



NorthPointe Capital, LLC
Large Cap Value
1st Quarter 2013

Stocks continued the post Presidential election rally and, except for a slight pullback in mid-February likely fueled by fears of Federal spending cuts, the advance was relatively steady throughout the first quarter. Small capitalization stocks outperformed large caps during the first quarter as the Russell 2000® Index returned 12.39% as compared to the 10.96% return of the large company Russell 1000® Index. Value stocks outperformed growth stocks during the most recent quarter with the 12.31% gain in the Russell 1000® Value Index exceeding the 9.54% gain in the Russell 1000® Growth Index. The better results for the value index were primarily due to the significant decline in the stock price of Apple. Apple has the largest weighting in the growth index and is not part of the value benchmark. Stock markets have reacted positively to the many global stimulus policies that continue to be initiated. However, investors are rightly concerned about the consequences of such actions and what could happen to economies when these stimuli diminish. We hear the bullish and bearish arguments, but are left without a concise answer as to what the future holds (and we are confident we are not the only ones!). We continue to believe fundamentals matter and that time spent focusing on individual companies will lead to successful investment results.

For the period the NorthPointe Large Cap Value portfolio returned 12.92%, which compares to the 12.31% return of the Russell 1000® Value Index. Please find further detail below on the performance of your portfolio during quarter.

During the 1st quarter, your holdings were most impacted positively by stock selection within the Energy Sector. The value added from the Energy Sector can be attributed to the abundance of oil refiners held in the portfolio. Our work has suggested for some time that refiners would be an attractive investment. Favorable dynamics in the price relationship of WTI and Brent crude, the US becoming a net exporter of refined products, and higher rates of return on capital spending have all contributed towards pushing refining shares higher. Stock selection was challenged in the Technology Sector. CoreLogic, a provider of financial data and analytics, declined slightly in price during the quarter. Concerns regarding their end markets tempered the share price. Market participants are closely monitoring the declining volumes in home mortgage refinancing and the volume of home foreclosures. Given our continued favorable outlook on the company, CoreLogic remains in the portfolio. However, it is under close review.

The portfolio is positioned to perform in a stock market that rewards investing in undervalued companies—those that are experiencing improving fundamentals. Strategies that focused on low price to earnings ratios, low price to cash flow ratios, and low price to sales ratios were among the most successful this past quarter, while metrics based on low debt to equity and high return on assets tended to be the underperformers. Please remember that we conduct our research within four separate and distinct macroeconomic sectors. Our signals added decent

value this past quarter. Performance was strongest within the stable growth model. Overall model performance has produced significant value added for over the past five plus quarters.

No doubt the world is filled with seemingly historic levels of uncertainty. Our job is to find certainty. Our job is to find unique large cap companies that can grow their business, that sell at attractive valuation levels and that are not well understood. These types of investments should perform irrespective of how global macro events unfold. We believe that your portfolio contains precisely these types of securities. Fundamentals can be put on hold in the very short term, but history has shown time and time again that eventually fundamentals win out. Our stock selection has been and will continue to be our instrument for delivering value. We truly appreciate and value your business. If you should desire any further information or clarity, please do not hesitate to contact us. We have always taken great pride in being available for our clients.

Sincerely,

Peter Cahill, CFA
CIO, Portfolio Manager

Past performance is no guarantee of future results. The value of investments may go down as well as up and investors may not get back their original investment. Performance is shown gross of fees and charges. The opinions expressed herein are those of NorthPointe Capital, LLC as of the date of this report and are subject to change at any time. Although the third party information has been obtained from and is based on sources the Firm believes to be reliable, the Firm does not guarantee the accuracy of the information, and it may be incomplete or condensed. This report is for informational purposes only, and is not intended as a recommendation with respect to the purchase or sale of any security. A list of all recommendations made within the last 12-months is available upon request. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that investment decisions or recommendations made in the future will be profitable or will equal the performance of the securities discussed herein. The securities discussed do not reflect the entire portfolio and in the aggregate may represent only a small percentage of the portfolio's holdings.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership.