

DEAN CHASE GLOBAL VALUE, LLC

Fourth Quarter 2008

www.dcglobalvalue.com



DEAN CHASE
GLOBAL VALUE

INTERNATIONAL EQUITY VALUE PRODUCT

Top Three Country Weightings	
Japan	36.26%
United Kingdom	24.98%
France	12.14%

Top Three Industry Weightings	
Diversified Telecom. Services	21.60%
Pharmaceuticals	20.27%
Commercial Banks	10.48%

Top Three Sector Weightings	
Telecommunication Services	24.36%
Health Care	20.27%
Financials	19.05%

Market Capitalization Weightings	
Large-Cap (>\$5bn)	74.57%
Mid-Cap (\$1-5bn)	22.19%

Portfolio Characteristics	
* Ending December 31, 2008	
	Dean Chase Portfolio
Price/Earnings Ratio	11.76x
Price/Book Ratio	1.25x
Price/Cash Flow Ratio	6.13x
Dividend Yield	5.11%
Market Cap (mm) (weighted)	\$30,335
Market Cap (mm) (average)	\$20,800

Regional Weightings	
Europe	53.22%
Asia/Pacific/Latin America	43.24%
North America	3.01%
Developed Markets	92.48%
Emerging Markets	6.99%

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.

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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, and absolute-performance 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. Please feel free to contact us or visit our web-site at www.dcglobalvalue.com to learn more about Dean Chase.

PORTFOLIO SUMMARY

The turnover in the portfolios during the quarter was approximately 7.2% and driven by opportunistic rebalancing. Select holdings in the telecommunications services and health care sectors having proved resilient during the quarter given their defensive characteristics were pared-back to raise cash so proceeds could be re-invested into new and existing positions with more attractive risk/reward profiles in the commercial banking, beverages, and electric utilities industries. Further research prompted us to sell one holding in the information technology sector as it burned through the majority of its large cash pile while navigating through one of the worst industry downturns in history. Portfolio performance was negative for the months of October and November while December was positive. Dean Chase achieved a five-year performance track record for this product ending 2008. For the quarter and gross/net of management fees, our performance composite outperformed the MSCI EAFE Index by approximately 706/683 basis points helped in large part by our exposures to Japan, and the telecommunication services and health care sectors. For the year on a gross/net basis, the outperformance was 842/784 basis points. On a U.S. dollar basis, our average Japanese holding was down only 2.1% in the fourth quarter. Information technology continued to be a drag on overall performance results during the quarter with apparently nowhere to hide as exposure to industries ranging from IT consulting to semiconductors to communications equipment continued to disappoint as the sharp consumer slowdown led customers to drastically curtail new capital spending. Consumer discretionary holdings also pushed results lower. Japan continues to be the largest country weight at 36.3% and telecommunication services our top sector allocation at 24.4%. At quarter-end, the U.K. comprised approximately 25.0% of the representative portfolio. Large-cap stocks, defined as companies having a market capitalization greater than \$5 billion, represented 74.6% of the portfolio but only accounted for approximately half of the negative portfolio performance for the fourth quarter highlighting the fact that mid/small-caps incurred greater losses.

MARKET RECAP

A coordinated emergency rate cut by several central banks around the world this quarter was an admission that the credit crisis was global in nature. Yet, the failure of drastic monetary policies and open market operations alone to instill confidence back into the markets has forced governments around the world to resort to Keynesian economics largely comprising fiscal stimulus packages and tax cuts. Optimism is still clearly lacking in the markets and participants continue to ignore fundamental investing.

In general, countries heavily reliant on short-term funding markets, U.S. dollar financing, or commodities experienced dramatic weakening of their currencies and equity markets in the quarter. This was especially the case for emerging markets. In Iceland, for example, the krona plummeted despite its banks being considered well-capitalized before the credit crisis began yet the currency fell victim to the freeze in the interbank lending markets as most funding was wholesale thus forcing the nationalization of all its banks. Hungary was also a casualty whose currency and equity markets plummeted being heavily reliant on foreign funds for credit forcing its central bank to lift rates to attract foreign capital. Ukraine, being largely an export-led economy dominated by steel where demand and prices have fallen sharply, sought emergency aid from the International Monetary Fund. Some estimates are that half of all the money that went directly into emerging equity markets from 2003-07 was withdrawn in 2008. One dilemma facing most emerging markets is that attracting foreign capital requires attractive rates, but to stimulate the economy lower rates are required.

Oil experienced a dramatic drop this quarter as demand is falling faster than supply, and not just because of fears of a prolonged economic downturn, but also on supply concerns. OPEC, controlling 40% of the world's crude production, has experienced difficulty cutting production. Reports are that oil is being kept in tankers and storage facilities for fear that the extra supply will further depress the spot market.

The best performing sectors for the year due to their defensive qualities were health care, telecommunications, consumer staples, and utilities. The financials sector continued to be dragged down by the frozen credit markets, economic malaise, and concerns that financial institutions need more capital to strengthen their balance sheets.

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For the year, the non-U.S. value and growth indices were largely in line with one another. But, in the U.S. and based on the S&P 500/Citigroup Pure Growth and Value indices, growth did outperform value by a wide margin. Larger non-U.S. companies did better than their smaller companies. Most emerging equity market indices underperformed developed. In U.S. dollar terms, all of the BRIC countries were down at least 50.0% for the year with Russia alone falling 73.9%.

Except for the Japanese yen and Swiss franc, the U.S. dollar advanced against all developed and emerging market currencies for the year. The greenback lost 23.2% and 17.1% relative to the Japanese yen for the year and quarter, respectively, due to a combination of factors, including a relatively healthier Japanese banking system and the sudden reversal of the carry trade. Despite the Swiss central bank easing rates and its financial institutions having their own toxic asset problems, the Swiss franc gained relative to the dollar thanks to its safe haven status. The worst performing developed currency against the dollar was the U.K. pound depreciating 27.8% for the year as the Bank of England reversed its very hawkish tone upon deteriorating economic data. Commodity and agricultural-oriented export economies suffered sharp falls in their currencies as plummeting demand for their goods and the inability of customers to access working capital for purchases increased currency concerns. Against the greenback, the Australian dollar, New Zealand dollar, and Canadian dollar lost 20.6%, 24.1%, and 20.0%, respectively, for the year. The South Korea won faced significant pressures in 2008 having fallen 25.7% on a rush for dollars and concerns domestic companies have taken on too much debt and could face challenges refinancing obligations in this tight credit environment. S&P also placed several Korean banks on negative watch citing growing foreign currency funding pressures.

In local currency terms and for the year, the best performing MSCI developed equity market was the U.K. declining 28.5% while the worst performing was Ireland, heavily weighted towards financials, falling 70.5%. Irish banks have been reliant on wholesale funding and have a high loan-to-deposit ratio forcing investors to rush for the exits. On a U.S. dollar basis, Japan was the best performing country declining only 29.2%. Russia and Hungary were two of the worst performing emerging equity markets falling 73.9% and 61.5%, respectively, for the year. Russia has fallen victim to falling oil prices and a loss of confidence.

For the quarter and in U.S. dollars, the MSCI EAFE, MSCI ACWI x-USA, and MSCI EM indices declined 19.9%, 22.3%, and 27.6%, respectively. For the year and in U.S. dollar terms, the MSCI EAFE, MSCI ACWI x-USA, and MSCI EM indices declined 43.4%, 45.5%, and 53.3%, respectively.

NORTH AMERICA

The U.S. Treasury and the Fed tried to thaw the frozen credit markets and instill some market confidence by lowering rates, increasing liquidity and credit operations, injecting capital into financial institutions, engaging in currency swaps with key emerging market countries, providing credit guarantees on bank debt, and expanding the Fed balance sheet. Rather than use TARP funds to buy troubled assets from financial institutions, the Treasury felt it was best to recapitalize the banking system, support markets backed by consumer debt, and prevent foreclosures. This abrupt u-turn by the Treasury increased risk aversion during the quarter as one prevailing view was that the toxic asset problem could be worse than originally thought. This resulted in spreads on corporate bonds rising to record levels with even highly-rated paper trading at junk-bond levels. Also, interbank lending, having already been under stress from the Lehman Brothers failure, reached new lows. Money market redemptions increased with funds being unable to meet requests as buyers for commercial paper went on strike. The rush to safety pushed short-term Treasury bills to record lows with some even paying for the privilege.

Despite the Fed's efforts to aggressively ease monetary policy rates, corporate yields are still stubbornly high. The Fed and Treasury have become more innovative by creating special vehicles that would allow the Fed to purchase commercial paper to bring down risk premiums. The Fed has also been aggressively purchasing Fannie Mae and Freddie Mac mortgage-backed securities in an effort to lower mortgage rates and make refinancing more economically viable for homeowners. There is evidence as of this writing that these coordinated moves are finally starting to help.

EUROPE

Eventually, as evidence grew that inflation was no longer a problem, the European Central Bank (ECB) participated in several rate cuts during the quarter to help restore financial markets. Dramatically slower economic activity in many European countries made the

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ECB's decision that much easier. The central bank also agreed to provide euro-zone banks with unlimited liquidity at its policy rate rather than having them bid for it. Several European governments, including France, Switzerland, Germany, and Ireland, also announced stimulus and financial institution recapitalization programs. But, not all plans were created equally as Germany, and to a lesser extent Poland and the Netherlands, have acted with less alarm not wanting to spend their way out of trouble. The German banks have been reluctant to apply for the government recapitalization plan as terms for participating institutions are stringent. At the other extreme, France has been very generous with its financial institutions.

Many market participants believe the U.K. should be credited with spearheading the aggressive and bold plan to try to restore confidence back into the banking sector having been the first to announce a £400 billion rescue plan composed of government guarantees for new bank issuance, new equity capital, and a special liquidity scheme. The British plan was to make the banks bullet-proof by increasing their tier one capital ratios (with the government as underwriter), end fears that they may not have access to the interbank lending market, and encourage them to lend long-term loans to one another. Some U.K. banks opted to raise the capital on their own to maintain operating flexibility.

ASIA

Japan's mega-banks also strengthened their balance sheets during the quarter given their high exposure to equities via cross share-holdings and increased reserves for bad loans. The strengthening of the yen has increased domestic corporate bankruptcies as the economy is still largely reliant on exports. To support the markets, regulators lifted restrictions on share buy-backs and the Bank of Japan cut rates to 0.1% leaving it with little policymaking ammunition left. There is growing evidence that companies have been aggressively taking advantage of cheap market prices by buying back shares.

China has not been immune to the credit crisis as falling exports force factories to close. Regulators have asked its banks to raise additional capital, and to prop up the equity markets insurance companies were ordered to buy local shares. Internal pressure is growing to depreciate the Chinese renminbi which would likely result in its Asian neighbors doing the same to remain competitive overseas.

The Korean government announced several confidence boosting measures, including a public works program. The government has intervened in the currency markets to stem the decline of the Korean won, and contrary to media reports is far from repeating the mistakes of the 1998 Asian Crisis as foreign currency reserves are ten times greater today.