



April 2009

***IronBridge Capital Management, L.P.
First Quarter 2009 Small Cap Core Review***

*“The U.S. Constitution is a limitation on the government,
not on private individuals...it does not prescribe the conduct of private individuals,
only the conduct of the government... it is not a charter for government power,
but a charter of the citizen’s protection against the government.”*

-Ayn Rand

Dear Fellow Investor,

After a frightening 30% decline in the first nine weeks of 2009, the Russell 2000^{®1} Index abruptly rallied 23% to end the quarter down 14.95%, marking one of the worst ever starts for a year. Our Small Cap Core Equity Composite² fell 14.71% net of fees³ in the first quarter.

What specifically frightened investors? It is impossible to know for sure, but every time President Obama, or Treasury Secretary Geithner, addressed the market, the market dropped another 3% as each new program (TAF, TARP, TLGP, TALF, PPIP, CPFF MMIFF) committed trillions of taxpayer dollars to ubiquitous government programs. Some programs, like TARP, could not even account for where the money went. What the market really wanted was a credible P-L-A-N. Each new program or budget clearly signaled the desire by the leaders of this term’s government to transfer more capital out of the private sector and into the sphere of government influence. Proposals to socialize healthcare and banking, nationalize student lending, bail out selected industries, strengthen unions, and raise taxes to 90% for targeted, specific, high-income earners, startled investors as the great government power grab of 2009 could lead to the death of capitalism in America.

It is not a coincidence that Ayn Rand’s 1957 novel, *Atlas Shrugged*, shot to the number one sales slot in February for the classics category on Amazon. For those who missed the 1069-page novel, *Atlas Shrugged* is recognized as the all-time, best moral affirmation of free-market capitalism ever written. The book tells the story of government intrusion, how it attacked the

¹ Russell 2000[®] Index is either a registered trademark or tradename of Russell Investment Group in the U.S. and/or other countries. Indexes are unmanaged and cannot be invested in directly.

² This Supplemental Information supplements the Small Cap Core Equity Composite presentation (as provided on pg. 13).

³ Net of fees returns are after trading expenses and less our management fee. The standard management fee is 1.00% of assets. Net returns are computed by compounding monthly. Past performance does not guarantee future results. Returns reflect reinvestment of dividends, gains, and other earnings. Returns for periods longer than one year are annualized. Annualized performance figures assume steady compounding, while actual results fluctuated over time.

economic interests of individuals, drove out the innovators and the productive classes, and how that ultimately led to economic and social collapse.

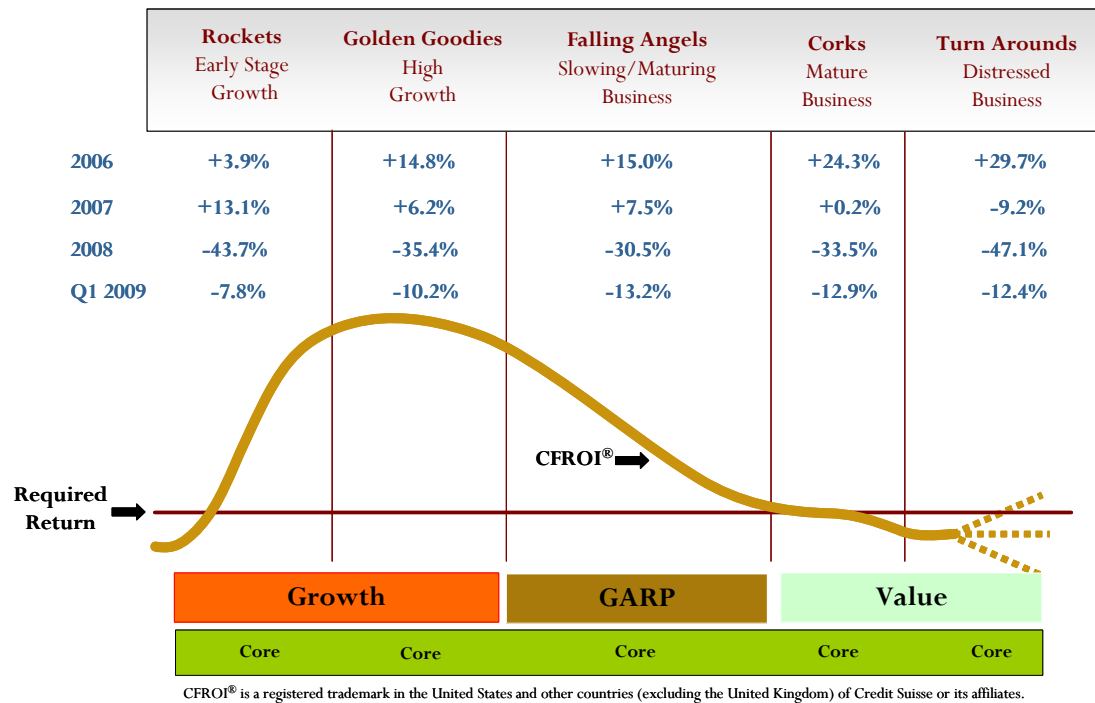
While economic and social collapse is unlikely, the fear of it might have driven shares to oversold levels. Now, everybody wants to know whether the 23% rally in the final weeks of the first quarter represents an official “bottom,” or whether it is just a bear market rally? While it is impossible to know for sure, based on the recovery milestones IronBridge has laid out (presented later in this letter), we may be close to a bottom.

First Quarter Performance Attribution

The IronBridge portfolio performed slightly better than the Russell 2000 Index in the first quarter. Excess return attributed to stock selection was fairly strong among our Financials, Energy, Health Care, Industrials, and Materials sectors, but weaker among our Consumer, Information Technology, and Utilities holdings. According to our attribution analysis, the net contribution of our stock selection for the quarter was negative, while our asset allocation made up the difference. Of course, we are disappointed that stock selection was a negative contributor to the portfolio. When we dug further into the attribution analysis, we discovered that our hit rates were better than expected, but position sizes negated the above average hit rates.

For example, among our Consumer Discretionary stocks, stock selection subtracted approximately 100 basis points of relative performance from the portfolio this quarter, yet our hit rate was 70%. This means only 30% of the Consumer holdings underperformed. Our top four performers: NetFlix (+44%), Gentex (+14%), Superior Industries (+13%) and Universal Electronics (+12%) were all small positions, each representing less than fifty basis points in the portfolio. The smaller position size reflects higher risk because these firms are categorized by Life Cycle as Rockets and Turn Arouns, which offer very wide payoff structures. Our bottom four performers: Snap-On Tools (-35%), Wolverine World Wide (-25%), Tupperware Brands (-24%), Callaway Golf Industries (-23%) were each over 100 basis point positions. They were larger positions because they are classified as Corks and have tighter expected pay off structures. Position size undermined acceptable stock selection among our Information Technology and Utilities sector holdings as well.

Life Cycle Returns – Russell 2000[®] Constituents by Life Cycle



Source: IronBridge Capital Management, L.P.

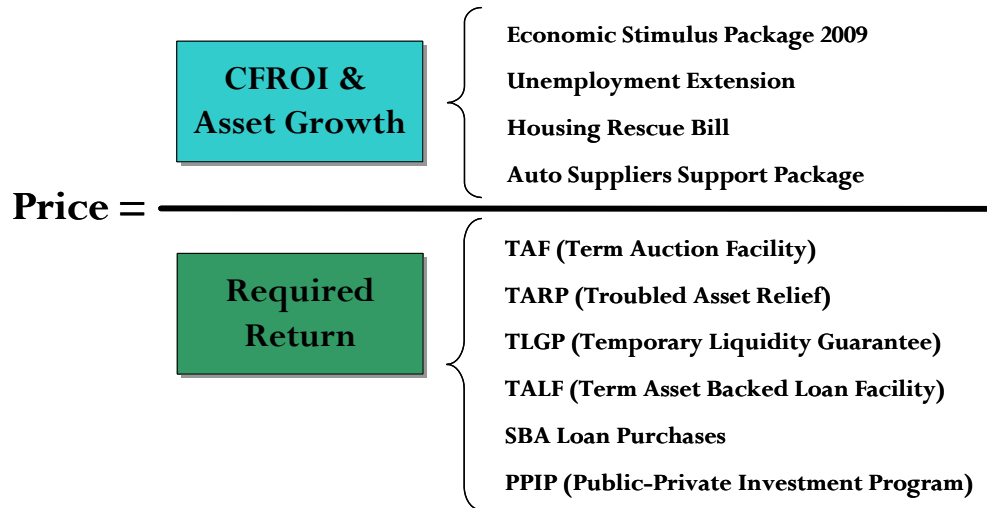
One anomaly during the quarter was that the riskiest Life Cycle class “Rockets” held up the best. We are not sure why the Rockets performed relatively better, but we know exactly when they did. On March 9, 2009, when the Fed announced its plan to buy \$1 trillion of mortgage bonds, the riskier, highly levered, less liquid stocks took off. On that day, the portfolio underperformed its benchmark by 200 basis points as the smallest capitalization quintile of the Russell 2000 increased 9.4% compared to the largest capitalization quintile, which increased only 4.8%. In fact, since that day, the least liquid, bottom quintile (measured by a market cap of \$250 million and below) of the Russell 2000 is up 43% compared to 10% for the top quintile.

It appears that the “reflation” or “risk trade” is back on. Other signs of increased risk appetite can be observed in the latest “USA Shock Report Summary,” *Credit Suisse HOLT’s Monthly Market Analysis*, written by Bob Hendricks. In Bob’s March report, he observes “Theme Portfolios.” The best performing theme portfolios in March were the Credit Debacle portfolio (+73%), the Financial Portfolio (+56%), and the Bankruptcy Portfolio (+56%). You will not find many of those themes represented in the IronBridge portfolios, because companies who do the right thing to create shareholder value do not find themselves in such company.

A powerful, low-quality rally in March made it difficult for those like us, who seek to own high quality companies, to significantly outperform this quarter. However, we stayed in the game and that is what our risk controls are designed to accomplish – keep us in the game even when the market is behaving in ways opposite to what one would expect.

The Big Question: Stock Market Bottom? Bear Market Rally?

No one knows the answer. Last quarter's market commentary used the sand pile analogy to illustrate the difficulty in forecasting complex systems. Forecasting near-term bottoms or tops is simply too hard. Clearly, we are in a new world where new grains of sand (TAF, TARP, TLGP, TALF, PPIP, CPFF MMIFF) are being dumped on an already flat pile. The government's strategy appears to be to attack both sides of the pricing equation at the same time in order to halt the precipitous decline in values as well as escape a debt deflation death spiral. So far, approximately \$5 trillion has been thrown at the problem.

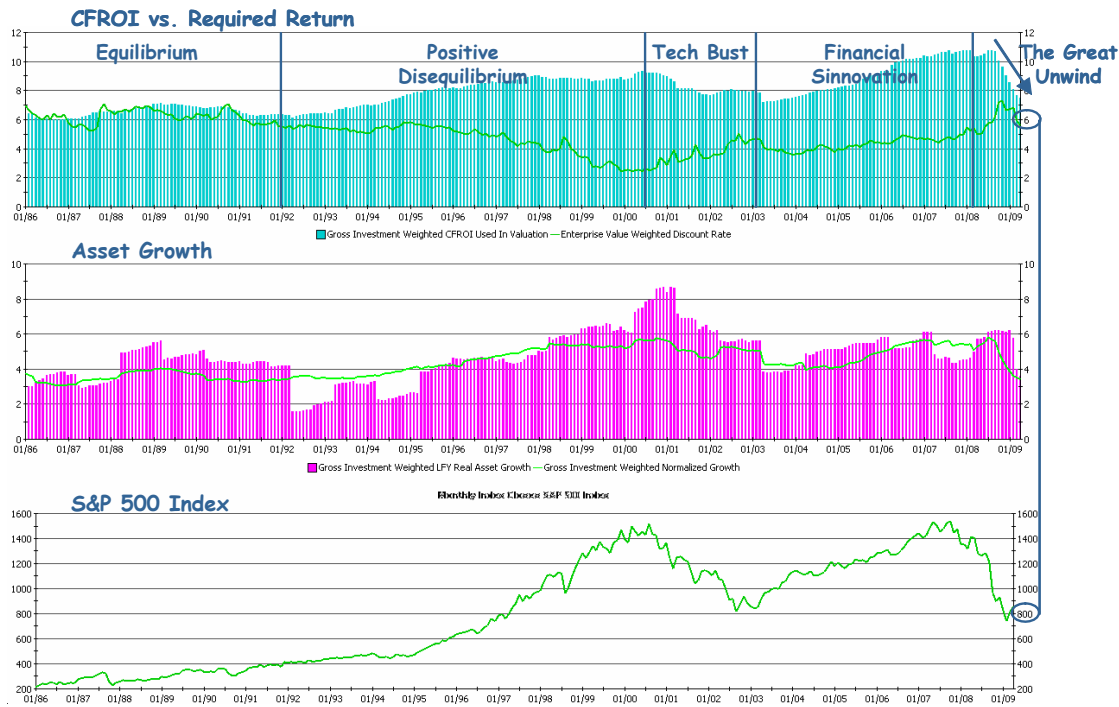


Source: IronBridge Capital Management, L.P.

The pricing equation is how we understand value. It illustrates that value is equal to the present value of future net cash receipts. Future net cash receipts are driven by CFROI^{®4} and asset growth. The present value of net cash receipts is a function of what investors demand for the use of their money (the required return). One can view the market through the pricing equation lens over the last twenty years and see that changes in the value of the S&P 500 relate to changes in spread between the numerator and denominator. An important beacon for long-term forecasting is remembering that economic return (CFROI) should approximate investors required return over the long term.

⁴ CFROI is a registered trademark in the United States and other countries (excluding the United Kingdom) of Credit Suisse or its affiliates.

U.S. CFROI Versus Required Return, Asset Growth, S&P 500 Index



Source: Credit Suisse HOLT ValueSearch (Data Date: April 10, 2009)

The period from 1986 to 1992 represents a period of equilibrium defined as CFROI approximately equal to the required return. Market values became supercharged from 1995 to 2000 as the spread between the numerator and denominator significantly widened. Economic returns (CFROI) exploded because of the tech-driven productivity boom, globalization, and the “jobs for profits” trade with China. During the same period, investors required return plummeted because of lower inflation and lower taxes. Together, these unleashed a powerful force, driving equity valuations higher, and resulted in a positive, but unsustainable, disequilibrium. However, the positive disequilibrium did persist for a time---until the tech bubble burst and a mild recession drove a narrowing of the spread between CFROI and required return, resulting in a nasty bear market.

After the tech bust, Wall Street’s “pay to play” IPO game was over, ending with the downfall of Frank Quattrone. Wall Street needed a new way to make money and found it in the Credit Default Swap (CDS), and Collateralized Debt Obligation (CDO) markets. These non-transparent CDS and CDO markets enabled various players to execute a massive, tax arbitrage. Systemic incentives became distorted, as the arbitrage *required* the creation of low-grade debt. That, in turn, fueled a liquidity boom, pulling forward demand, and temporarily driving economic returns and market values higher. That trend continued until the illusion of financial sinnovation was unveiled, and default rates began to rise, turning the boom into a bust and unleashing a collapse in economic returns (CFROI) and a spike in investors required rate of return. The culmination of those events drove a precipitous decline in valuations. How bad will it get?

Fortunately, we have a guideline to help us understand where CFROI, required return and growth should level out. The natural state of the market is somewhere in the neighborhood of 6% CFROI, 6% required return, and 2% economic growth. The equilibrium of a 6, 6, 2 state sets a value for the S&P 500 Index in the neighborhood of 800. Therefore, from a long-term perspective, one could argue the market appears to be in a bottoming process. However, where CFROI and required return go in the near term is anyone's guess. Clearly, there are multiple possible scenarios.

Will the current, unprecedented government action lead to another positive spread environment by unfreezing the capital markets, allowing the required return to fall, and halting the implosion in CFROI? Alternatively, will it fail, making matters worse, and drive the economy into a negative spread environment for a period of time? We are currently evaluating multiple scenarios and associated milestones to help guide us through this unprecedented period.

Market Recovery Milestones: Making Progress

The following is our assessment of the important milestones required to create the next bull market.

- 1) **Valuation:** This milestone has been achieved. The market is fairly valued from the long-term perspective of economic equilibrium, arrived at by comparing CFROI to investors' required return.
- 2) **Restoration of Feedback Loops and Price Discovery:** This milestone has yet to be achieved, but, ultimately, will be arrived at. What is happening now is a crisis born of confidence and counterparty risk, built upon excess levels of debt. To once again allow feedback loops to function, and price discovery to occur, will allow those with good, long-term prospects to raise capital at the "correct" price, and it will restrict the supply of capital to those enterprises with poor wealth-creation prospects. An example of full price discovery would be when debt derivative instruments (CDO/CDS) that are currently valued on a "marked to model" basis are moved to an exchange-traded environment.
- 3) **Poor Business Models Need to be Allowed to "Go Bust" (Expedite Bankruptcy):** The liquidity boom allowed certain poor business models to survive longer than they should have for the good of the economic system as a whole. Further expediting bankruptcy, as well as the rate of it, will allow the capital that is trapped in poor business models to flow toward higher and better uses to be found elsewhere. We are already seeing some improvement in this milestone. Examples include the Nortel and Circuit City bankruptcies, consolidation in the pharmaceuticals and homebuilding industries, as well as over \$350 billion in mergers this year. Note, this started out as a huge milestone missed as the government bailed out the auto companies, multiple financial institutions, and homebuilders (even the wooden arrow industry). However, in an ironic twist, CEOs are learning what it means to "deal with the devil" – the consequences of taking taxpayer money to bail out poorly executed business plans lands the CEOs in the same, if not worse, place as bankruptcy. For example, the U.S. Government tossed out Mr. Wagoner from the helm of General Motors, and dictated compensation levels to senior management at any institution receiving TARP money, and

even tried to tax bonuses at a rate of 90%. These realities will be considered before the next CEO flies into Washington on a private jet, asking for handouts.

- 4) **Good Business Models Take Share:** As milestone three unfolds, we expect this fourth milestone will be achieved in the natural course of doing business. For example, Bed Bath and Beyond should benefit from Linens ‘n Things’ demise. Best Buy should benefit from Circuit City’s bankruptcy.
- 5) **New Financial Regime:** Poorly structured and ineffective government regulations allowed and encouraged certain key industries in the financial sector to become “too big to fail” as they diversified into riskier lines of business. Ultimately, we should see a simpler financial framework emerge where the objective is to encourage a return to normal risk-taking behavior in a real economy instead of “over optimizing” the financial system itself. This will be achieved in the long term as more appropriate regulatory frameworks emerge.
- 6) **A New Tax Regime:** Many of the problems of the financial crisis have their roots in, or were amplified by, a misguided tax regime that incentivized imprudent, leveraged, wealth transfer rather than prudent wealth creation.

Near term, there seems to be some genuine optimism building on the first four milestones; but only milestone one has been achieved, and it is one of the most important. We expect, by the end of the year, the first four will be achieved, even as the Keynesian approach of government spending clashes with the self-correcting mechanisms of free market capitalism.

Capitalism is not dead. The brilliance of America’s founding fathers is that they put into place checks and balances. Thankfully, several of the frightening, capitalism-killing democratic proposals of President Obama’s first sixty days in office did not survive the more moderate wing of the Democratic Party. It is likely that the proposed 90% tax rate on bonuses would have been ruled unconstitutional by the U.S. Supreme Court. While this country is deeply divided on how much its government should intervene in the lives of its citizens and businesses, ultimately the system of checks and balances should keep us from going too far “left” or too far “right.”

In the long term, achieving milestones five and six will be critical to reestablishing the path of long- term wealth creation and raising the standard of living. In a global economy, the solution cannot be U.S. centric, but rather, global in nature. While this may be harder to achieve, Sam Eddins’ research paper, *Tax Arbitrage Feedback Theory (TAFT)*, can provide some insights. We are pleased that an influential member of the OECD noticed Sam’s paper and invited him to London to explain the theory further.

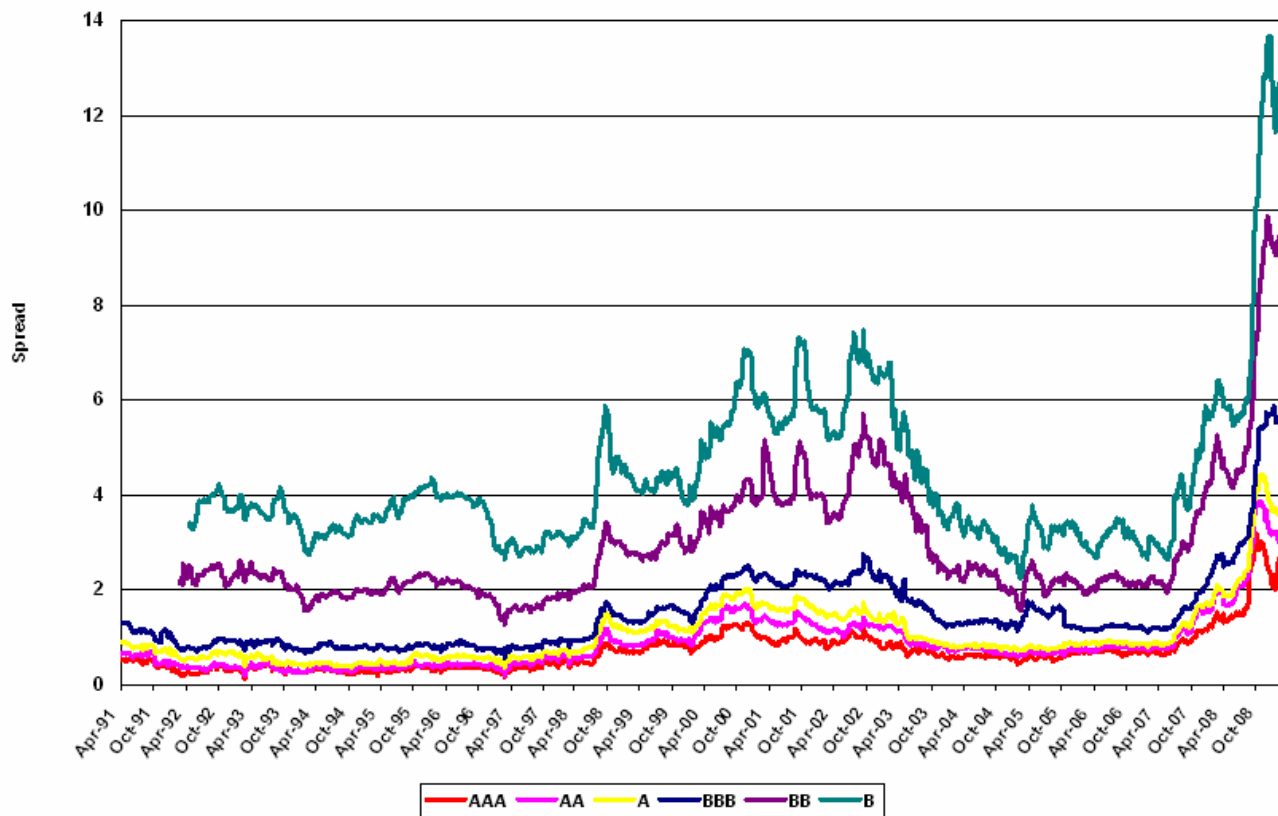
TAFT Insights

An important insight offered in the TAFT paper is that the current financial crisis does not represent the failure of the free-market system, but, rather, exposes the institutional failure of our government to understand how tax policy can distort incentives within our free-market system.

The basis of TAFT is very simple. To illustrate, if you call a broker, and ask for a quote on a municipal bond yield, the broker will quote two yields: a yield of approximately 3%, and the “fully taxed, equivalent yield” of 4.16% [$3\% / (1 - 38\%)$]. This is so you can easily compare these yields against other taxable yields with similar risk characteristics. Taxable investors seek to buy the instrument that offers the highest after-tax return. Now, what if the government suddenly no longer allowed municipal bond interest to be exempt from federal tax? The effective tax rate would increase from 0% to 38% and the muni-bond yield would jump from 3% to 4.16%. This simple example demonstrates how different, effective tax rates, affect yield.

The muni-bond example demonstrates that there is a tax premium inherent in a credit instrument for taxable investors. Sam’s insight is that the tax premium is a function of, not just the tax rate, but also the probability of default as well as the anticipated percent of recovery in the event of default. More importantly, TAFT illustrates that because of different tax treatment by the IRS among various investor classes, the true, effective tax rate varies and drives a predictable narrowing and widening of credit spreads as different investor classes seek the highest after-tax return.

Historical U.S. Corporate Spreads Over Treasuries (10 Year)



Source: IronBridge Capital Management, L.P.

Until 2002, credit spreads oscillated in a manner predicted by the TAFT formulas. Low-grade credit varied the most due to its greater sensitivity to default and recovery rates, which impact the effective tax rate for different investor classes. Mysteriously, one observes that credit spreads

collapsed from 2002 through 2006. Why did this occur? Traditional mainstream finance credited financial innovation and new risk management tools as the reason for narrowing credit spreads, but they did not understand it was really tax arbitrage.

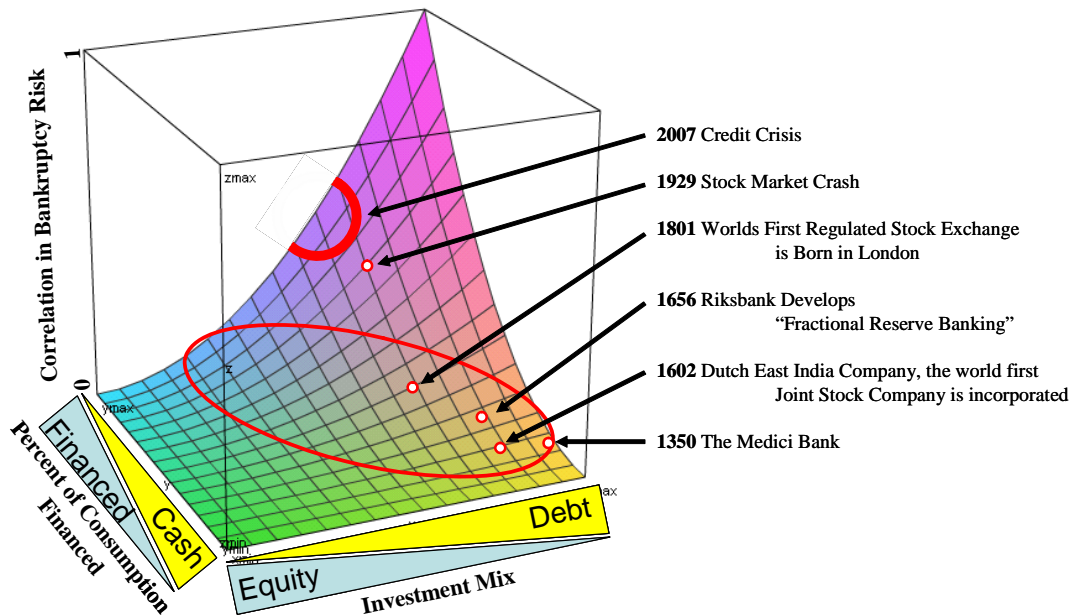
The collapse in credit spreads corresponded to the meteoric increase in the credit default swap market which was virtually zero in 1999 but \$70 trillion by 2007. In effect, the CDS and CDO markets were the mechanisms by which Wall Street arbitrated the different effective tax rates for various investor classes. This legally transferred wealth from government coffers to Wall Street bonus pools. It also drove a narrowing of credit spreads. Just as the muni-bond yield would converge with its taxable equivalent if the effective tax rate went from 0% to 38%, yields on various credit instruments converged as the CDO and CDS markets harvested the tax premiums. The benefit to borrowers and lenders was that these markets improved the tax efficiency of all the players in the system. Unfortunately, these markets also distorted incentives by requiring the creation of low-grade credit since that was the most profitable. Furthermore, it led to unsafe systemic debt levels, which fueled a liquidity boom and fooled many smart people who really did not fully understand risk.

How could so many smart people be fooled? I came across a clue while reading the book *The Next 100 Years: A Forecast of the 21st Century* by George Friedman. This book is really about geopolitics; but there is a section entitled, "Population, Computers and Culture Wars," that is relevant to our question. Friedman explains that the computer represents a new way of looking at reason. The computer reduces all information to the numbers 1 or 0 and is wonderfully efficient at managing data. While it can play music, it cannot write it. It can store poetry, but not explain it. "It is a powerful seductive tool but lacks the more complex elements of reason. The computer treats reason as an instrument for achieving things, not for contemplating things." (Friedman). How is this connected to our question? Traditional mainstream finance became overly reliant on the computer to help "achieve things" like optimal, risk-adjusted returns; but failed to contemplate questions such as: Should institutions lend money to people who cannot pay it back? Should we leverage a balance sheet 60:1? Should we eliminate price discovery? Should we allocate 60% of a portfolio to illiquid assets? These questions seem not to have been contemplated by mainstream finance, which missed a very important question; will the current risk models still work if we change the structure of lending? Sam's work helps explain why mainstream risk models broke down.

The following chart illustrates the relationship among the systemic correlation in bankruptcy risk, the debt/equity investment mix (leverage) within an economic system, and the percentage of the economic transactions within the economy that are financed through the banking system. It also helps explain why the risk models failed.

The Perfect Storm

$$\text{Correlation in Bankruptcy Risk} = (\text{Percent of Consumption Financed})^2 \times (\text{Debt Percent of Total Investment})^2$$



Source: IronBridge Capital Management, L.P.

The front wall of the cube represents our original, hunter/gatherer ancestors who had zero debt or equity, with no possibility of bankruptcy. Therefore, the bankruptcy correlation is zero. As civilization evolved, the creation of money allowed individuals to store assets or exchange them for other goods in an economic system. Circa 1400 A.D., the Medici family pioneered the concept of prudent banking by offering diversified debt in exchange for regular interest payments in addition to capital repayment. Debt issuance benefitted both the borrower and the lender as the borrower could pull forward consumption/investment, while the lender was able to earn a return on idle assets. Mainstream banking developed as a more efficient way of offering these benefits to both borrowers and lenders. Circa 1650, the Swedish Riksbank figured out that depositors are unlikely to all want all of their money back at the same time, thus the fractional banking system was born, which introduced a multiplier effect for money expanding the amount of credit available in an economy. In 1602, the Dutch East Indies Company pioneered the concept of a Joint Stock company (equity) to spread the risk and reward of various merchant activities without tying the firm to a fixed payment schedule. These developments moved the economic system toward the middle of the cube. As equity markets and the banking system evolved over the next 400 years, our economy has moved toward the back of the cube, within the blue area encircled by the red oval representing that virtually all transactions involve the banking system.

Moving from left to right on the cube illustrates the aggregate investment mix between debt and equity within the economic system. Those who are savers can either lend money through debt, or invest in equity. The distinction between equity and debt is important when considering systemic, correlated, bankruptcy risk. Debt represents a fixed obligation with clearly defined, enforceable, payment terms, while equity allows the borrower much more flexibility in

repayment. The insight of this chart is *that as the aggregate investment mix for the economy moves toward 100% debt and the percent of consumption that is financed through the banking system moves towards 100%, the correlation in bankruptcy approaches one*. For most of the last 200 years, the economic system has resided in the red oval. The last time our economy went off the rails into the pink zone was 1929. Circa 1929, the first shadow banking system evolved as corporations lent capital to brokers who in turn lent capital to speculators, who bought stocks on 90% margin. There is evidence that different tax rates among corporate income, personal income, capital gains, and dividend tax combined with the tax deductibility of margin interest expense to incentivize unsafe levels of margin debt, which is in many ways similar to the current crisis.

Computer-based, risk models relied on historical data that included the time periods when systemic debt was contained within the red oval. As demonstrated by TAFT, the tax arbitrage had the effect of narrowing credit spreads, and that incentivized a massive debt boom, which pushed the global systemic debt levels out and the global economy into the pink zone, where backward-looking risk models had never been. Bankruptcy correlations increased. Risk models blew up when the correlations blew out. The computer-based, risk models blame the black swan (a rare event outside the realm of normal expectations, which to some degree is valid), but in reality, the computer-based, risk models lacked the more complex elements of reason that are associated with the evolution of complex, dynamic systems. Mainly, the models could not contemplate the changing structure of lending, or unsafe levels of systemic debt.

What does TAFT teach us from the experience of this most recent crisis? Ideally, any new tax regime should not distort incentives within the free-market system. Most certainly, any new tax regime should not incentivize unsafe levels of systemic debt creation. The saddest insight of all is that the current crisis could not have occurred under a simplified tax code (currently over 13,000 pages) that treats all tax payers and capital structures equally, guaranteeing all players equal after tax treatment in the competition for capital. From a regulatory point of view, clearly deleveraging will be required and better tools for understanding financial innovation and measuring risk will be required. When that is accomplished, milestones five and six will be achieved.

The IronBridge Outlook

Our outlook is cautiously optimistic that we have seen the lows of this bear market. Our valuation milestone one has been achieved if, going forward, economic returns (CFROI) approximate investor required return. However, we say “cautiously optimistic” because the possibility exists that the \$5 trillion in government spending to unfreeze the credit markets and halt the decline in economic return might not work. If it does not, markets will head lower in the near term until the rest of the milestones are achieved.

We are optimistic that, regardless of the instinct of government to interfere, the checks and balances that exist, combined with the self-correcting mechanisms of capitalism, will continue to churn underneath, clearing out the excesses, and paving the way for future growth. In the meantime, we will continue to take advantage of the anticipated volatility by buying new names to refresh the portfolio and right size certain positions. We are preparing multiple scenario

analyses to determine the structure of the portfolio, depending on the achievement (or lack thereof) of the milestones outlined in this report.

Our strategy never wavers. We invest in companies that are good stewards of shareholder capital and that are likely to exceed the long-term expectations implied by their current share price. Today, the environment is challenging for sure, but we believe our unique economic framework and Life Cycle approach to investing puts us in a position to benefit from the volatility for the long-term benefit of our clients.

Thank you for your continued support.

Best regards,

A handwritten signature in black ink, appearing to read 'Christopher C. Faber', written in a cursive style.

Christopher C. Faber
IronBridge Capital Management, L.P.

Small Cap Core Equity Composite

April 30, 1999 to December 31, 2008

Assets & Returns in USD

Year	IronBridge Gross Return %	IronBridge Net Return %	Russell 2000® Return %	Number of Portfolios at End of Year	Composite Dispersion	Total Firm Assets End of Period \$ Millions	Total Assets in Composite \$ Millions
1999	19.50	18.70	17.67	<5	NA	7.9	4.9
2000	15.16	14.03	-3.02	<5	NA	16.0	11.8
2001	18.80	17.63	2.49	<5	NA	24.6	20.8
2002	-11.88	-12.77	-20.48	<5	NA	61.0	50.6
2003	48.28	46.85	47.25	<5	NA	521.3	233.6
2004	19.85	18.68	18.33	22	0.36	1,878.0	1,112.2
2005	4.37	3.34	4.55	28	0.54	2,692.9	1,343.4
2006	16.37	15.22	18.37	25	0.35	3,696.4	1,221.9
2007	10.78	9.68	-1.57	24	0.48	4,429.0	1,169.6
2008	-30.62	-31.33	-33.79	26	0.34	3,902.4	943.1

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

1 IronBridge Capital Management, L.P. is a dedicated equity manager and an independent investment management firm that is not affiliated with any parent organization.

2 The benchmark is the Russell 2000 Index. The annualized composite return since inception is 9.43% before management fees, 8.35% after fees; and the annualized benchmark return is 2.81%.

3 The composite includes small cap equity portfolios invested in undervalued companies as suggested by IronBridge's proprietary economic return framework, with relatively small market capitalizations (generally under \$2.5 billion at the time of purchase) and with both growth and value attributes. The composite excludes portfolios under \$5 million and portfolios that are tax-sensitive or have client-driven restrictions that hinder the investment strategy. The composite was created on March 31, 2002.

4 The inception date of the composite is April 30, 1999. The returns for 1999 for the composite and benchmark include May 1 through December 31 and are not annualized.

5 The standard management fee is 1.00% of assets. Net returns are computed by compounding monthly.

6 Gross of fees returns are presented after trading expenses, but before all other fees.

7 IronBridge uses equal-weighted standard deviation as the dispersion measure.

8 In the 2008 presentation, some previous years' gross returns were restated by between +0.02% and -0.03%, due to rounding differences in a new portfolio accounting system. Net returns were unchanged.

9 Accounts are removed from the composite when significant cash flows occur, for the month of the flow and the month after. Significant cash flows are defined as 50% or more of the account value. Prior to 2007, significant cash flows were defined as "50% of the account value or \$15 million or other amounts IronBridge believes will materially affect performance." The change was made in order to ensure consistency in the application of the cash flow rules. Additional information regarding our cash flow policy is available upon request.

10 Derivative use within the composite is minimal and deemed immaterial.

11 A complete list and description of all IronBridge composites is available upon request.

12 Additional information regarding policies for calculating and reporting returns is available upon request.