



PERIMETER
— CAPITAL MANAGEMENT —

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First Quarter 2011

U.S. Extended Small Cap Growth Update

Firm Overview:

100% Employee-Owned Investment Boutique

Established June 2006 in Atlanta, Georgia

Total Assets Under Management: \$1,947.0M *

Strategies Managed:

- U.S. Small Cap Growth Equities
- U.S. Extended Small Cap Growth Equities
- Global Long/Short L.P.

Strategy Overview:

U.S. Extended Small Cap Growth

- Seek to Invest in High Quality Stocks Exhibiting Strongest Relative Earnings Growth Momentum Across Any and All Market Sectors
- Experience & Bottom-Up, Fundamental Analysis Uncovers Pricing/Valuation Inefficiencies Inherent in Undiscovered Small and Mid Cap Stocks
- 90 - 110 stocks
- Portfolio Managers: Mark Garfinkel, CFA, Patrick W. Kirksey, CFA, Brian Crawford, CFA
- Strategy Inception: January 2008
- Strategy Assets: \$34.1M *

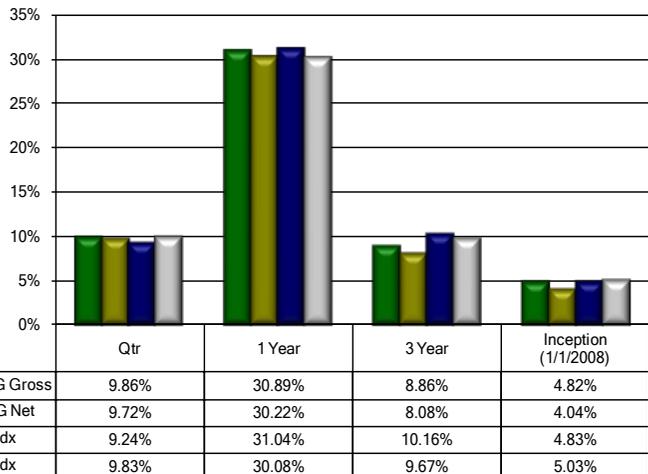
* As of 3/31/2011

The Perimeter U.S. Extended Small Cap Growth Equity composite returned 9.86% gross of fees for the first quarter of 2011, in-line with the Russell 2500 Growth Index's return of 9.83%. The market posted another strong quarter of performance despite such extreme global headlines as the tragic earthquake/tsunami in Japan and political unrest in the Middle East and Northern Africa. This resiliency of the market was underpinned by improving economic data both here and abroad as the Fed's QE2 efforts and tax cut extensions drove an improvement in manufacturing, capacity utilization and the labor markets. Leading sectors in the quarter were similar to last, with Energy and Technology up the most, while the more defensive sectors (Telco Services, Healthcare and Utilities) lagged.

In the first quarter, the Energy sector was the top contributor to Perimeter's performance followed by Materials and Healthcare. The portfolio's performance in Energy was driven by strong stock selection along with a slight overweight this high performing group. Materials was driven by companies like Kronos Worldwide and Rock-Tenn. While each company serves a different market, they share common characteristics of tight or declining industry capacity, the ability and willingness to increase price to end users and the significant tailwind of an improving economy increasing volumes. In Healthcare, strong performance from several companies due to positive earnings reports that exceeded expectations, combined with our underweight to this weaker performing sector, helped to drive positive contribution to returns. Healthcare continues to be a battleground between an improving economy and external forces like healthcare reform that puts pressure on costs and volumes. Offsetting slightly the positives above, Technology, Finance and Consumer Staples were slight detractors to performance. In Technology, underperforming semiconductors weighed on results given continued inventory corrections have delayed a reacceleration in growth. Despite these delays, we continue to hold many of these stocks as the fundamentals and growth prospects remain strong. Several owned banks underperformed in the quarter due to the continued housing malaise, and while our performance in Consumer Staples was actually pretty decent, not owning Green Mountain Coffee Roasters (up 97% and contributed 28 basis points to the benchmark) was a headwind.

Performance Results

As of 3/31/2011



Performance by Sector

Sector	Perimeter ESCG	Russell 2500 Growth Index	Russell 2000 Growth Index
Consumer Discretionary	7.04%	7.66%	4.19%
Consumer Staples	8.42%	18.42%	5.18%
Energy	27.22%	18.89%	19.67%
Financials	3.65%	8.55%	8.00%
Health Care	8.43%	7.28%	6.88%
Industrials	8.90%	8.77%	8.35%
Information Technology	9.95%	12.36%	13.33%
Materials	12.39%	7.91%	10.49%
Telco Services	-1.84%	3.22%	2.63%
Utilities	--	9.32%	1.57%

* Supplemental Information
See Important Disclosures provided on last page.

Contributors to Performance*

Company	Total Return (Quarter)
IPG Photonics (IPGP)	+82%
A pioneer and the largest provider of industrial fiber based lasers used to cut, weld and engrave metals. Due to cost and performance benefits, fiber lasers are rapidly taking market share away from older laser technology, allowing IPG to post strong results that materially exceeded guidance and expectations driving strong stock price appreciation. While we have trimmed our position due to a high valuation and exposure to Japan, we maintain a small position due to IPGP's strong technology position and prospects for rapid growth.	
Aruba Networks (ARUN)	+62%
Market share leader of enterprise-class, wireless network products and software, with best in class products and service. Recent strong growth should be sustained due to increasing penetration of connected mobile devices in the enterprise market, prompting new installs as well as upgrades of existing equipment to faster and more efficient solutions.	
Travelzoo (TZOO)	+59%
Publishes travel and entertainment deals to over 20 million Internet subscribers. Its products allow advertising opportunities for airlines, hotels, cruise lines, vacation packages as well as local merchants. Along with high earnings growth reported for the 4th quarter, valuation has been expanding as its local deals division is growing at a rapid pace and is being discovered and compared favorably to privately held Groupon.	
SFN Group Corp (SFN)	+51%
One of the largest human resource management companies in North America providing staffing, permanent placement and recruiting outsourcing services. An improving employment picture, as greater willingness to use temporary workers, and continued shift to outsourcing has lead to improving demand for SFN's services. In addition, management's focus on improved efficiency is driving better than expected profitability and earnings growth. We are currently holding as expectations continue to underestimate SFN's profitability improvements in an improving demand environment.	
Kronos Worldwide (KRO)	+41%
One of the largest providers of Titanium Dioxide, a key ingredient used in the paint and plastics industries. Reduced capacity given plant closures during the recession has created an imbalance between supply and demand given the global economic recovery, allowing the company to raise prices by 20%, driving strong visibility in growth over the next few years.	

Detractors from Performance*

Company	Total Return (Quarter)
MIPS Technologies (MIPS)	-31%
Semiconductor company with industry-standard, processing architectures. Almost 70% of every consumer electronic includes MIPS IP (e.g. washing machines to network devices). MIPS has a strong product lineup and few direct competitors. Despite recent volatility, we see a company with a strong IP portfolio and the ability to penetrate the mobile market in the medium term.	
Salix Pharma (SLXP)	-25%
Gastrointestinal disorders centric drug developer. Earnings and share price had been on an upward slope with introduction of Xifaxan , a best-in-class treatment of hepatic encephalopathy (HE). Shares declined significantly on 2/13 when it was disclosed that the FDA will most likely require another long term study before approval for treatment of irritable bowel syndrome (IBS non-C). We have retained Salix due to its strong product pipeline as well as anticipated prescription growth for Xifaxan in HE and continued off label use in IBS non-C.	
Coinstar (CSTR)	-25%
Provides automated retail solutions for self-service DVD rental kiosks (Redbox) as well as coin-counting machines, recently provided disappointing earnings guidance due to a weak film slate in their DVD rental kiosks in the first quarter. Imbalances created by excess inventory of weaker performing DVDs and shortages of more popular DVDs have weighed on margins, prompting us to exit our position.	
Guess? (GES)	-19%
A specialty retail company that designs, markets, and licenses men's, women's, and children's apparel worldwide. Products are sold through owned stores, wholesale distribution, and online to customers, ages 15 - 30. North American growth slowed more than expected in the quarter while management announced plans to build out their Asian presence. Given margin pressure from Asian investments and higher input costs, we decided to exit the position.	
PMC - Sierra (PMCS)	-13%
Semiconductor company serving the storage solution and telecommunication network end markets. A pause in demand for telco products have led to a build-up of inventory in the channel that is slowly being worked down, and resulted in PMCS reporting a lackluster quarter and providing muted guidance. While we are looking to exit, current expectations of accelerating growth in 2H11 together with an attractive valuation have prompted us to maintain the position until a more favorable exit price is presented.	



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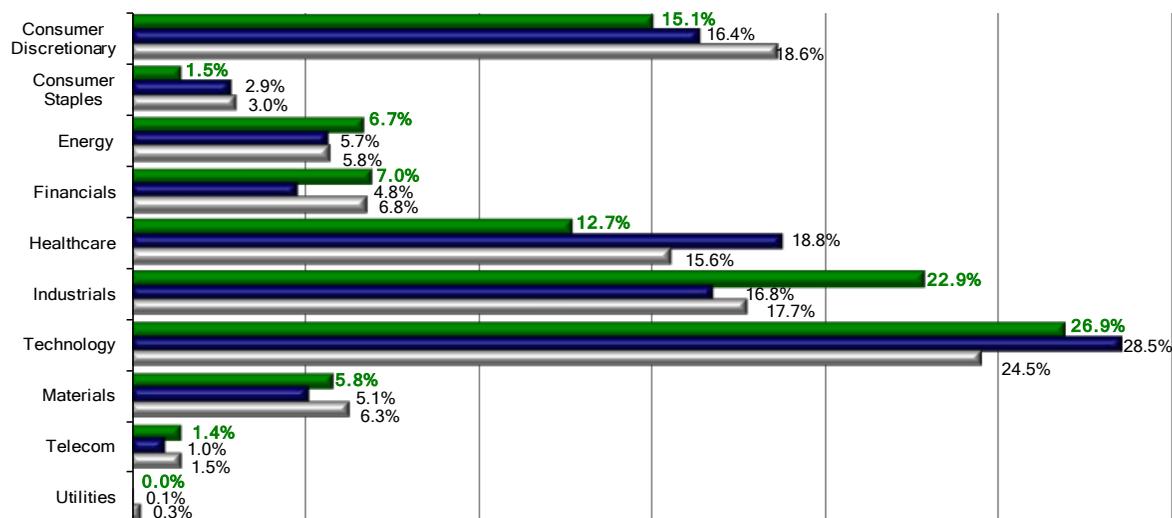
First Quarter 2011

U.S. Extended Small Cap Growth Update

Performance Characteristics*

	Perimeter Extended SCG	Russell 2500 Growth Index	Russell 2000 Growth Index
Price/Earnings	22.8x	22.1x	21.8x
Estimated EPS Growth	21.9%	19.6%	20.7%
Return on Equity	12.5%	14.9%	11.8%
LT Debt/Capital	23.4%	27.1%	22.5%
Market Capitalization (in \$M)	\$2,706.8	\$3,196.6	\$1,615.5

Sector Weightings*



	Utilities	Telecom	Materials	Technology	Industrials	Healthcare	Financials	Energy	Consumer Staples	Consumer Discretionary
■ Perimeter ESCG	0.0%	1.4%	5.8%	26.9%	22.9%	12.7%	7.0%	6.7%	1.5%	15.1%
■ Russell 2000 Growth Index	0.1%	1.0%	5.1%	28.5%	16.8%	18.8%	4.8%	5.7%	2.9%	16.4%
■ Russell 2500 Growth Index	0.3%	1.5%	6.3%	24.5%	17.7%	15.6%	6.8%	5.8%	3.0%	18.6%

Current Top Holdings*

As of 3/31/2011

Company	Ticker	Perimeter Portfolio	Description
Steelcase Inc.	SCS	1.25%	Workplace Furniture Systems
SAVVIS Inc.	SVVS	1.23%	Data Center Service Provider
Kronos Worldwide Inc.	KRO	1.19%	Speciality Chemicals
Rock-Tenn Co. (CI A)	RKT	1.17%	Packaging Supplier
Quanta Services Inc.	PWR	1.14%	Engineering & Construction
Shutterfly Inc.	SFLY	1.13%	Online Consumer Services
Impax Laboratories Inc.	IPXL	1.13%	Generic Pharmaceuticals
Hologic Inc.	HOLX	1.13%	Medical Devices
Sotheby's	BID	1.11%	Auctioneer
Open Text Corp.	OTEX	1.11%	Enterprise Software

Manager Outlook & Positioning

Perimeter has maintained our underweight in Consumer Discretionary as tougher comparisons and rising raw material and labor costs are likely to pressure earnings growth for many retailers. In Energy, we maintain an overweight position. We see a renaissance in North American oil and gas drilling at the same time production is declining as a result of the Gulf of Mexico drilling moratorium and uncertainty in world supplies. The broad-based global economic recovery drives our overweight in Industrials. Additionally, many companies in this sector are poised to benefit as rebuilding efforts begin in Japan later in the year. We continue to be slightly overweight Technology, as this remains an area of focus given major trends like video streaming and the proliferation of mobile devices driving significantly higher needs for network bandwidth. In addition, corporations focused on cost controls continue to shift to more outsourcing of data needs and applications “in the cloud”, making them available to mobile users and customers. Some current holdings already benefiting from these trends include SAVVIS and Riverbed Technology.

Despite natural disasters and the uncertainty of many Middle Eastern governments' transitioning leadership, the market rose due to overall improvements in the U.S. and global economies. Although we continue to have a generally positive bias toward the domestic economy, it seems investors are not paying attention to broader concerns such as the looming Federal deficit, the specter of inflation or the continuing European sovereign debt issues. Developments in any or all of these could quickly re-ignite fear, uncertainty and risk aversion. We continue to maintain our positive market outlook this year, although not nearly to the degree of the strong returns seen the previous two years. And finally, while macro forces continue to dominate the headlines, the recent decline in asset and stock correlations from peak levels seen last year point to a market that is more focused on rewarding positive (and punishing negative) company specific fundamentals. We strongly believe the backdrop of these themes in the market will once again reward Perimeter's bottom-up process of seeking companies with above average earnings growth and sustainable competitive advantages that trade at valuations consistent with growth prospects.

- Mark D. Garfinkel, CFA, *Chief Investment Officer, Co-Portfolio Manager*
- Patrick W. Kirksey, CFA, *Co-Portfolio Manager & Senior Research Analyst*
- Brian Crawford, CFA, *Co-Portfolio Manager & Research Analyst*

Important Disclosures

INVESTMENT PERFORMANCE

Past performance is not indicative of future results. Inherent in any investment is the possibility of loss of all or substantial amount of such investment. Performance data is presented for the Perimeter U.S. Extended Small Cap Growth Equity Composite. Perimeter makes no assurance that investment objectives will be achieved. Performance results presented off calendar month end are not reconciled and are subject to revision. This information should not be evaluated independent of or without reference to the investment advisory agreement that more specifically addresses applicable investment advisory fees. Advisory fees charged by Perimeter are described in Part II of Perimeter's Form ADV. For a free copy of Form ADV, please contact Perimeter Capital at (770) 350-8700.

Performance results include the reinvestment of dividends and other similar income. The Perimeter U.S. Extended Small Cap Growth Equity Composite primarily invests in U.S. small to mid cap stocks and is managed according to a growth objective. The returns of both the Russell 2500 Growth Index and Russell 2000 Growth Index are presented along side those of the Perimeter U.S. Extended Small Cap Growth Equity Composite for illustrative purposes only. The Russell 2500 Growth Index is a broad based index comprised of 2500 U.S. based small to mid capitalization stocks and the Russell 2000 Growth Index is a broad based index comprised of 2000 U.S. based small capitalization stocks. Although the Perimeter U.S. Extended Small Cap Growth Equity Composite primarily invests in small to mid capitalization stocks, its portfolio composition may be materially different than that of both indices. The eVestment Small to Mid Cap Growth universe discussed encompasses advisers that report data to eVestment and are categorized as Small to Mid Cap Growth portfolios. eVestment does not independently verify the data, which forms the basis for rankings, provided by advisers.

This material is supplemental to GIPS compliance requirements and is provided for your information. This supplemental material complements the GIPS compliant composite presentation which is available upon request or provided with this brochure in one-on-one presentations. Contributors & Detractors - These holdings were selected based on their performance being the five (5) best and five (5) worst in terms of percentage change during the period.

SECTOR WEIGHTINGS AND PORTFOLIO CHARACTERISTICS

The sector weightings and portfolio characteristics are presented as 3/31/2011, and may change without notice. A complete list of sector weightings and individual security positions for any specific period are available upon request. The top ten individual securities presented represent the ten largest positions in the Perimeter U.S. Extended Small Cap Growth Equity Composite based on aggregate dollar value. The specific securities identified do not represent all of the securities purchased, sold or recommended and should not be assumed that the investments or the securities identified were or will be profitable. All information presented is for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned. We believe that the material contains an objective, balanced presentation of the performance of the Perimeter U.S. Extended Small Cap Growth Equity Composite, including a general summary of certain holdings that both over- and under-performed the expectations of our portfolio management team.

FORECASTING

Forecasting is based on current economic and market information, which may be revised at any time.

FINANCIAL TERMS

Total Return - All performance calculations are total returns. Total return is comprised of dividend and interest income, realized and unrealized gains and losses.

Estimated Annual Income - An estimate of the dividends and interest to be received over the next twelve months based on current asset allocation and information.

Russell 2500 Growth Index - Measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2500 is comprised of the smallest 2500 companies of the Russell 3000.

Russell 2000 Growth Index - Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000 is comprised of the smallest 2000 companies of the Russell 3000.



Important Disclosure

Year End	Total Firm Assets (millions)	Composite Assets		Performance Results			
		USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 2500 Growth	Composite Dispersion
YTD 2011*	1,947	34.1	Five or fewer	9.86%	9.72%	9.83%	N/A
2010	1,785	31.0	Five or fewer	26.95%	26.22%	28.86%	N/A
2009	1,207	3.3	Five or fewer	31.29%	30.23%	41.66%	N/A
2008	746	0.15	Five or fewer	(36.37%)	(36.94%)	(41.50%)	N/A

*N/A - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
For purposes of this presentation, 2011 returns represent the period of January 1, 2011 through March 31, 2011.

U.S. Extended Small Cap Growth Equity Composite contains all discretionary, fee-paying, equity only accounts that invest primarily in small to mid cap domestic companies that display above average growth characteristics. For comparison purposes the composite is measured against the Russell 2500 Growth Index.

Perimeter Capital Management has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Perimeter Capital Management is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. For the period January 1, 2008 through April 30, 2009, non-fee-paying accounts represent 100% of composite assets. Beginning May 1, 2009 there are no non-fee-paying accounts included in the composite. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees where applicable, or maximum standard fee for non fee paying portfolios. Additional information regarding policies for calculating and reporting returns is available upon request.

Accounts in this composite may invest in ADRs. Many foreign countries impose a withholding tax on ADR dividends which results in a net dividend payment below 100% of the dividend amount that is declared by the company. This net dividend is reinvested in the composite accounts without further deduction of taxes.

The management fee schedule is as follows: First \$25MM, 90bps; next \$75MM, 80bps; over \$100MM, 70bps. Actual investment advisory fees incurred by clients may vary.

Perimeter Capital Management's compliance with the GIPS standards has been verified for the period June 26, 2006 through December 31, 2010 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the U.S. Extended Small Cap Growth Equity Composite beginning January 1, 2008. A copy of the verification report is available upon request. The U.S. Extended Small Cap Growth Equity Composite was created January 1, 2008.