



Reed Conner & Birdwell Re-Opens its Small Cap Value Strategy

Based upon the recommendation of the Portfolio Managers, the RCB Small Cap Value strategy has re-opened effective January 2, 2008. The Strategy was closed to new investors in the fourth quarter of 2004 due to the management's concern with its ability to invest new capital. The Portfolio Managers believe that new capital added to the strategy can now be effectively managed without diluting returns to existing shareholders. The disruption and fears in the marketplace have created what our research has determined to be excellent opportunities for generating performance in the upcoming periods ahead.

The portfolio managers seek investments in companies that are currently priced at a discount to our estimate of the true or intrinsic value of the business. Since late 2004 the strategy has been closed to new investors as undervalued companies that met the criteria for investment were few and far between and cash levels had risen due to portfolio sales and inflows.

With the volatile environment we now find ourselves in, we feel there are an increasing number of new investments available that are selling at significant discounts to their intrinsic value. Commenting on the opportunities available in the current market environment, Chief Investment Officer Jeffrey Bronchick said "this is the most target rich environment we've seen since 2002." Further, the high cash levels that the portfolio endured in 2005 have now been reduced to low single digits representing our conviction of being fully invested.

Reed, Conner & Birdwell LLC Small Cap Value Facts

- The strategy has been managed since its inception by Jeffrey Bronchick, CFA and Thomas Kerr, CFA
- The strategy assets as of 12/31/07 were \$621 million
- The portfolio will hold between 30 and 40 companies. As of 12/31/07 there were investments in 35 companies
- The weighted average market cap of the portfolio as of 12/31/07 was \$1.4 billion

For further information, please go to our website, www.rcbinvest.com or contact a member of our Business Development & Client Service Team:

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