

Equity Quality Return Advised Composite Disclosures

Composite description

The Equity Quality Return (EQR) Advised / SMA Composite consists of equity portfolios managed for advised and SMA clients according to the firm's published investment policy. The composite investment policy includes the objective of providing satisfactory absolute and relative results in the long run, and to preserve capital from permanent loss during periods of economic decline. EQR invests only in publicly traded marketable common stocks.

Presentation compliance

Alpine Investment Management, LLC, including its operating segments Alpine Capital Research (ACR) and Alpine Private Capital (APC), claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Alpine Investment Management, LLC has not been independently verified.

Disclosures

For purposes of complying with the GIPS standards, the firm is defined as Alpine Investment Management LLC ("Alpine"), an independent Registered Investment Advisor. Alpine operates within two distinct business segments, serving intermediaries and institutions as Alpine Capital Research (ACR) and individuals and not-for-profits as Alpine Private Capital (APC). Composite inception and creation is April 3, 2000. Portfolios below \$100,000 in value are not included in the composite. The currency used to calculate performance is the U.S. Dollar.

The Index Benchmark is the S&P 500 Index. The S&P 500 Index best represents the quality of the composite holdings. The S&P 500 Index is a broad-based stock index including reinvestment of dividends and is widely regarded as an indication of domestic stock market performance. The S&P 500 index is unmanaged and cannot be purchased by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of the ACR EQR strategy. In presentations prior to October 2008, the Index Benchmark was the Russell 3000. The change was made because the S&P 500 Index better represents the quality of the composite holdings and is more widely recognized. In presentations prior to November 2005, Index Benchmarks were the S&P 500 Index, the S&P 400 Mid-Cap Index, and the Russell 2000 Index. The change was made to simplify our presentation.

Prior to October 1, 2009, the composite includes the carved-out equity portion of larger multi-segment portfolios. In cases where an account includes non-discretionary holdings, the discretionary equity segment is carved-out and included in the composite. From April 3, 2000 to December 31, 2004, a cash percentage was allocated using a monthly predetermined cash allocation percentage. The allocated cash percentage for each month was determined on an ex-ante basis and averaged 0.2% for 2000, 2.8% for 2001, 3.5% for 2002, 15.0% for 2003, and 28.9% for 2004. The actual monthly cash allocation percentages are available upon request. The actual cash return for the account was used. From December 31, 2004 to September 30, 2009, a cash percentage is allocated to equity segment performance based on a monthly average of the percent of cash held in single-asset portfolios. The actual cash return for each account is used.

Performance results are calculated gross of investment management fees. Client returns will be reduced by the firm's fee. The management fee for advised accounts is: 1.00% on the first \$5 million, 0.85% on the next \$5 million and 0.75% thereafter.

The fee schedule \$1,000,000 account minimum is for new client advised accounts. The composite includes account of less than \$1,000,000. Performance results are calculated gross of withholding tax. Dispersion is measured on an annual basis using the monthly standard deviation of the composite, the weighted composite mean return, and portfolio mean returns. Non-fee paying portfolios are included in the EQR Advised / SMA Composite and in the definition of total firm assets.

Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. The firm's list of composite descriptions is also available upon request.

Disclosure statistics

Year	Portfolios	Composite Assets	Percentage of Firm Assets	Asset Weighted Dispersion	Percentage Non-Fee Paying Portfolios	Percentage Carve-Out Portfolios
2000	23	\$8,401,560	41.8%	5.1%	15.4%	100.0%
2001	45	\$17,593,378	53.1%	1.6%	9.9%	94.4%
2002	68	\$25,198,267	55.6%	1.1%	7.7%	95.7%
2003	80	\$40,237,823	65.2%	1.8%	5.4%	89.1%
2004	91	\$52,880,644	74.4%	1.5%	3.9%	81.9%
2005	90	\$48,474,650	73.3%	0.8%	4.3%	71.3%
2006	102	\$57,498,351	74.3%	1.7%	4.8%	68.0%
2007	99	\$60,104,577	73.1%	0.7%	4.6%	70.0%
2008	112	\$58,656,990	51.4%	2.8%	4.6%	57.6%
2009	138	\$99,398,623	64.2%	2.3%	4.4%	0.0%
2010	145	\$122,036,328	65.4%	2.1%	3.6%	0.0%

Compound effect of management fees

Total Cost of a 1% Annual Fee Billed Quarterly on a \$10,000 Investment

1 Year	\$103
3 Years	\$320
5 Years	\$556
10 Years	\$1,234

The example assumes a \$10,000 investment, a 5% total return each year, and no changes in expenses. This information is for comparison purposes only and does not represent the composite's actual returns or expenses.