DEAN CHASE GLOBAL VALUE, LLC

First Quarter 2008 www.dcglobalvalue.com

INTERNATIONAL EQUITY PRODUCT

DEAN CHASE
GLOBAL VALUE

Top Three Country Weightings	
Japan	31.06%
United Kingdom	24.54%
France	16.65%

Top Three Industry Weightings	
Diversified Telecom. Services	21.42%
Pharmaceuticals	11.91%
Media	10.20%

Top Three Sector Weightings	
Telecommunication Services	24.39%
Information Technology	21.11%
Consumer Discretionary	16.69%

Market Capitalization Weightings	
Large-Cap (>$5bn)	76.80%
Mid-Cap ($1-5bn)	22.23%

Portfolio Characteristics
* Ending March 31, 2008

	Dean Chase Portfolio
Price/Earnings Ratio	12.21x
Price/Book Ratio	1.22x
Price/Cash Flow Ratio	6.25x
Dividend Yield	3.44%
Market Cap (mm) (weighted)	$34,680
Market Cap (mm) (average)	$24,245

Regional Weightings	
Europe	55.52%
Asia/Pacific/Latin America	37.83%
North America	5.75%
Developed Markets	92.33%
Emerging Markets	6.77%

Emerging Manager Status

Studies have shown that smaller managers such as Dean Chase have more flexibility in portfolio management and trading implementation relative to larger investment management organizations.

A Closer Look at Dean Chase Global Value, LLC

Dean Chase Global Value, LLC is an investment advisory firm, rooted in the traditions of the Graham & Dodd discipline, founded to manage assets for employee benefit plans, public entities, endowments, foundations, Taft-Hartley and high net worth individuals via separate accounts, pooled trusts and sub-advisory vehicles.

Portfolio Manager: Al Polit, CFA

Product Overview

Dean Chase utilizes an absolute value, Graham & Dodd, bottom-up stock selection process to the international markets. The universe includes foreign stocks with a market capitalization over US $1 billion. The portfolio tends to purchase unloved and out of favor companies that are temporarily mispriced by the marketplace, yet have absolute determinable value. Dean Chase believes that the temporary disparity that exists between the price of a stock and the true worth of the business will close over time creating a profit for the investor. Strict buy and sell disciplines are adhered to by applying a margin of safety.

The portfolio characteristics tend to exhibit stocks with low price-earnings, low price-book, and low price-cash flow valuation ratios. High dividend yields are simply a by-product of the investment process. Dean Chase has a bias for companies with conservative capital structures. Turnover tends to be low and holding periods are typically three to five years.

For More Information:

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INTERNATIONAL EQUITY PRODUCT
1ST QUARTER 2008 COMMENTARY (page 1 of 4)

The Dean Chase investment process utilizes a strict fundamental, bottom-up, absolute-value approach to stock selection and any reference in this commentary to investments in certain sectors, industries, countries, and the like, is solely a by-product of that discipline. Additional information on the performance results of our products is available upon request.

PORTFOLIO SUMMARY

There was minimal portfolio turnover during the quarter as we sold one position in the materials sector prompted by the conclusion that the fundamentals were significantly deteriorating raising doubts with our ability to apply any value. The sales proceeds were immediately re-directed into existing holdings in the information technology and health care sectors offering significant capital appreciation potential. We continue to have meaningful weights to the information technology and telecommunication services sectors, being the worst sector performers for the quarter in the portfolios and having a combined 45.5% allocation versus 11.7% for the MSCI EAFE Index. Clearly, we are benchmark-agnostic and our over-weights in IT and telecommunications, and minimal exposure to the energy, industrials, materials, and utilities sectors, highlight not only where we believe the true deep-value opportunities lie, but also where a majority of our absolute performance is expected to come from. The prevailing pessimism in the equity markets today for select technology-related companies we own is just as extreme as the overly optimistic assumptions that existed during the technology bubble as concerns over the potential for reduced technology spending, industry overcapacity, and an irrational pricing environment trump long-term fundamentals. The financials, all being Japanese-domiciled, were a bright spot in the portfolios this quarter driven mostly by the consumer finance industry and the unwinding of the popular carry trade pushing the yen higher. Japan continues to be the largest country weight in the portfolios at approximately 31.1% and was a relatively positive contributor to performance this quarter, while Canada, not part of the MSCI EAFE index, hurt overall results. At quarter-end, the portfolios had an 11.9% allocation to the pharmaceutical industry, and we would not be surprised to see additional opportunistic pharmaceutical purchases as the increasing negative sentiment and persistent analyst downgrades fail to recognize the underlying industry economics, financial strength, and late-stage pipeline portfolios of our companies making them even more attractive at these prices. With a 76.8% weight, the large-capitalization holdings, or those we define as having a market capitalization over $5 billion, performed better than mid-capitalization, ranging from $1-5 billion. Our emerging market exposure continues to be minimal as based on current market prices the developing universe offers limited deep-value opportunities.

One of the most compelling arguments we can make to support our strong belief that our deep-value product is poised for enormous capital appreciation potential is that, at quarter-end, the average portfolio price-to-book ratio was approximately 1.1 times.

MARKET RECAP

Driven by supply shortages and the desire to hold inflation-protected assets, sharp rallies ensued in base metals and agricultural commodities, including wheat, rice, and soybeans, alongside a drop in most global equity markets. Gold surpassed $1,000 per ounce during the quarter as the markets sought not only safe haven from the loss of confidence in the financial sector and a weakening U.S. dollar, but exacerbated by the recent electricity rationing in South Africa expected to last several years impacting gold production. The yellow metal also benefitted from a widely held view that by cutting interest rates, the Fed may be undermining its will to control inflation. Oil prices have also been sustained at over $100/barrel, and surprisingly, the December 2015 futures contact is priced at approximately $95/barrel, and while arguably those futures markets may be illiquid and not representative of true market expectations, it does provide some insight on how long the markets believe high prices will continue. OPEC has been unwilling to raise current production levels appearing more than likely to cut production should the U.S. economy weaken further remaining adamant that prevailing prices are elevated because of a weak dollar and excessive speculative activity. Agricultural commodity prices have risen sharply partly as demand for bio-fuels reduce the acreage available for food; having unfortunately generated social unrest in some developing countries. Estimates are that 30% of corn is now used for bio-fuels. We believe that the speculative buying frenzy into already richly-priced commodities makes the inevitable fall that much harder. With China alone accounting for over half of the marginal increase in demand for industrial metals and energy, the risks to prices are clearly to the downside as estimates are that 50% of those inputs are destined for exports which will slow as China implements additional measures to rein in rising inflation. The Swiss franc, having been relatively quiet pre-crisis levels, has also benefitted from a flight to safety advancing 14.5% for the quarter relative to the U.S. dollar.

During times of panic like today, companies having depressed short-term earnings or warts are often shunned first and furthest relative to the markets in general. Companies involved in the industrials, energy, and materials sectors fared much better than the global averages this quarter for reasons including simplicity, the flawed 'decoupling' theory, continued infrastructure development in emerging markets, and supply concerns. And, as mentioned in previous quarters, we have minimal exposure to these sectors and believe they are poised for a significant correction to reflect long-term fundamentals. Something to ponder upon is that if the equity and bond markets are priced for a deep recession, wouldn't demand for commodities be affected?

Under pressure from regulators and accountants, insurers and banks have more aggressively written-off their credit exposures, yet many believe that a significant portion of those non-cash accounting losses based on mark-to-market principles and current illiquid prices will be written-up in the future as they are not reflective of the true fundamentals. The write-downs taken by U.S. financials due to mark-to-market accounting, which replaced cost accounting after the savings & loan crisis, has been the centerpiece of today's market volatility as bank balance sheets become strained creating a feedback loop on the credit markets. However, viewed positively, it may speed up the recovery process as the potential losses (not to be confused with true economic losses) are identified and booked. In determining the worth of financial institutions, we pay attention to their funding mix, quality of assets, and capital ratios, and are of the opinion that tangible book is much more relevant than the stated book values. We have avoided mono-line insurers as we believe there is simply insufficient information to make an informed decision on true value. And, being at the mercy of credit rating agencies, who may decide they are no longer AAA quality, the amount of capital they may be required to raise to maintain the high rating could potentially be extremely dilutive for existing shareholders. Therefore, we have chosen not to own them at any price. Such companies do trade at enormous discounts to adjusted book value; but as one can see, it is not the sole determining reason why we buy companies for our portfolios.

Most popular global value indices did noticeably outperform growth this quarter across every market capitalization range, except for large-capitalization value having underperformed its growth peer as financials, which tend to constitute a large part of the large-cap value indices due to size and portfolio characteristics, performed poorly relative to other sectors. For similar reasons, small and mid-cap companies performed better than large-cap.

For the quarter, the U.S. dollar fell significantly against all other developed market currencies, except for Canada and the U.K. The U.K, having a large financial services sector and an over-valued housing market relative to incomes, has the markets on edge pressuring the British pound, while Canada eased rates to 3.5% upon disappointing retail sales data and concerns over economic growth as the country exports approximately 80% of its total exports to the U.S. The unwinding of the carry trade and increased risk aversion had a very noticeable effect on the Japanese yen appreciating 12.2% relative to the greenback. Using The Economist's Big Mac Index, the euro, pound, Canadian dollar, and Swiss franc are overvalued, with the euro alone estimated to be 40% more expensive than the U.S. dollar. Clearly, the U.S. currency is cheap, and while foreign countries with strong currencies benefit by keeping a lid on inflation, their exports become less competitive. Efforts by global policymakers to intervene would be seen as highly hypocritical as China has been largely criticized for 'managing' its currency. For the quarter, the euro advanced 8.4%, and in the developing markets, the Czech koruna and Chilean peso gained 14.3% and 14.0%, respectively. Chile's currency has been influenced by the supply/demand imbalance of copper, being the country's main export and priced in U.S. dollars, driving prices higher and increasing dollar flows into the country.

In local currency terms and based on MSCI indices, the best performing developed and emerging equity markets for the quarter were Canada and, excluding Morocco, Argentina losing 2.4% and gaining 7.5%, respectively. Greece was the worst performing developed equity market falling 22.3% as widespread worker strikes against government pension reforms disrupted sentiment. The worst performers in the developing equity markets in local currency terms were Turkey, China, and India, all dropping at least 23% year-to-date. Latin America fared relatively better dropping only 4.1% for the quarter. Overall, un-hedged U.S. investors benefitted from a weaker dollar this quarter. For the quarter and in U.S. dollars, the MSCI EAFE, MSCI ACWI x-USA, and MSCI EM indices declined 8.9%, 9.1%, and 11.0%, respectively.

NORTH AMERICA

During the quarter, the Fed took aggressive actions to support economic growth and provide insurance against downside risks. Such risks had become more pronounced following a combination of already tight credit, a weaker labor market, higher energy costs, falling home values, rising foreclosures and delinquency rates, and plunging global equity markets. The Fed utilized not only its standard monetary policy tool by lowering the Fed funds rate to 2.25%, but also applied unorthodox liquidity measures, including offering longer-term funds, accepting a wider range of non-traditional collateral (i.e., AAA-rated mortgage backed securities), rescuing Bear Stearns, and allowing prime brokers (rather than just commercial banks) access to the discount window. In doing so, the Fed arrested some of the financial strains in the system and prevented major systematic risks. While such actions will not solve the credit woes, they may minimize the fall-out in asset prices and make it more attractive for bargain hunters to start picking up the pieces. The liquidity measures introduced combined with the easing of short-term money rates also reduces the likelihood that banks will hoard credit, especially since a steeper yield curve makes lending more lucrative for banks. The Fed has also been pushing banks to provide full and complete disclosure of their exposures to restore confidence in the markets, and has gone so far as to call on banks to forgive a portion of mortgage loans, specifically those where the collateral is worth less than the loan, as rising foreclosures may only exacerbate housing problems and bank credit losses. Further pressure has come from U.S. Treasury Paulson by encouraging banks to replenish capital and preserve what remains by eliminating dividends. Inflationary concerns have not disappeared as evidenced by the spreads on Treasuries and TIPS, but policymakers appear to be of the opinion that economic weakness and rising unemployment levels will inevitably moderate pricing pressures. Yet, undermining the Fed's monetary policy actions to stimulate growth, longer-term rates have gone up increasing funding costs for consumers and borrowers in urgent need of capital. This has added to the housing inventory problem as unaffordable mortgage rates decrease home purchases pushing values down even further increasing foreclosure rates.

To aid the Fed, the U.S. government instituted an economic stimulus program to boost spending. This may end up being a disappointment should the money be used to repay debt rather than stimulate consumer purchases. In addition, the conforming loan limits have been raised enabling more homeowners to obtain mortgages that are Freddie Mac and Fannie Mae eligible. Furthermore, the two government-sponsored entities received regulatory approval to expand their loan portfolios by underwriting new business, and also had their regulatory capital surcharges reduced from 30% to 20% so as to relieve mortgage markets.

Concerns over financial instability drove investors to short-term Treasuries pushing three month yields at one point during the quarter below 1%. Margin calls due to falling collateral values have forced all sorts of leveraged funds to sell assets pressuring prices even further. Aiding turbulence, we also witnessed how quickly liquidity rumors with the help of the media (i.e., CNBC) have the power to push companies reliant on short-term funding into potential insolvency.

EUROPE

The European Central Bank (ECB) was also active during the quarter injecting liquidity into the money markets and agreeing to accept a wider range of collateral than that at the Fed. They also took innovative steps including conducting a six-month term loan for a total of 25 billion Euros so as to provide banks more stability with liquidity, and most importantly, to allow the ECB to keep monetary policy decisions separate. Similar to the U.S, European financial institutions have incurred higher funding costs than non-financials; ironic given that the financials are the providers of capital. Some European companies, investment-grade and junk, have been forced to access capital in the U.S. via the use of Yankee bonds as it has become relatively more difficult to complete deals in Europe. To remain vigilant against inflation running at 3.5% resulting primarily from higher food and energy costs, the ECB has kept rates at 4.00%. At current inflation levels, it is unlikely the ECB will ease policy anytime soon. Similar to the U.S., credit default swaps for European investment grade and junk companies are at unrealistic levels.

Germany companies and consumers have proven to be more resilient to the credit squeeze as debt is relatively low compared to its developed peers. And France, having laid claim to a prudent banking system and critical of Anglo-Saxon capitalism quickly ate its words after Societe General, one of France's largest banks, announced a sizable unexpected trading loss from what the bank claims were unauthorized transactions done by a low-level rogue trader.

In the U.K, the central bank has also been providing liquidity support to its banks, but with less flexibility than its European and U.S. counterparts. The Bank of England (BOE) did float the idea of buying mortgage-backed securities to ease their mortgage markets and loosened rates by 25 basis points, however, it still has a high overnight bank rate at 5.25% as they feel inflationary expectations are still high and need to be driven out of the system in order to be more accommodative on rates. On the political front, the ruling government decided to temporarily nationalize Northern Rock backing up its liabilities with taxpayer money leaving it open to mass criticism from the opposition party, the Conservatives.

ASIA
Japan, the second largest economy in the world and a large exporter to the U.S., experienced a volatile equity market during the quarter as the appreciating yen stemming from risk aversion and an unwinding of the popular carry trade makes exporters less competitive. The latest consumer price inflation readings, excluding food and energy costs, are still showing signs of deflation as prices for consumer goods such as computers, televisions, and mobile phones continue to decline. On housing, the anti-earthquake regulations introduced last summer have paralyzed the Japanese housing market dampening demand. Politically, Prime Minister Yasuo Fukuda continues to lose public support over his inability to make important policy decisions with the opposition-controlled upper house leading many to speculate he will not last very long in his current position.

In China, higher food and energy prices continue to generate record-breaking inflationary readings, which are probably still understated as it reflects government price controls on basic goods, like petrol. Efforts to stem inflation by raising bank reserve requirements and ordering financial institutions to limit loans have had only a limited impact as estimates are that approximately 60% of capital investment is self-financed. China could raise local interest rates, but this poses a challenge as having a managed currency, the central bank buys all incoming foreign exchange in return for notes so in effect earns foreign returns on its reserves and pays out local interest on its bills. And, currently the spread is significantly loss making and should China raise rates, the problem will only worsen. Reserve requirements could be tightened further, but banking profitability would also be affected. Allowing the exchange rate to more gradually be market-based is China's only long-term solution. To China's credit, they have been slowly but surely allowing the currency to appreciate.