

DEAN CHASE GLOBAL VALUE, LLC

Second Quarter 2008

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DEAN CHASE
GLOBAL VALUE

INTERNATIONAL EQUITY PRODUCT

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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| Top Three Country Weightings | |
|------------------------------|--------|
| Japan | 33.89% |
| United Kingdom | 19.66% |
| France | 16.57% |

| Top Three Industry Weightings | |
|-------------------------------|--------|
| Diversified Telecom. Services | 23.16% |
| Pharmaceuticals | 15.43% |
| Elec. Equip. & Instruments | 10.96% |

| Top Three Sector Weightings | |
|-----------------------------|--------|
| Telecommunication Services | 26.05% |
| Information Technology | 22.70% |
| Health Care | 15.43% |

| Market Capitalization Weightings | |
|----------------------------------|--------|
| Large-Cap (>\$5bn) | 76.19% |
| Mid-Cap (\$1-5bn) | 19.71% |

| Portfolio Characteristics | |
|-------------------------------|----------------------|
| * Ending June 30, 2008 | |
| | Dean Chase Portfolio |
| Price/Earnings Ratio | 12.38x |
| Price/Book Ratio | 1.34x |
| Price/Cash Flow Ratio | 6.16x |
| Dividend Yield | 3.73% |
| Market Cap (mm) (weighted) | \$37,675 |
| Market Cap (mm) (average) | \$23,886 |

| Regional Weightings | |
|----------------------------|--------|
| Europe | 52.02% |
| Asia/Pacific/Latin America | 40.33% |
| North America | 6.54% |
| Developed Markets | 92.46% |
| Emerging Markets | 6.44% |

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.

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The MSCI EAFE Index is an unmanaged index consisting of securities listed on exchanges in European, Australasian and Far Eastern markets and includes dividends net of foreign withholding taxes and distributions, but does not reflect fees, brokerage commissions or other expenses of investing.

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The Dean Chase investment process utilizes a strict fundamental, bottom-up, deep-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

Portfolio turnover was once again minimal this quarter as we sold two positions in the consumer staples and consumer discretionary sectors having reached our estimates of intrinsic value and pared-back a Canadian holding that advanced significantly during the quarter. The sales proceeds were re-invested into companies having compelling capital appreciation potential in industries including household durables, pharmaceuticals, and media. Portfolio performance was strong for the month of April driven by government efforts and optimism post the Bear Stearns crisis, but fell in June as the markets lost confidence that a quick resolution to the financial crisis would prevail. Large capitalization holdings, representing 76.2% of the portfolio at quarter-end, performed relatively better than those defined as mid or small capitalization. France detracted from overall performance. We averaged-down on our U.K. media exposure this quarter and were quickly punished by the markets as the newspaper industry continues to be shunned despite extremely attractive multiples in select names. The slowing economy has dented newspaper revenues from classifieds, real estate, airlines, and dealerships. Consumer discretionary positions were largely weak for the quarter partly offset by overall strength in information technology. Having a quarter-end weight of 5.2%, our semiconductor manufacturers continue to experience severe industry overcapacity pushing prices below cash costs. On a U.S. dollar basis, Japanese telecommunications services and information technology companies performed exceptionally well this quarter. The representative portfolio had a 33.9% weight to Japan at quarter-end. Portfolio exposure to financials is currently only limited to Japan having been largely spared the credit problems of their American and European counterparts. The combined weight to the energy, materials, industrials, and utilities sectors continues to be minimal at 7.4% due to valuation concerns.

We continue to believe that our portfolios are poised for enormous capital appreciation potential given our estimates of intrinsic value. The fear prevalent in the markets today will present unique investment opportunities for patient, disciplined, and long-term investors such as Dean Chase.

MARKET RECAP

Energy commodities such as crude oil and natural gas continued to perform strongly this quarter. The upward price momentum of oil is due to a combination of peak oil rhetoric, falling non-OPEC production, an unaccommodating OPEC, a weak dollar, rising inflationary expectations, geopolitics, the potential of a windfall profits tax for U.S. oil companies, and comments by T. Boone Pickens. Despite plans by Saudi Arabia to increase production under political pressure from developed countries, the black gold is trading at peak levels of approximately \$145 per barrel at the time of this writing. There is mounting evidence that high oil prices are beginning to curb consumption. For example, demand for U.S. petrol is below levels of last year. And, the elimination and/or relaxation of energy subsidies and price controls in many Asian countries including India, Taiwan, China, Indonesia, and Malaysia, to rein in out-of-control government fuel costs and/or to lessen the financial burden on refiners should reduce demand further. Natural market forces need to be allowed to work as high prices adjust consumption patterns and encourage future investment eventually bringing down future prices.

The high price of oil is also driving demand for biofuels made from corn and soybeans stimulating food price inflation and generating worldwide supply shortages. Prices for corn and soybeans advanced sharply during the quarter partly because of the floods in the Midwest U.S. decreasing corn stocks. The cattle and poultry industries are also being impacted by rising grain costs. To keep local markets well stocked for select crops, some countries have initiated export tariffs depriving local farmers of high prices. In Mexico, for example, the government froze prices for 150 basis food products through the end of the year in an effort to curb inflation. Food inflation is more pronounced in some countries such as Vietnam with annual inflation running at over 25% as grain accounts for 40% of its inflation index. High food prices have also created problems in India where inflation, at 11%, forced the central bank to raise rates and reserve requirements. Central banks around the world are facing the twin threats of slowing growth and rising food and fuel costs.

Steelmakers have been able to pass along the rising cost of their raw materials to consumers threatening future manufacturing profit-

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ability and stoking consumer inflationary pressures. Several major mining companies have either dramatically raised their prices or have indicated they will do so.

The banking sector continues to be drastically volatile. During the quarter, select banking institutions took advantage of some relatively favorably credit conditions to unload leveraged loan inventory. This positive development was offset by news that the credit rating agencies lowered the debt ratings of several banks and mono-line insurers. This pushed financials stocks even lower during the quarter. In addition, boardroom and management reshuffling, expensive equity issuances, regulatory uncertainty, the questionable solvency of the government-sponsored entities (GSEs), and further write-offs in financials made that sector the worst performing in the S&P 500 for the quarter declining 19.0%. Poor corporate governance in financial institutions appears to have fueled the financial crisis as some directors lacked any knowledge of financial products making them ill-suited to monitor management activities. Some admit that a greater understanding of financial products they were overseeing was badly needed.

Car manufacturers, suffering from a drop in consumer demand for gas guzzlers and tighter credit conditions, have been offering creative incentives, including subsidized gas, to move inventory. In addition, their financing divisions are experiencing increased losses, especially for trucks, as vehicle auction values have plummeted due to higher petrol prices and a stagnant construction market. Auto suppliers have also been squeezed by rising raw material costs and declining production of their manufacturing customers. Liquidity events for auto-related companies may force some into bankruptcy should available cash be insufficient to sustain operations during this slowing economic period.

Value, once again, underperformed growth this quarter. The value/growth spread is clearly evident when looking at the S&P/Citigroup pure indices. The S&P/Citigroup Pure Growth and Pure Value indices for the S&P 500, MidCap 400, and SmallCap 400 show that value underperformed growth this quarter by 1445, 641, and 1202 basis points, respectively.

For the quarter, the U.S. dollar advanced 0.6%, 6.1%, and 3.2% against the European euro, Japanese yen, and New Zealand dollar while declining 5.1%, 0.1%, and 1.1% relative to the Aussie dollar, U.K. pound, and Canadian dollar. Demand for Australia's enormous deposits of iron ore and coal continue to push the currency higher. The New Zealand kiwi, however, has been losing its appeal prompted by a slump in retail sales, a collapse of its housing market, an over-stretched consumer, and a weak construction and agricultural sector pushing the country into a technical recession. As for emerging market currencies, the Brazilian real, having one of the highest real rates in the world, strengthened 9.9% relative to the greenback on the back of rising rates and a ratings upgrade by S&P of its sovereign debt to investment grade. South Korea, on the other hand, saw its currency slip further by 5.3% as soaring energy costs increase import bills widening its current account deficit generating additional pressure on the won. The Bank of Korea has been intervening in the currency markets to prop up the won and within the last few days has made progress selling dollars to advance the currency.

In local currency terms and based on MSCI indices, the best performing developed equity markets for the quarter were Canada and Japan gaining 9.7% and 9.1%, respectively. Belgium was the worst developed equity market falling 19.0%. In U.S. dollars, Argentina and Brazil were the top performers in the MSCI emerging equity markets surging 35.4% and 18.4%, respectively, while the Philippines and India declined 24.9% and 19.7%, respectively.

For the quarter and in U.S. dollars, the MSCI EAFE, MSCI ACWI x-USA, and MSCI EM indices declined 2.2%, 1.1%, and 0.9%, respectively.

NORTH AMERICA

Having eased rates to 2.0% to minimize the tail risks to growth stemming from the credit crisis, the U.S. Fed is now faced with a new dilemma as the weak dollar has pushed energy and commodity prices higher uncorking inflation and inflationary expectations. And, faced with an unstable financial sector placing added strain on an already slowing economy, further easing to mitigate the growth risks is unlikely as doing so may weaken the greenback further increasing import prices amplifying inflationary expectations. Powerless on rates, the Fed may instead extend and expand the temporary credit facilities to alleviate stress. The bond markets, however, have priced in several interest rate increases by the end of this year despite Fed efforts to talk down such market expectations. Even though the Fed does not have any responsibilities for managing the exchange rate, it has been mindful of the risks it poses to the economy.

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During the quarter, many banks raised additional capital and cut dividends under regulatory pressure and as insurance against a worsening housing outlook. As of this writing, concerns are mounting that Freddie Mac and Fannie Mae may need a government bail-out as the potential introduction of new accounting standards may make them technically insolvent despite regulatory statements that they are adequately capitalized. Shares of both companies have plummeted since June 30th bringing the overall markets down with it. Financial institutions, being highly leveraged entities, are vulnerable to a lack of confidence. Irresponsible journalism and rumors can have damaging effects for shareholders, as well as for the global financial system.

EUROPE

Europeans have not been immune to the unwanted combination of inflationary pressures and lower growth. As a whole, the euro-zone is suffering from soaring energy and food prices, a U.S. slowdown, a strong euro, rising unemployment, and falling consumer confidence. Yet, to remain vigilant against inflation, currently at a 16-year high and its potential to unleash wage demands, the European Central Bank (ECB) raised rates 25 basis points to 4.25%. While wage pressures have been apparent throughout the euro-zone, a slowing economy will likely help dampen their future bargaining power. The ECB has been reluctant to use monetary policy tools to aid the credit markets preferring instead to utilize its securities lending facilities. Higher euro rates widen the interest rate differential against the U.S. dollar and puts further pressure on the U.S. inflation outlook.

The U.K. has also been experiencing inflation and slowing growth aggravated by tight credit conditions pushing mortgage arrears even higher and housing prices lower. Consumer prices are accelerating in both goods and services with the cost of energy and food accounting for a majority of the rise. Pay growth has been weak across the U.K. yet living costs have risen putting the central bank in a torn position. The Bank of England (BOE) wants to prevent a vicious cycle in which weak consumer demand results in rising unemployment impacting consumer spending and housing prices pushing unemployment higher. Despite inflationary pressures, the BOE has insisted that monetary policy will be stable over the near-term given the critical state of the financial markets. And, with the support of the government, the central bank introduced initiatives to ease liquidity concerns by considering the acquisition of U.K. banks mortgage backed-securities for up to three years in return for U.K. Treasury paper. The BOE believes this scheme will help relieve markets as it removes any questions with regards to banks being able to meet their debts. The BOE also believes that the markets have oversold sub-prime securities and appears willing to provide support based on that view.

ASIA

Being awash in liquidity and with limited lending opportunities at home, it would not be a surprise to see Japanese financial institutions pursue acquisitions abroad. Corporate governance has also been improving across Japan evidenced by increased dividend payout ratios and share buybacks. The Tokyo Stock Exchange is also drawing up corporate takeover defense guidelines that may make it more difficult for domestic companies to be unfriendly to unsolicited bids.

To rein in high inflation, China's central bank raised banking reserve requirements several times during the quarter to absorb excessive liquidity from the system. Wage, food, and energy costs have pushed inflation to uncomfortably high levels. China increased energy prices across the board, including those for petrol, electricity, and diesel, to dampen inflation and aid its refiners currently subject to price controls. Some observers believe that this will curb consumption at the pump and push oil prices down while critics believe the pent-up demand stemming from the shortage of available refined products may push oil demand higher. We would argue for the former. China needs to continue with currency appreciation policies so as to benefit from its anti-inflationary effects.