



PERIMETER
— CAPITAL MANAGEMENT —

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Fourth 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: \$1,511.6M *
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: \$25.3M *

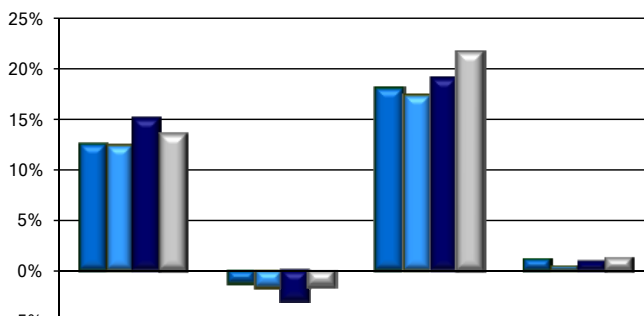
* As of 12/31/2011

The Perimeter U.S. Extended Small Cap Growth Equity composite returned 12.43% gross of fees for the 4th quarter of 2011, versus the 13.51% return of the Russell 2500 Growth Index. The strong gains this quarter were concentrated in October and reflected a recovery from last quarter's sharp sell-off, which had been sparked by fears of a global double-dip recession. From an economic standpoint, GDP expansion began to accelerate from the anemic growth posted in the first half of the year. Further signs of recovery were also reflected in the job market as initial jobless claims dipped back below 400,000 and the unemployment rate declined slightly to 8.6%. Congress and the Administration reached a compromise on the debt ceiling/deficit debate and the short term employment tax breaks were extended for another year. The European debt crisis continued to remain an overhang for the markets, with a significant amount of skepticism surrounding recent resolutions and initiatives.

From an overall perspective, high volatility and spiking stock correlations continued through much of 2011 given market uncertainty surrounding the trajectory of growth in 2012. However, during the fourth quarter as the market recovered from the sharp sell-off noted above, the more cyclical sectors such as Energy and Industrials performed best, while the defensive areas of Consumer Staples and Healthcare underperformed. Technology was another notable laggard for the Index for the quarter, as several high flyers from earlier in the year fell from grace when the companies lowered expected growth for the second half of the year. Perimeter saw very strong contribution to performance for the quarter from our stocks in the Technology space, particularly relative to the index, as several companies such as **OSI Systems** (OSIS) and **Wright Express** (WXS) continued to deliver on sales and earnings growth despite the uncertain macro environment. Maintaining an underweight position in weaker performing Healthcare was another boon to performance, along with strong performance from **Onyx Pharmaceuticals** (ONXX). These gains were offset by weak selection in Finance, particularly in the Consumer Finance industry, as potential negative regulatory headlines resulted in lower valuations for **DFC Global** (DLLR) and **Ezcorp** (EZPW). A weaker holiday season and higher levels of promotional activity caused **Shutterfly** (SFLY) in Consumer Discretionary to lower expectations, negatively impacting the stock price. Lastly, while selection in strong performing Energy was ahead of the benchmark (+29.5% versus +26.5%), this was more than offset by our average underweight during the quarter.

Performance Results

As of 12/31/2011



	Qtr	1 Year	3 Year	Inception (1/1/2008)
■ PCM ESCG Gross	12.43%	-1.19%	18.09%	1.18%
■ PCM ESCG Net	12.28%	-1.67%	17.36%	0.48%
■ R2000 GrIdx	14.99%	-2.91%	19.00%	0.88%
■ R2500 GrIdx	13.51%	-1.57%	21.57%	1.25%

Performance by Sector

Performance by Sector	Perimeter ESCG	Russell 2500 Growth Index	Russell 2000 Growth Index
Consumer Discretionary	9.88%	10.83%	11.85%
Consumer Staples	4.31%	6.06%	6.89%
Energy	29.50%	26.50%	28.15%
Financials	6.19%	13.40%	12.29%
Health Care	10.21%	10.56%	11.34%
Industrials	21.26%	20.77%	20.50%
Information Technology	12.42%	10.06%	14.84%
Materials	12.65%	11.97%	15.13%
Telco Services	4.15%	11.30%	8.99%
Utilities	--	1.71%	12.17%

* Supplemental Information
See Important Disclosures provided on last page.

Contributors to Performance*

Company	Total Return (Quarter)
Kodiak Oil & Gas (KOG)	+82%
Kodiak engages in the acquisition, exploration and production of oil & natural gas primarily in the Williston Basin in North Dakota & Montana. KOG is experiencing best in class production growth with production more than tripling in 2011 & again in 2012. During the quarter, KOG announced a large accretive acquisition increasing its position in the attractive Bakken region and driving shares higher.	
Health Spring (HS)	+47%
Managed care organization providing Medicare Advantage plans in AL, IL, MS, TN & TX. HS has one of the best management teams in the industry & as a result has some of the best operating metrics in both quality of care (as recognized by new government quality ratings system) & profit margins. HS has been making accretive acquisitions by improving the target's quality offering & also improving financial margins. As Medicare reimbursement rates continue to come under pressure, health care providers are looking for managed care capabilities. In Oct. 2011, Cigna announced the intent to acquire Healthspring. We have sold our position.	
Onyx Pharmaceuticals (ONXX)	+46%
Biotech co. focused on liver & kidney cancer treatment. Has two promising drugs in pipeline for treatment of refractory multiple myeloma & colorectal cancer. A lawsuit / dispute with partner Bayer over the latter's Regorafenib development settled late 3Q11, after which positive early Phase III trial was released for Regorafenib. This drug developed by Bayer where post settlement ONXX expects to receive 20% worldwide royalty rate. ONXX also filed an NDA for their Carfilzomib drug for treatment of refractory multiple myeloma, where there remains some doubt whether FDA will grant accelerated approval. ONXX is progressing well towards increasing their cancer treatment franchise.	
OSI Systems (OSIS)	+46%
OSIS designs & manufactures optoelectronics for homeland security, healthcare & aerospace industries. Demand for security products remains very strong with backlog up 34% YOY in recent quarter, providing strong visibility on 2012 growth. OSI expects regulatory approval for new security & healthcare products in 2012. Products represent new market expansion opportunities in cargo screening & Anesthesia.	
Wright Express (WXS)	+43%
Provides payment processing & information services to commercial & government vehicle fleets. Recent expansion into corporate expense cards via MasterCard partnership & accretive acquisition in Australia, help drive earnings growth. Improving U.S. economy lifts processing volumes through increased miles driven by existing Fleet customers. We hold as growth & valuation characteristics remain attractive.	

Detractors from Performance*

Company	Total Return (Quarter)
Shutterfly (SFLY)	-45%
Largest on-line provider of personalized photo books, greeting cards, stationary & photo calendars. Co grew rapidly in recent year, taking market share from competitors including Snapfish & Kodak Gallery. We believe both competitors are for sale & attempted to increase customers by discounting heavily during holiday season, the busiest time of the year. We were surprised by magnitude & duration of promo activity. However, both competitors are believed to be unprofitable at current promo levels & unlikely to continue heavy discounting. We believe SFLY is oversold based on long-term growth prospects for the business, so we are holding our position.	
DFC Global (DLLR)	-17%
DLLR is a global leader providing consumer finance services to the under banked population. It is a leader in Internet lending in the UK, Pawn services in Europe & Payday lending in Canada. DLLR's share price has come under pressure due to concerns regarding the possibility of increased regulatory oversight in the U.S. & UK. While we believe these fears are largely overblown given limited U.S. exposure, potential negative impact on UK business led us to exit our position.	
Avago Technologies (AVGO)	-12%
Leading semiconductor company supplying chips into mobile handset & communications markets. Despite a new design win in the recently released iPhone 4S & reporting a positive 3Q, fears of a broader semi inventory correction have resulted in estimates being reduced & weak stock performance in the quarter. Due to recent design win activity for AVGO, attractive valuation & signs that the broader semi inventory overhang will be resolved in early 2012, we maintain our position.	
Solera Holdings (SLH)	-12%
Largest information services provider to global automotive claims industry. SLH owns largest claims estimation database & connects insurance carriers, collision repair facilities, assessors, automobile parts suppliers, onto one network. Continues to grow revenue per transaction by adding services like fraud detection. SLH is growing rapidly in emerging markets where car registrations increase & electronic processing of claims become more common due to strong value proposition. Share price came under pressure during 4Q due to large European exposure & fall in EURO exchange rates. Remains a core holding as we expect SLH to continue to grow earnings north of 15%, despite economic uncertainty.	
Catalyst Health Solutions (CHSI)	-10%
A rapidly growing pharmacy benefits manager ("PBM") servicing mid-sized U.S. customers. CHSI offers a transparent pricing model & a more customized solution relative to larger players in the industry. The industry is growing as a new wave of generic drugs increase the ability of PBM providers to reduce insurer costs. CHSI acquired Walgreens Health, more than doubling its volume of prescription claims & providing savings opportunities. CHSI announced plans to increase sales & marketing expense in 2012, putting pressure on share price during 4Q. We remain a holder due to positive industry fundamentals & Mgt's track record of strong earnings growth.	



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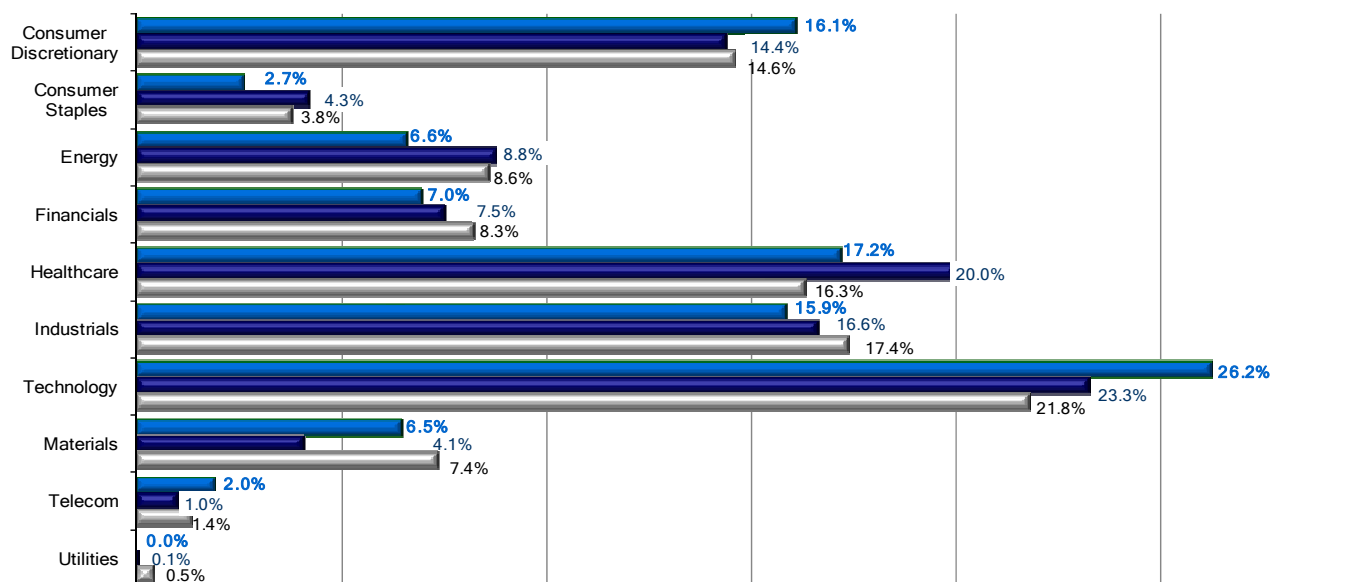
U.S. Extended Small Cap Growth Update

*Performance Characteristics**

	Perimeter Extended SCG	Russell 2500 Growth Index	Russell 2000 Growth Index
Price/Earnings	19.6x	18.7x	18.7x
Estimated EPS Growth	23.3%	17.4%	16.3%
Return on Equity	15.0%	11.5%	10.6%
LT Debt/Capital	23.8%	30.0%	24.7%
Market Capitalization (in \$M)	\$2,753.0	\$2,826.4	\$1,390.5

Source: FACTSET

*Sector Weightings**



	Utilities	Telecom	Materials	Technology	Industrials	Healthcare	Financials	Energy	Consumer Staples	Consumer Discretionary
■ Perimeter ESCG	0.0%	2.0%	6.5%	26.2%	15.9%	17.2%	7.0%	6.6%	2.7%	16.1%
■ Russell 2000 Growth Index	0.1%	1.0%	4.1%	23.3%	16.6%	20.0%	7.5%	8.8%	4.3%	14.4%
■ Russell 2500 Growth Index	0.5%	1.4%	7.4%	21.8%	17.4%	16.3%	8.3%	8.6%	3.8%	14.6%

*Current Top Holdings**

As of 12/31/2011

Company	Ticker	Perimeter Portfolio	Description
Haemonetics Corp.	HAE	1.34%	Healthcare Equipment
World Acceptance Corp.	WRLD	1.34%	Consumer Finance
Endo Pharmaceuticals Holdings Inc.	ENDP	1.30%	Pharmaceuticals
Gen-Probe Inc.	GPRO	1.29%	Medical Diagnostics
Sally Beauty Holdings Inc.	SBH	1.28%	Cosmetics Retail
OSI Systems Inc.	OSIS	1.24%	Industrial Systems
Vitamin Shoppe Inc.	VSI	1.20%	Vitamin Retail
Open Text Corp.	OTEX	1.20%	Enterprise Software
DigitalGlobe Inc.	DGI	1.20%	Satellite Imagery
Triumph Group Inc.	TGI	1.19%	Aerospace & Defense

Manager Outlook & Positioning

Looking forward, Perimeter is encouraged by recent data which suggests the U.S. economy is showing signs of recovering, however, sustainability will remain in question throughout 2012. Our view is that 2012 will produce another year of volatile markets based on the continuing uncertainty both here and abroad. Ultimately though, we are optimistic for the full year based on several emerging trends, including auto production, housing and the Presidential election. The economy has shown steady improvement despite weak autos and housing - two key elements that have underpinned past recoveries. However, there are signs that both of these areas are stabilizing and/or improving. While autos began to show signs of life in 2011 with improving sales and production, this was derailed following the Japan tragedy and ensuing supply chain disruptions. The housing recovery has seen fits and starts, impaired by a tremendous amount of excess inventory. It appears this significant overhang is finally beginning to resolve itself, potentially leading to the true emergence of a recovery in the housing market. Lastly, this is a Presidential election year, which historically tends to boost optimism, and the market along with it.

As it relates to portfolio positioning, there were only minor shifts in sector weights during the most recent quarter, with a modest reduction in the Consumer Staples sector being redeployed into Technology. Otherwise the current sector positioning of the Perimeter portfolio relative to the benchmark is fairly neutral. This reflects to a lesser degree the current uncertain economic environment, but more so the fact that we are keenly focused on company-specific growth and quality characteristics. For several years now the market has been trading less on company-specific fundamentals but rather macro headlines, which is not sustainable. The middle of 2011 saw the re-emergence of the long-term trend where higher quality companies outperform their lower quality counterparts. We believe this heralded an environment with new market leadership, where quality company fundamentals will once again begin reasserting themselves in driving stock price performance. It is specifically this type of environment where Perimeter's investment strategy and philosophy is expected to shine, and we have high conviction and confidence that quality companies with solid cash generation and balance sheets will be rewarded in 2012.

- 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 12/31/2011, 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
2011	1,512	25.3	Five or fewer	(1.19%)	(1.67%)	(1.57%)	N/A
2010	1,786	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.

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 with compelling earnings and growth characteristics. For comparison purposes the composite is measured against the Russell 2500 Growth Index.

Perimeter Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Perimeter Capital Management has been independently verified for the periods June 26, 2006 through June 30, 2011.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The US Extended Small Cap Growth Equity Composite has been examined for the periods January 1, 2008 through June 30, 2011. The verification and performance examination reports are available upon request.

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 for fee paying accounts or by using the maximum applicable management fee for non-fee paying accounts. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations 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.

The U.S. Extended Small Cap Growth Equity Composite was created January 1, 2008. As of December 31, 2011, the three-year annualized ex-post standard deviation of the composite and the benchmark are 23.78% and 25.41% respectively.