



## INVESTMENT Objective

The objective of our CAERUS Strategy is to capitalize on long and short investment opportunities in order to conservatively deliver attractive growth of capital with strong downside protection.

## Research Process

Llenroc principals have managed investment research departments for 35 years. Our research, which includes company visits and calls to customers, competitors & suppliers is therefore rigorous in the context of a disciplined investment process.

**PORTFOLIO MANAGERS:** David S. Post and Michael Tannenbaum  
CAERUS – Greek God of Opportunity

## CAERUS Components

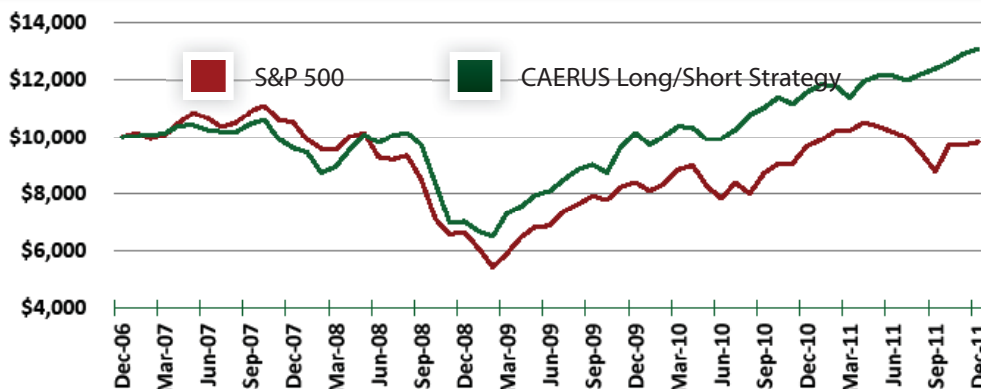
### Long Investing

We are a traditional buy and hold, all capitalization, conservative growth, investment manager who looks to own 3-4 handfuls (15-18 stocks) of leadership companies purchased at reasonable or bargain prices.

### Short Investing

Selling short a concentrated portfolio of companies (15-18) with flawed business models, unrealistic investor expectations or questionable accounting practices allows our clients to benefit when these companies' flaws are exposed and protect capital in stock market declines.

## VALUE (NET OF ALL FEES) OF \$10,000 INVESTED IN 2007 - 2011, VS S&P 500



Client account assets can be held at any number of major brokerage firms

Long / Short Strategy Returns	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2007	2008	2009	2010	2011
Long equity only (gross of all fees)	7.0%	6.7%	-9.4%	11.2%	-0.3%	-38.5%	69.5%	25.3%	15.0%
Short equity only (gross of all fees)	-13.5%	4.7%	30.3%	-3.8%	-5.9%	103.3%	-29.5%	-10.2%	13.5%
Total Portfolio Net (after mgmt & perf fees)	-1.1%	6.7%	2.1%	6.3%	-3.9%	-27.0%	36.3%	13.9%	14.5%
Index Returns	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2007	2008	2009	2010	2011
S&P 500 (total return, including dividends)	5.8%	0.1%	-13.9%	11.8%	5.49%	-37.0%	26.5%	15.1%	1.9%
DJ/Credit Suisse Long/Short Broad Index	1.9%	-1.7%	-9.3%	2.1%	19.4%	-10.3%	19.1%	6.8%	-7.3%
Barclay Hedge Equity Long Bias	3.2%	0.7%	-12.1%	3.6%	10.6%	-29.0%	29.4%	14.2%	-9.1%
Performance Metrics	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2007	2008	2009	2010	2011
Top Gainer/Top Loser <sup>1</sup>	0.8	2.8	1.8	1.5	0.8	0.4	4.2	3.6	3.6
Top 5 Gainers/Top 5 Losers <sup>2</sup>	1.1	2.4	1.4	2.0	0.7	0.4	4.2	2.8	2.6
Sharpe Ratio	-0.4	3.7	1.7	15.3	-0.2	-1.2	2.4	1.4	2.1

<sup>1</sup>The dollar value of the largest gain divided by the dollar value of the largest loss

<sup>2</sup>The sum of the dollar values of the five largest gains divided by the sum of the dollar values of the five largest losses



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## MONTHLY RETURNS SINCE INCEPTION

	Net						Gross					
	2006	2007	2008	2009	2010	2011	2006	2007	2008	2009	2010	2011
JAN		0.5%	-1.5%	-4.9%	-4.4%	2.3%	0.7%	-1.5%	-4.9%	-4.4%	2.9%	
FEB		0.3%	-7.6%	-2.6%	3.4%	-0.3%	0.3%	-7.6%	-2.6%	3.4%	-0.3%	
MAR		0.5%	2.4%	11.5%	3.4%	-3.6%	0.7%	2.4%	12.5%	3.9%	-3.6%	
APR		2.7%	6.8%	2.8%	-0.4%	5.0%	3.4%	6.8%	3.5%	-0.4%	6.0%	
MAY		0.3%	4.6%	4.2%	-4.2%	1.6%	0.4%	5.6%	5.2%	-4.7%	1.9%	
JUN		-1.7%	-2.4%	1.5%	0.4%	.04%	-2.1%	-2.9%	1.8%	0.4%	.05%	
JUL		-0.6%	2.2%	4.0%	3.3%	-1.4%	-0.7%	2.8%	4.9%	3.5%	-1.7%	
AUG		-0.1%	1.0%	3.5%	4.9%	1.8%	-0.1%	1.2%	4.3%	6.1%	2.3%	
SEP	1.1%	2.7%	-3.8%	1.6%	2.4%	1.6%	1.3%	3.4%	-4.7%	1.9%	2.9%	2.0%
OCT	0.9%	1.5%	-13.9%	-2.7%	3.3%	2.3%	1.1%	1.8%	-14.1%	-3.2%	4.0%	2.8%
NOV	0.4%	-6.4%	-16.6%	8.8%	-2.1%	2.5%	0.4%	-7.8%	-16.6%	10.6%	-2.5%	3.0%
DEC	-0.4%	-3.3%	0.8%	4.6%	3.7%	1.4%	-0.4%	-3.3%	0.8%	5.5%	4.5%	1.7%
YTD	1.9%	-3.9%	-27.0%	36.3%	13.9%	14.5%	2.4%	-3.9%	-27.0%	45.4%	17.3%	18.1%
S&P 500	8.8%	5.4%	-37.0%	26.5%	15.1%	1.9%	8.8%	5.4%	-37.0%	26.5%	15.1%	1.9%

Monthly returns are sourced from Shoreline Trading Group and the gross returns are after the monthly accrual of a 1% annual management fee. The net return is after the 20% performance fee (calculated as if accrued monthly). Other fee structures may also be available.

## STRATEGY INFORMATION

Strategy	US Equity Long / Short
Minimum Investment	\$1,000,000
Redemptions	Immediate
Management Fee	1%
Performance Fee	20%
High Water Mark	Yes
Strategy Inception	1 September 2006
Strategy Capacity	Over \$500 Million
Firm Assets Under Management	Over \$180 Million
Client Assets in this Strategy	\$15.0 Million
Average Long Exposure †	89%
Average Short Exposure †	25%
Average Gross Market Exposure †	114%
Average Net Market Exposure †	64%
Beta †	0.61

† Statistics are calculated from September 2006 to December 31, 2011.

### TOP 5 LONG HOLDINGS as of Dec. 31, 2011

HOLDING	% OF NET ASSETS
Verisk	10.5%
Intuit	9.1%
Qualcomm	8.0%
MasterCard	7.7%
Yahoo	6.7%

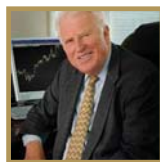
### TOP 5 SHORT HOLDINGS as of Dec. 31, 2011

HOLDING	% OF NET ASSETS
InterOil	-5.4%
Clean Energy Fuels	-4.5%
Gamestop	-4.5%
Cliffs Nat. Resources	-4.3%
Nuance Comm.	-3.8%

Founded in 2006, Llenroc Capital LLC has over \$180 million in assets under management. Please ask your Financial Advisor about other Llenroc investment strategies.



David S. Post, CFA  
Principal Managing Director  
28 Years Investment Experience



Roland D. Underhill  
Managing Director  
48 Years Investment Experience



Michael Tannenbaum, CFA  
Managing Director  
15 Years Investment Experience



Bonnie G. George  
Chief Operating Officer  
32 Years Industry Experience

The performance data shown herein for the Long/Short Strategy are for the sole client account managed by Llenroc using the Long/Short Strategy for all of the periods shown. The returns shown reflect realized and unrealized gains and losses, the reinvestment of interest income and other earnings, the deduction of trading costs, and a 1% management fee and 20% performance fee to Llenroc. The returns reflect the deduction of fees as if they were charged for each of the periods shown (i.e., quarterly or monthly), rather than when they were actually charged (quarterly for the management fee and annually for the performance fee). While Llenroc believes that the performance shown was generated using the same investment strategy that it expects to use to manage accounts in the Long/Short Strategy in the future, future investments will be made under different economic conditions and in different securities. The performance shown does not reflect performance of Llenroc or its Long/Short Strategy in all different economic cycles. Investors may not experience returns, if any, comparable to those shown. The Llenroc results shown were prepared by Llenroc and have not been compiled, reviewed or audited by an independent accountant. Returns of the indices are sourced from Baseline, Barclay Hedge and CS/Tremont. Llenroc believes that the comparison of the performance shown to any single market index is inappropriate because of differences between the Long/Short Strategy and the indices. The Long/Short Strategy is concentrated and focused on long and short equities, while the DJ/Credit Suisse and Barclay Hedge indices are more diversified and may include more types of instruments, and the S&P 500 index is more diversified and includes only long positions. Accordingly, Llenroc believes that the performance of any single such index is not directly comparable to that of the Long/Short Strategy. The specific long and short holdings shown above are only the largest positions held in the Long/Short Strategy portfolio at December 31, 2011, do not represent all of the positions in the portfolio, and may not all be profitable.