe our portfolio and consider our expected performance versus the actual results. In this case, over 17 months of market volatility, we are pleased with the results and we hope to continue providing our clients consistent results over time.

Stocks we recently added to your portfolio

- Exxon Mobil Corp. (XOM) - After the recent material underperformance of XOM relative to the market that has coincided with a material increase in the price of crude oil, we felt that the opportunity was too good to ignore. XOM is the largest producer (and one of the lowest cost producers) of petrochemicals and related products in the world. With above-average returns on capital versus its peers and a excellent balance sheet, XOM truly fits the mold of a leading business franchise. Recent underperformance appears to be related to market fears regarding acquisition activity (XTO Energy) as well as a negative bias towards large capitalization stocks. We find neither issue to be sufficient to keep us from buying this excellent franchise at attractive valuations.

Stocks we recently sold from your portfolio

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

Outlook

- 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.

Thank you for your continued confidence and support.

MARINER™
VALUE STRATEGIES

Scott A. Moore, CFA

Please note: Commencement of the Mariner Concentrated Value Composite was 11/13/08. Return figures for the Mariner Concentrated Value Composite are provided by Axys and are net of fees. The Primary benchmark for the Mariner Concentrated Value Composite is the Russell Midcap Value Index. The secondary benchmarks are Russell 3000 Value Index and the S&P 500 Index. Return figures for all Indices are provided by Bloomberg. Past Performance does not guarantee future results. For more information please visit our website at www.marinervalue.com for full disclosures or call 913.387.2714.