



PERIMETER
— CAPITAL MANAGEMENT —

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Second 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: \$1,875.5M *

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: \$34.9M *

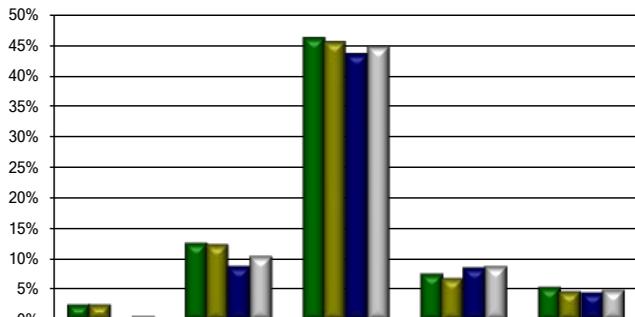
* As of 6/30/2011

The Perimeter U.S. Extended Small Cap Growth Equity composite returned 2.45% gross of fees for the second quarter of 2011, outpacing the Russell 2500 Growth Index's return of 0.38%. While the benchmark edged out a slight gain, this is a bit misleading given the steep +6% market rally in the final nine trading days in the quarter. Amid further signs of a global economic slowdown, there was a distinct bearish tone in the market for much of the quarter as a multitude of disappointing economic indicators around the world weighed on investor sentiment. This was evident in the six straight weeks of declines of the S&P 500 Index during the quarter, which has only occurred ten times over the last 30 years. As one would expect, the more defensive sectors were standouts in performance, as investors flocked to the relative safe havens of Consumer Staples, Healthcare and Telecommunication Services. There was also surprising strength in the Consumer Discretionary sector. Conversely, the higher beta / more cyclical / financially sensitive sectors such as Energy, Finance, Industrials, Technology and Materials were laggards in the quarter.

In the quarter, the Perimeter portfolio benefitted from broad-based strength across a variety of areas, lead by Materials, Industrials and Consumer Discretionary, although Energy and Technology contributed as well. While Materials was down for the benchmark, Perimeter's strong selection resulted in this sector being the top performing group. This was lead by a couple specialty metals companies seeing rising orders given the Boeing and Airbus commercial airplane build cycle. We also saw strong relative performance in Industrials as several machinery names that sell into niche markets are seeing continued strong growth despite the slowing economy. In the Consumer Discretionary sector, Perimeter maintained our track record of successful stock picking through our focus on companies with strong brand name appeal as well as those that cater to a value conscious consumer. The main areas that detracted from performance this quarter were Consumer Staples and Healthcare. Within Consumer Staples, not owning high flying Herbalife and Green Mountain Coffee Roasters were headwinds since these two companies were among the top contributors to the benchmark. The drag in Healthcare was primarily due to our being underweight, as actual stock selection was slightly ahead of the benchmark.

Performance Results

As of 6/30/2011



	Qtr	YTD	1 Year	3 Year	Inception (1/1/2008)
■ PCM ESCG Gross	2.45%	12.55%	46.07%	7.38%	5.19%
■ PCM ESCG Net	2.33%	12.28%	45.36%	6.65%	4.44%
■ R2000 Gr Idx	-0.59%	8.59%	43.50%	8.35%	4.30%
■ R2500 Gr Idx	0.38%	10.25%	44.71%	8.51%	4.78%

Performance by Sector	Perimeter ESCG	Russell 2500 Growth Index	Russell 2000 Growth Index
Consumer Discretionary	7.76%	4.04%	2.99%
Consumer Staples	6.67%	18.56%	9.11%
Energy	-2.62%	-9.25%	-8.82%
Financials	-2.55%	-3.40%	-0.77%
Health Care	2.50%	2.20%	3.52%
Industrials	0.71%	-1.87%	-3.14%
Information Technology	-1.47%	-1.89%	-3.53%
Materials	10.17%	-0.18%	-3.20%
Telco Services	5.51%	8.62%	16.02%
Utilities	--	1.23%	-7.46%

* Supplemental Information
See Important Disclosures provided on last page.

Contributors to Performance*

Company	Total Return (Quarter)
Tempur-Pedic International (TPX)	+34%
Premium mattress manufacturer with a proprietary “memory foam” technology leading to high consumer satisfaction ratings. TPX is benefiting from strong sales as premium mattresses are taking share from traditional coiled spring mattresses. TPX is also seeing well above industry growth given several new product launches along with expansion into international markets.	
Ulta Salon Cosmetics (ULTA)	+34%
All in one specialty retail store for premium and mass merchant cosmetics and fragrances, along with premium salon products. Ulta has a relatively small store base currently with an attractive multi-year store growth track, as well as maintaining strong same store sales that are exceeding expectations. The attractive store layout/design is helping drive high traffic, combined with tight inventory controls are leading to expanding margins and strong earnings growth.	
Genesco (GCO)	+30%
Mall-based footwear retailer with 2,200+ locations in U.S. and Canada. The company has 5 key brands - Journeys, Underground Station, Lids, Johnston & Murphy and License Brands. GCO has recently benefited from a strong footwear cycle, product-right fashion & strong comps at all of its concepts. Company recently announced the acquisition of UK based footwear retailer "Schuh" & expects the deal to be significantly accretive to earnings this year.	
RTI International Metals (RTI)	+28%
Manufacturer and supplier of titanium mill products in U.S. and internationally, used in various commercial aerospace, defense, industrial and consumer applications. Recent results have exceeded expectations and rising orders to support a strong commercial aerospace build cycle at Boeing and Airbus, which should result in strong earnings growth in the second half of the year and into 2012.	
Cabot Oil & Gas (COG)	+25%
Exploration & Production company engaged in oil and gas markets, with attractive acreage positions in the Marcellus Shale in PA as well as the Eagle Ford Shale in West TX. A solid balance sheet supports an aggressive capital program expected to grow production in excess of 50% year over year in 2011. While not part of the investment thesis, recent large acquisitions of acreage similar to COG's by the major integrated oil companies increase COG's attractiveness.	

Detractors from Performance*

Company	Total Return (Quarter)
SFN Group (SFN)	-33%
Workforce solutions company provides temp staffing services to the clerical, IT and light industrial industries, as well as recruitment process outsourcing. After posting several strong quarters due to improving temp staffing trends, the company recently posted an in-line quarter and lowered forward guidance, citing slowing hiring trends and rising costs. Despite weakness in the shares and a re-set of analyst expectations, we still exited our position on concerns this was more than a one quarter issue.	
Constant Contact (CTCT)	-30%
Provider of on-demand email marketing and online survey solutions to small business, through a low-cost subscription model that drives traffic and demand to small entrepreneurs. Constant Contact has delivered solid and stable results over the last few years despite the recession, but competition appears to be heating up which is resulting in higher marketing costs to CTCT to drive new customers. Concerns that expectations for the 2nd half of the year may need to come down have prompted us to exit our holding.	
Forest Oil (FST)	-27%
Exploration & Production company engaged in the oil and natural gas margins, with acreage in the Granite Wash, Eagle Ford Shale in TX as well as some Canadian assets. Well production results in the Granite Wash have been disappointing, prompting FST to lower production guidance as well as come up short of expectations in the recent quarter. Perimeter has sold our position despite an attractive valuation, as there are better prospects in the E&P space based on our assessment.	
Stifel Financial (SF)	-25%
Mid-sized regional brokerage firm provides securities brokerage, investment banking, trading, investment advisory and related financial services to individual investors, professional money managers and businesses. Despite strong performance after the Thomas Wiesel acquisition and an improving M&A environment, the stock faltered early this year as expectations had gotten too high and the markets weakened. We continue to hold this high-quality name given likely M&A improvement later this year coupled with attractive valuation.	
NetScout Systems (NTCT)	-24%
An enterprise software and appliance company with solutions that support / improve network performance management in the Federal Government, Telco Service provider and enterprise markets. NetScout reported a mixed quarter as weakness in the Financial Services vertical was not offset by strength in the Telco market, prompting the company to lower near term guidance while maintaining the full year. Given a more attractive valuation and expectations for a second half ramp, we have maintained our position.	

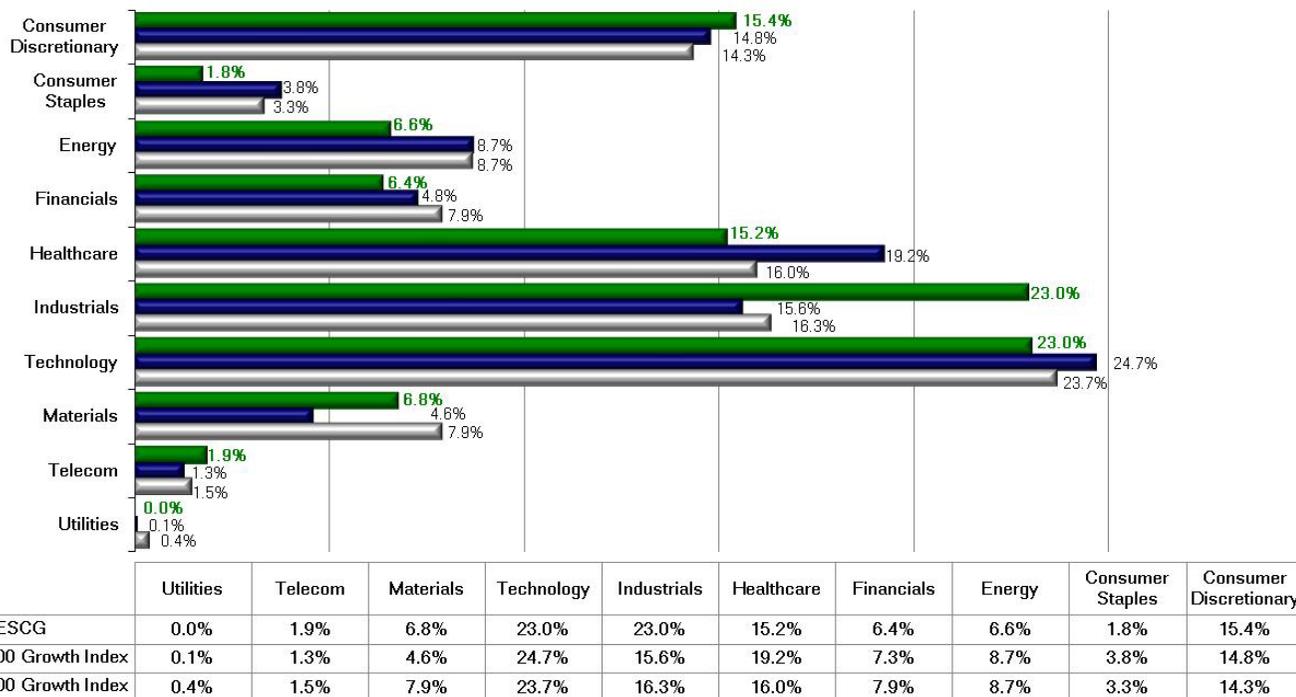


*Performance Characteristics**

	Perimeter Extended SCG	Russell 2500 Growth Index	Russell 2000 Growth Index
Price/Earnings	22.7x	22.0x	22.4x
Estimated EPS Growth	25.5%	23.0%	21.2%
Return on Equity	12.4%	10.8%	9.9%
LT Debt/Capital	22.5%	28.0%	22.8%
Market Capitalization (in \$M)	\$2,668.8	\$3,003.1	\$1,427.8

Source: FACTSET

*Sector Weightings**



*Current Top Holdings**

As of 6/30/2011

Company	Ticker	Perimeter Portfolio	Description
Tenneco Inc.	TEN	1.33%	Auto Components
Interpublic Group Of Cos.	IPG	1.26%	Ad / Marketing Services
Hub Group Inc. (CI A)	HUBG	1.20%	Intermodal Transport
NICE-Systems Ltd. ADS	NICE	1.16%	Enterprise Software
Wright Express Corp.	WXS	1.15%	Commercial Services
Avid Technology Inc.	AVID	1.15%	Audio / Video Editing
Old Dominion Freight Line Inc.	ODFL	1.14%	Truckload Carrier
Tempur-Pedic International Inc.	TPX	1.14%	Household Durables
Volterra Semiconductor Corp.	VLTR	1.13%	Specialty Semiconductor
EnerSys Inc.	ENS	1.13%	Industrial Batteries

Manager Outlook & Positioning

There were a few shifts in Perimeter's sector positioning since last quarter but more so are the changes in relative positioning, given the Russell 2500 Growth Index's late June rebalance. The benchmark saw a large reduction in weight in Consumer Discretionary, moving it from a rather large overweight to slightly underweight. We would expect this to remain stable as our somewhat cautious stance in the due to tougher comparisons and rising sourcing costs is offset by our preference for high quality brand name companies as well as those that appeal to a cost constrained consumer. The Energy weight in the benchmark increased substantially, putting Perimeter in an underweight presently. We remain positive on Energy fundamentals given global supply constraints and rising demand, and would expect our Energy weight to gravitate higher as we identify strong candidates. Perimeter remains underweight the Healthcare sector, although this has moderated since last quarter as we added a few compelling new ideas. Even still, we remain cautious given the current stalemate on the debt ceiling level / budget deficit issues in Washington may result in further reimbursement cuts down the road for healthcare service providers. We maintain our positive bias and overweight in Industrials, as many of our companies in this area should see continued benefit from global economic expansion, even if the pace of this growth is moderating. There was a modest decline in the benchmark's weight in Technology post-rebalance. Despite this, Perimeter remains slightly underweight as we also moved away from some companies beginning to face increasing competitive challenges. We like certain pockets within Technology, particularly secular growth areas like storage, mobile communications, e-commerce and select areas of software; but are unwilling to pay the exorbitant prices we have seen in certain areas reminiscent of the late 90s tech bubble.

This most recent quarter marked a shift in character as well as a change in potential leadership within the market. The Russell 2500 Growth has been up in 8 out of the last 9 quarters, with several of those up double digits. The initial rally in mid to late 2009 and even 1Q10 was characterized by low quality / low valuation companies. Then most of 2010 and even 1Q11 was more of a go-go growth market, with high growth, beta and valuation being the big drivers. While quality has been a positive performer over the last several quarters, this has been dwarfed by the high beta / high valuation theme. Recently, the "aggressive appetite for risk" trade reversed course and quality as defined by higher returns on equity and invested capital have begun to shine. The market is rewarding higher quality companies that can sustain growth through a competitive advantage in the marketplace, particularly those that trade at more reasonable valuation levels. This type of environment favors Perimeter's investment discipline and process, given our focus on companies with strong relative growth, high quality earnings, and sustainable fundamentals.

- **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 6/30/2011, 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*	1,876	34.9	Five or fewer	12.55%	12.28%	10.25%	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 June 30, 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 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 March 31, 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 March 31, 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.