

## Small Cap Value Composite

### FIRM OVERVIEW

Ancora Advisors LLC is an investment advisor with approximately \$1.5 billion of assets under discretionary management and an additional \$1.9 billion of advisory assets. Ancora Advisors provides customized money management services for long-term investors in both equity and fixed income investments. Ancora Advisors also serves as the investment advisor to the Ancora Family of Mutual Funds. The mutual fund product offering includes four different funds, each of which has a unique investment focus. In addition Ancora is the advisor to two hedge funds, Merlin Partners and the Ancora Greater China Fund, which provide an alternative investment approach to select investors. This diverse product offering allows Ancora Advisors to tailor an investment program according to an individual client's needs.

Equity investments are made primarily in undervalued securities that our analysis indicates have attractive prospects for capital appreciation. Fixed income investments consist of high quality intermediate term securities. Our investment approach is to achieve high absolute returns to investors while limiting exposure to risk and possible loss of capital.

In addition to our value orientation the key to achieving superior long-term results is the collective experience of our professional portfolio managers who implement our methodologies for both personal and institutional portfolios.

### EQUITY TEAM

NAME	TITLE	EDUCATION
Richard A. Barone	Chairman	BBA, Georgetown University
Frederick D. DiSanto	Chief Executive Officer	BBA & MBA, Case Western Reserve University
Denis J. Amato, CFA	Chief Investment Officer	BBA & MBA, Case Western Reserve University
Brian R. Hopkins	Sr. VP & Dir. of Alternative Investments	BS, Georgetown University
Alan Miller	VP Portfolio Manager	BS, The Ohio State University; MBA, New York University
John Micklitsch, CFA	Sr. VP Portfolio Manager	BA, Duke University; MBA John Hopkins University
Ryan Hummer, CFA	VP Portfolio Manager	BS, The University of Notre Dame; MBA The Ohio State University
Sonia Mintun, CFA	VP Portfolio Manager	BS, Lehigh University
Jeff Anderson	Analyst & Portfolio Manager	BA, Wilfrid Laurier University

### EQUITY PHILOSOPHY

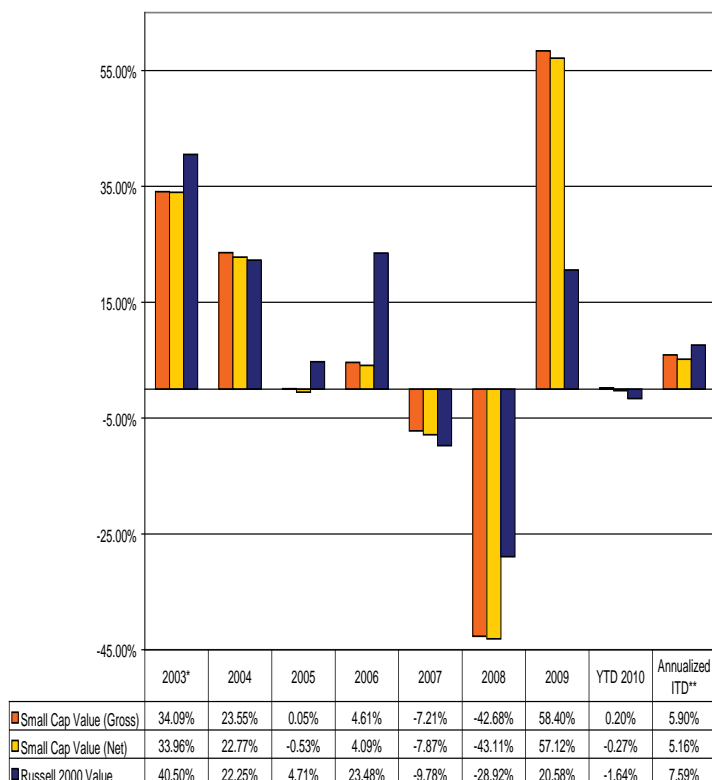
#### INVESTMENT OBJECTIVE

Created on April 1, 2003, the Small Cap Value Composite contains U.S. traded equities, which offer substantial returns with corresponding greater risks. Securities will tend to be of companies with "micro" and small capitalizations, but this will not be a requirement. The composite utilizes the Russell 2000 Value Index as the benchmark. Accounts must meet \$100,000 minimum account size for inclusion in composite.

#### INVESTMENT STRATEGY

Our small cap strategy has an investment objective of obtaining a high total return. Ancora pursues this objective by seeking out and investing in companies which the Advisor believes have the potential for superior returns. Under normal circumstances, at least 80% of the assets of the strategy will be invested in publicly traded equity securities (such as common stock, preferred stock and securities convertible into common or preferred stock).

### PERFORMANCE SUMMARY



Performance Data through 06/30/10	Month To Date	Quarter To Date	Year To Date	Inception To Date**
Small Cap Value (Gross)	-4.50%	-6.64%	0.20%	5.90%
Small Cap Value (Net)	-4.57%	-6.86%	-0.27%	5.16%
Russell 2000 Value	-8.73%	-10.60%	-1.64%	7.59%

#### Top 5 Holdings

Securities	Market Value	Pct.
ADPT CORP COM	541,875	4.11
SPECIAL OPPORTUNITIES FD INC COM	384,300	2.91
PVF CAPITAL CORP COM	383,520	2.91
CITIGROUP INC	376,000	2.85
ALBANY MOLECULAR RESEARCH INC COM	369,655	2.80
Total	2,055,350	15.58

Ancora Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®). Ancora has received a firm wide verification for the periods April 30, 2003 – March 31, 2010.

To receive a complete list and description of Ancora Advisors composites and/or a presentation that adheres to the GIPS standards, contact Renie Walters at 216-593-5015, or write Ancora Advisors LLC, at the address listed below or [renie@ancora.ws](mailto:renie@ancora.ws).

\*Represents Performance 04/30/03 to 12/31/03. \*\*Inception date 04/30/03. Results are shown in US \$. Past performance does not guarantee future results.

ONE CHAGRIN HIGHLANDS 2000 AUBURN DRIVE SUITE 300 • CLEVELAND, OH 44122 • 216-825-4000 (P) • [WWW.ANCORA.WS](http://WWW.ANCORA.WS)

Ancora Advisors LLC is a registered investment adviser with the Securities and Exchange Commission of the United States. A more detailed description of the company, its management and practices are contained in its registration document, Form ADV, Part II. A copy of this form may be received by contacting the company at the address above.

**Ancora Advisors LLC**  
**Small Cap Value Composite**  
**04/30/03 – 03/31/10**

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 2000 Value Return %	Number of Portfolios	Dispersion %	Total Composite Assets End of Period (\$ millions)	Total Firm Assets End of Period (\$ millions)
2003*	34.09	33.96	40.50	2	N/A	11.79	55.98
2004	25.69	24.72	22.25	3	5.84	21.81	80.01
2005	0.69	-0.06	4.71	5	1.65	37.28	465.89
2006	5.35	4.62	23.48	7	0.43	35.94	932.80
2007	-7.21	-7.87	-9.78	9	3.30	33.28	931.40
2008	-42.59	-43.04	-28.93	4	N/A**	8.01	857.76
2009	58.04	56.92	20.58	5	8.97	20.65	1,456.88
2010***	7.33	7.07	10.02	4	N/A	13.57	1,449.83

\*Represents Performance 4/30/03 – 12/31/03

\*\*No accounts were present for a full year, cannot calculate dispersion

\*\*\*Represents Performance 12/31/09 – 03/31/10

**Ancora Advisors LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).**

Firm Information: Ancora Advisors LLC is an independent investment adviser registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Ancora Advisors LLC was established in 2003 to manage a variety of equity, fixed income, and balanced assets. The firm manages accounts for U.S. based clients. Those accounts include individual, pension, profit sharing plans, charitable endowments and businesses on a discretionary basis. Ancora Advisors also serves as the investment advisor to the Ancora Family of Mutual Funds.

Ancora Advisors LLC is also affiliated with Ancora Securities Inc., a Financial Industry Regulatory Authority (FINRA) registered broker dealer offering a broad suite of financial products and services to its customers. Ancora Securities Inc. and Ancora Advisors LLC operate as separate autonomous firms; however both companies are under common control.

Composite Characteristics: Created on April 30, 2003, the Small Cap Value Composite contains U.S. traded equities, which offer substantial returns with corresponding greater risks. Securities will tend to be of companies with "micro" and small capitalizations, but this will not be a requirement. Accounts in the Small Cap Value Composite may contain small portions of fixed income (less than 10%). In the event that the fixed income portion crosses the 10% threshold, the account will be removed from the composite until the fixed income portion decreases below 10%. The composite utilizes the Russell 2000 Value Index as the benchmark. Accounts must meet \$100,000 minimum account size for inclusion in composite. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars, and individual portfolios are revalued monthly. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated net of management fees and transaction costs and gross of custodian fees. Both returns are calculated gross of all withholding taxes on foreign dividends. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. Accruals for fixed income and equity securities are included in calculations. The dispersion measure is the asset-weighted standard deviation of accounts in the composite for the entire year. The pooled investment vehicle in the composite calculates net of fees returns net of all expenses including management fees and transaction costs. Gross of fees returns are calculated gross of management fees and net of all other expenses including transaction costs.

Other Disclosures: Ancora Advisors LLC has been verified for the periods January 1, 2003 – March 31, 2010 by Beacon Verification Services. Small Cap Composite has received a performance exam for the period April 30, 2003 – March 31, 2010. A copy of the verification report is available upon request. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. Additional information regarding policies for calculating and reporting returns as well as a complete list and description of all the firm's composites is available upon request. The firm's fee schedule is as follows: 1.00% for first million, 0.85% for next two million, 0.70% for next two million, 0.60% for next 5 million, 0.50% for next ten million, 0.40% for next 30 million and negotiable for accounts over 50 million. Fees may be subject to negotiation where special circumstances warrant. All total returns calculations are adjusted for daily weighted external cash flows. Cash and cash equivalents are included in the total return calculation. Cash flow activity is reconciled at the close of trading. Accounts that experience cash flows in excess of 10% of the account's market value are removed from the composite for one full calendar month and not included for composite performance reporting purposes. Additional information regarding the treatment of significant cash flows is available upon request. During the verification review period in November 2009, it was discovered that material errors were made in composite construction that affected both historical and current presentation statistics. All errors have been corrected and presentation data has since been updated. More detailed information is available upon request.