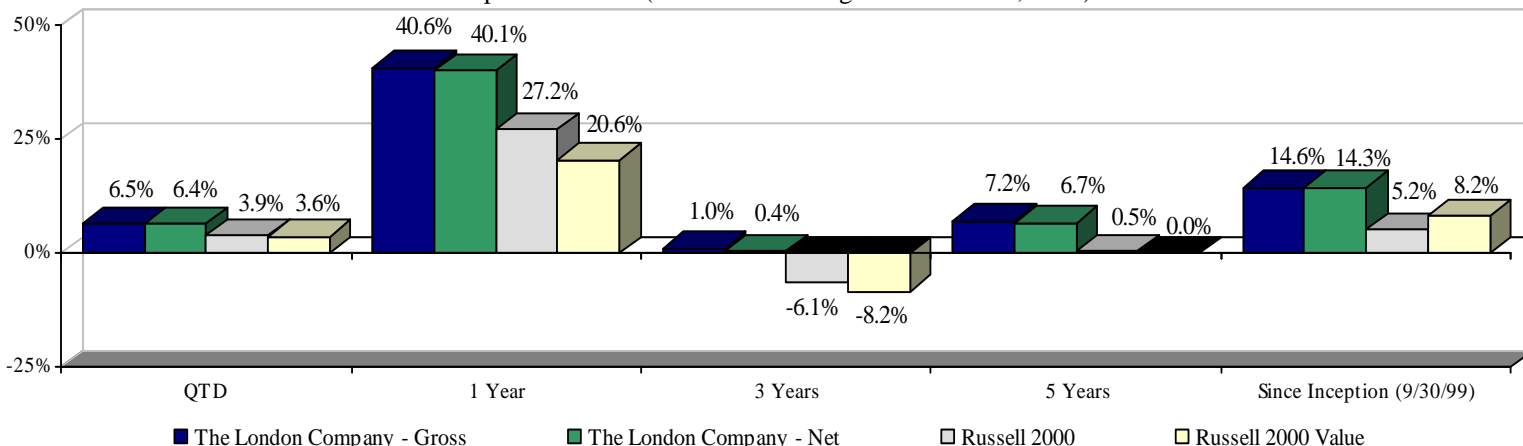


THE LONDON COMPANY

SMALL CAP CORE VALUE Q4 2009

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Composite Returns (Annualized through December 31, 2009)*



Investment Philosophy

The London Company's small cap portfolio is focused on investing in its best, conservative, low-beta ideas. We seek profitable, financially stable, quality companies that consistently generate free cash flow and high returns on unleveraged operating capital, trade at rational valuations, and are run by shareholder-oriented management. Over full 5-year market cycles, The London Company has consistently outperformed its benchmarks since its inception with low volatility.

Portfolio Managers

Stephen M. Goddard, CFA

- 20+ Years Experience; Managed Portfolio Since Inception

Jonathan T. Moody, CFA

- 17+ Years Experience; Managed Portfolio Since 2002

J. Wade Stinnette, Jr.

- 20+ Years Experience; Managed Portfolio Since 2008

Firm Update

The London Company continued to experience exceptional growth, with the **firm total** assets now over **\$1 billion** and **small cap** assets reaching over **\$600 million**. Momentum and interest has accelerated recently and we are optimistic about even higher growth over the next six months as our performance continues to exceed its respective benchmarks.

Portfolio Characteristics • 12/31/09

| | TLC Small Cap | | TLC Small Cap | | Russell 2000 |
|------------------|---------------|---------------------|---------------|--|--------------|
| # of Holdings | 37 | P / E | 15.4 | | 17.5 |
| Beta (5 yr) | 0.92 | P / B | 1.8 | | 1.8 |
| Alpha (5 yr) | 6.58 | EPS Growth (5 yr) | 20.3 | | 10.3 |
| Sharpe (5 yr) | 0.30 | Yield | 1.9 | | 1.2 |
| Up/Down (5 yr) | 117 / 75 | Wtd. Avg. Mkt. Cap. | 2.2 | | 1.0 |
| Std. Dev. (5 yr) | 20.99 | Median Mkt. Cap. | 1.7 | | 0.4 |

Created by Investworks, Bloomberg 12/31/09

Portfolio Review & Outlook

The portfolio **outperformed** relative to the benchmark during the quarter as a result of **stock selection**, although sector selection did add some benefit, as well. In 2009, we saw the smallest of small cap perform better than the average small cap stock. In addition, for most of the year, we saw lower quality names outperform higher quality companies. Both of these factors worked against us, but we were able to outperform through our stock selection. We believe our strategy of owning high return on capital companies, with strong balance sheets, run by shareholder oriented management teams, will serve us well over the long term.

The top 5 contributors to performance during the quarter were IMS Health, NewMarket Corporation, Service Corporation, Hasbro, and Kinder Morgan Management. The top 5 detractors to performance during the quarter were Sturm Ruger, Tenet Healthcare, Energizer Holdings, The Brinks Company, and Force Protection.

In general terms, the top 3 performing GICS sectors for the Russell 2000 during the fourth quarter of 2009 were Materials (10.5%), Consumer Staples (8.0%), and Telecommunication Services (7.2%). All of these sectors outperformed the index and our overweight position in the Materials and Consumer Staples sectors helped our relative performance, while our underweight position in Telecommunications Services hurt our relative performance. The bottom 3 performing sectors were Financials (1.8%), Healthcare (2.7%), and Information Technology (3.5%), which all underperformed the index. Our overweight position in the Financials sector hurt us, whereas our underweight positions in Healthcare and Information Technology helped our relative performance.

After falling 35% at the beginning of the year, stocks staged an amazing come back in 2009. The rally which began in March continued in the fourth quarter. Few expected it and many fear the rally isn't sustainable. Strategas Research Partners has dubbed it the "bull market no one loves," citing how little of the \$3.8 trillion parked in money market funds at the beginning of 2009 has been earmarked toward equities. In an environment where money market funds were paying virtually nothing, investors sought higher returns by investing more than fifty times as much in bond funds than in equity mutual funds. Perhaps it is not surprising that retail investors are gun-shy towards stocks after suffering through two major bear markets in ten years, and it is certainly true that there much remains to worry about; however, we believe an improving economy, moderately higher interest rates, ample liquidity, and increased merger and acquisition activity set the stage for equity investments to again outperform both bonds and cash in 2010.

*The London Company's performances are size weighted and annualized based on calculations for the period ending December 31, 2009. The characteristics above relate to a representative account and the characteristics may vary by individual account. As TLC manages its client portfolios according to each client's specific investment needs and circumstances, TLC cannot affirm that the characteristics of the account shown above are similar to all accounts participating in the strategy. This is due in part to the timing of trades by the Adviser, market conditions, cash availability, and the timing of client deposits and withdrawals. Therefore, prospective clients should not assume that similar performance results to those shown would have been achieved for their accounts had they been invested in the strategy during the period. None of the information contained herein should be construed as an offer to buy or sell securities or as recommendations. Performance results shown should, under no circumstances, be construed as an indication of future performance. Data, while obtained from sources we believe to be reliable, cannot be guaranteed. All are encouraged to read and understand the Disclosure notes found on the next page.

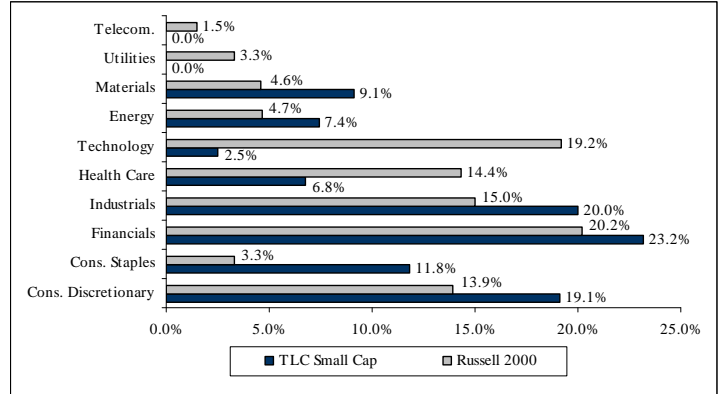
SOLID CONVICTION IN ANALYSIS • OPTIMAL DIVERSIFICATION

Top 10 Holdings • 12/31/09

| | | | |
|-------------------|------|---------------------|------|
| NewMarket | 5.4% | Service Corp. | 3.5% |
| Albemarle | 4.9% | Alexander & Baldwin | 3.5% |
| Atwood Oceanics | 4.4% | UDR | 3.5% |
| Corrections Corp. | 4.1% | White Mountains | 3.4% |
| Hasbro | 3.6% | Kinder Morgan | 3.4% |

There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. Data, while obtained from sources we believe to be reliable, cannot be guaranteed. All are encouraged to read and understand the Composite notes found below.

Sector Weightings • 12/31/09



The London Company

Small Cap Core Value Composite

09/30/99 – 12/31/09

| Year Ending* | Net Size Weighted Composite | Gross Size Weighted Composite | Russell 2000 Small Cap Index | Russell 2000 Value Small Cap Index** | Number of Accounts in Composite | Gross Size Weighted Dispersion | Total Composite Assets (in Millions) | Total Firm Assets (in Millions) | Total Product Assets (in Millions)*** |
|-------------------|-----------------------------|-------------------------------|------------------------------|--------------------------------------|---------------------------------|--------------------------------|--------------------------------------|---------------------------------|---------------------------------------|
| 12/31/1999 | 0.71% | 0.71% | 18.44% | 1.53% | 1 | N/A | 0.10 | 165.4 | 0.10 |
| 12/31/2000 | 20.97% | 20.97% | -3.02% | 22.83% | 1 | N/A | 0.14 | 188.9 | 0.14 |
| 12/31/2001 | 12.96% | 12.96% | 2.49% | 14.02% | 1 | N/A | 0.16 | 172.6 | 0.16 |
| 12/31/2002 | 0.06% | 0.06% | -20.48% | -11.43% | 1 | N/A | 0.16 | 214.9 | 0.16 |
| 12/31/2003 | 47.15% | 47.15% | 47.25% | 46.03% | 1 | N/A | 0.29 | 395.0 | 0.29 |
| 12/31/2004 | 40.35% | 40.35% | 18.33% | 22.25% | 1 | N/A | 0.55 | 397.8 | 0.55 |
| 12/31/2005 | -3.53% | -3.53% | 4.55% | 4.71% | 1 | N/A | 0.53 | 412.5 | 1.54 |
| 12/31/2006 | 41.59% | 42.38% | 18.37% | 23.48% | 3 | N/A | 5.22 | 495.0 | 6.10 |
| 12/31/2007 | 6.74% | 7.59% | -1.57% | -9.78% | 8 | N/A | 32.4 | 673.6 | 57.03 |
| 12/31/2008 | -32.21% | -31.79% | -33.79% | -28.92% | 24 | 0.94 | 57.9 | 788.0 | 251.9 |
| <i>Qtr Ending</i> | | | | | | | | | |
| 03/31/2009 | -5.12% | -5.06% | -14.95% | -19.64% | 38 | N/A | 129.3 | 780.8 | 236.6 |
| 06/30/2009 | 14.99% | 15.05% | 20.69% | 18.00% | 52 | N/A | 155.7 | 912.3 | 325.1 |
| 09/30/2009 | 20.73% | 20.83% | 19.28% | 22.70% | 63 | N/A | 182.6 | 870.6 | 479.5 |
| 12/31/2009 | 6.42% | 6.49% | 3.87% | 3.63% | 86 | N/A | 252.9 | 1069.3 | 645.5 |
| Year-to-Date | 40.05% | 40.56% | 27.17% | 20.58% | 86 | 2.21 | 252.9 | 1069.3 | 645.5 |

*Year ending 12/31/99 represents three months of returns.

**Russell 2000 Value Index is a secondary index shown as of March 31, 2009. The primary benchmark index is the Russell 2000.

***Product assets include composite assets and bundled fee assets, such as wrap program assets, and is presented as supplemental information. It does not include model assets.

The London Company has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The London Company received firm-wide verification from 6/30/94 through 12/31/08. The Small Cap Composite received a performance examination from inception through 12/31/08.

DISCLOSURE NOTES

- **Definition of Firm:** The London Company was founded in 1994 in Richmond, Virginia and provides equity, balanced and convertible portfolio management services to pension, profit-sharing, foundation, corporate, and individual investors. The firm, which is owned by the founding principal, is an independent, autonomous investment management organization.
- **Composite Creation Date:** September 30, 1999.
- **Composite Definition:** Accounts in this product composite are fully discretionary, taxable and tax-exempt portfolios with a minimum of \$100,000 in assets. They are managed under our small cap style, which invests primarily in small cap companies with high cash returns on capital. The product is measured against the Russell 2000 Small Cap benchmark and has an inception date of September 30, 1999. All actual fee-paying discretionary portfolios are included in one or more composites that have been managed for a full calendar quarter with no restrictions and similar objectives. A complete list and description of composites is available upon request. Composite calculations use monthly time weighted total returns using monthly valuations to calculate monthly returns and geometric linking of period returns. Composite dispersion is calculated using an asset weighted standard deviation methodology that incorporates only the accounts that were present in the composite for the entire year. Dispersion measures are deemed not meaningful when a composite contains five or fewer portfolios.
- **Composite Construction:** Through March 31, 2006 the composite consisted of one equity account with a small cap objective. The equity portfolio was managed consistently with The London Company's investment philosophy. Prior to 2006, the portfolio was managed by the portfolio manager of The London Company's small cap product.
- **Performance and Fees:** Gross of fee returns are calculated gross of management and custodian fees and net of transaction costs. Net of fee returns are calculated net of management fees and transaction costs and gross of custodian and other fees. Returns are calculated and stated in US dollars. Returns are calculated gross of withholding taxes on foreign dividends and interest. Additional information regarding policies for calculating and reporting returns is available upon request. The gross figures do not reflect the deduction of investment advisory fees. For example, an account that earned 15% per year for 10 years would have an accumulated return of 305% before fees and 270% after fees, assuming a 1% fee.
- The accounts represented in the composite reflect actual fees paid on the particular account which may be different from the fee normally offered to other clients, and dividends were reinvested. Fees are normally 1.00% on the first \$100 million of assets, negotiable thereafter or a performance fee option. The fee schedule options are described in greater detail in Part II of Form ADV and can be provided upon request. From inception through 3/31/06, the percentage of non-fee paying accounts is 100%. As of 12/31/06 the percentage of non-fee paying accounts was 19% and as of 12/31/07 the percentage was 4%. As of 12/31/08 the percentage of non-fee paying accounts was 1%.
- Past performance should not be taken as a guarantee of future performance.

The London Company Investment Counsel ("TLC") maintains a solicitation agreement with Cedar Partners, Ltd. ("Cedar"), a third party marketing firm, effective April 1, 2006. Cedar receives an annual retainer fee (\$75,000) as well as a percentage (20%) of the investment management fees earned on assets placed under management at TLC by the efforts of Cedar. Cedar is not affiliated with and has no relationship with TLC other than a separate written agreement covering the solicitation of business on the behalf of TLC. Cedar is not a broker-dealer. All fees paid to Cedar are in hard dollars. TLC has a standard fee schedule and a differential is not added to the standard fee schedule to compensate Cedar for any solicitations by them.