

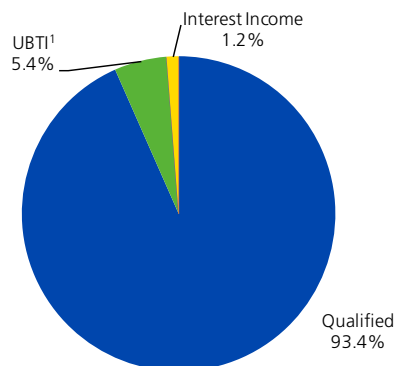
DIVIDENDS & TAXATION

A Primer for Dividend-Focused Investors



The style and structure of dividend-focused investment strategies vary greatly, but most strategies present important tax issues that investors should examine prior to investing. Here are some of the more common tax-related issues to consider.

**DAV Composite Portfolio
2010 Estimated Income Tax Status**



¹UBTI – Unrelated Business Taxable Income

Qualified versus Non-Qualified Income

Under the recently extended *Jobs and Growth Tax Relief Reconciliation Act* of 2003, dividend income from most corporations is considered "qualified" and is, therefore, subject to a maximum tax rate of 15%. Income that is not eligible for this favorable tax treatment is considered "non-qualified" and is taxed at the investor's ordinary income tax rate. Non-qualified income is typically generated by companies that do not pay corporate taxes, such as REITs, MLPs, Royalty Trusts, and BDC-RICs. These companies, however, frequently offer the highest yields. Because the Dividend All-Cap Value (DAV) Strategy holds diversified securities, the tax treatment of the income it generates for investors will vary. The chart to the left indicates the estimated aggregated tax status for the expected income generated in the DAV Strategy as of December 31, 2010. This may differ substantially from the actual tax status as Portfolio holdings change over time.

DAV Composite Portfolio

Annual Returns & Realized Capital Gains & Losses

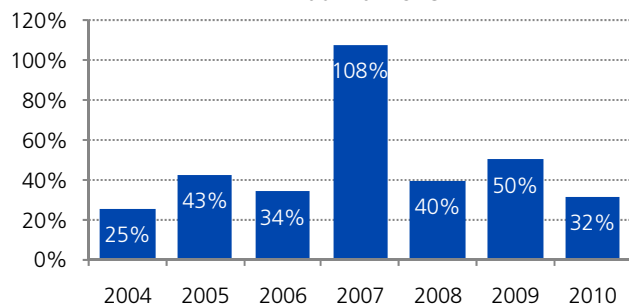
	Annual Return -	Annual Return -	Percentage	
	Gross	Net	Short-term	Long-term
2004	24.71%	24.25%	30%	70%
2005	10.50%	9.83%	-9%	109%
2006	27.05%	26.17%	19%	81%
2007	1.92%	1.17%	59%	41%
2008	-27.39%	-27.91%	-65%	-35%
2009	22.07%	21.21%	65%	-165%
2010	20.20%	19.32%	43%	57%

Performance shown gross and net of fees through 12/31/2010. Please see reverse side for performance disclosure. Past performance is no guarantee of future results.

Capital Gains

Capital gains, or the taxable gains received from the profitable sale of a stock, are classified as either short-term (security held less than 12 months) or long-term (security held longer than 12 months). While long-term gains are taxed at a lower rate, it may be advantageous to sell a security before it achieves long-term status. The most common circumstance for this at River Road is when a security exceeds its assessed Absolute Value price target. Similarly, an increase in short-term gains for a portfolio typically follows a period of rapid price appreciation. This is demonstrated in the chart to the left, which provides annual returns and realized gains for the DAV Composite Portfolio.

**DAV Composite Portfolio
Annual Turnover**



Turnover shown through 12/31/2010.

Portfolio Turnover

Turnover is a measure of how frequently assets are bought and sold in a portfolio. Because investments are taxed based on the time of sale, higher portfolio turnover typically creates a larger tax impact for investors. At River Road, portfolio turnover is primarily a function of our valuation discipline and how rapidly the overall value of the portfolio appreciates. As a rule of thumb, portfolio turnover less than 35% is considered low, turnover between 35% to 75% is moderate, and turnover that consistently exceeds 75% to 100%+ is considered high. The chart on the left provides turnover statistics for the DAV Composite Portfolio. We expect turnover for the Portfolio will range from 35 to 40% over time.

DIVIDENDS & TAXATION

Other Tax Considerations

River Road's DAV Strategy regularly invests in Master Limited Partnerships (MLPs). These securities have unique tax considerations. The chart to the right provides the number of securities held and the percentage of assets invested within these securities annually.

Investors who hold MLPs directly in their portfolio receive a K-1 tax document for each holding. This document is different from the 1099 tax form you receive from a corporation. The IRS has a later deadline for issuing a K-1 which can delay an investor's individual tax filing. (This documentation is not necessary for investors who hold MLPs indirectly through a mutual fund or other commingled investment vehicle.)

MLPs may also produce Unrelated Business Taxable Income (UBTI). This is income that is unrelated to the main function of the entity but can account for a small portion of income. If an investor holds MLP shares in an Individual Retirement Account that generates UBTI in excess of \$1,000, that income may be subject to taxation.

DAV Composite Portfolio Historical MLP Securities

	Avg. # of MLPs	Avg. % of Port.
2004	8	13.30%
2005	7	9.58%
2006	5	6.17%
2007	6	6.75%
2008	7	8.60%
2009	7	9.18%
2010	3	3.31%

The quantity of holdings is presented as an example of the quantity of securities in which the Composite may be invested and may not be representative of current or future holdings. There is no assurance that MLPs may be purchased or held in the DAV Composite.

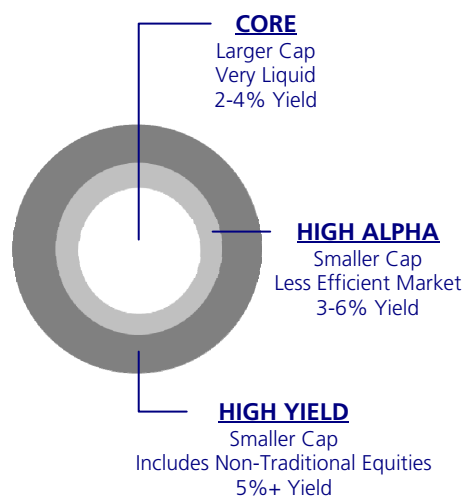
The Objective of River Road's Dividend All-Cap Value Strategy

River Road's DAV Strategy seeks to provide an attractive total return through the combination of high current income and long-term capital appreciation. The DAV Strategy was specifically designed to capture the broad and often unrecognized opportunities that exist among high-income equity securities. The DAV investment process incorporates diversification that addresses the breadth of opportunities across: **1) Market Capitalization, 2) Security Type, 3) Industry Sector, and 4) Corporate Sovereignty.**

This diversification, combined with River Road's Absolute Value investment philosophy, results in a portfolio of equity securities that combines:

- The liquidity of large cap stocks, with
- The high alpha potential of small and mid-cap stocks, and
- The high yield opportunities available outside of traditional common shares.

We believe the interaction of these three groups results in **balanced diversification**, **high current income**, and the opportunity for a **competitive total return**.



River Road Asset Management, LLC ("RRAM" or "the Firm") is a registered investment adviser formed in April 2005 and is owned by Aviva Investors North America Holdings, Inc., a wholly-owned affiliate of UK-based Aviva PLC. This presentation may be presented by an employee of Aviva Investors, Aviva Investors North America, Inc., or another Aviva entity, which are affiliates of RRAM. RRAM claims compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites and a presentation that complies with the requirements of the GIPS® standards, which is available upon request by contacting Thomas D. Mueller, CPA, CFA at (502) 371-4100 or thomas.mueller@riverroadam.com. The Composite contains fully discretionary accounts that seek to provide high current income and long term capital appreciation by investing primarily in a diversified, all-cap basket of income producing equity securities that trade at a discount to the firm's estimate of absolute value. The Composite is primarily invested in dividend paying common stocks. The composite may also be invested in a broad range of foreign stocks, publicly traded partnerships, convertible preferred stocks, Real Estate Investment Trusts ("REITs"), and royalty income trusts. RRAM employs a value-driven, bottom-up approach. The U.S. Dollar is the currency used to express performance. Performance includes the reinvestment of all

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results						3-Year Ex-Post Standard Deviation	
		USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 3000 Value	Russell 3000	Lipper Equity Inc.	Composite Dispersion	Composite	Russell 3000 Value
2010	4,020	450	37	20.70%	19.32%	16.23%	16.93%	14.03%	0.3%	17.20	23.49
2009	3,624	229	12	22.07%	21.21%	19.76%	28.34%	23.85%	0.3%	15.66	21.34
2008	2,597	81	6	-27.39%	-27.91%	-36.25%	-37.31%	-35.40%	N.A.	12.80	15.53
2007	2,693	43	Five or Fewer	1.92%	1.17%	-1.01%	5.14%	2.98%	N.A.	7.47	8.29
2006	2,597	21	Five or Fewer	27.05%	26.17%		15.72%	18.41%	N.A.	8.08	7.01
2005	649	6	Five or Fewer	10.50%	9.83%		6.12%	5.80%	N.A.	N.A.	N.A.
2004		<1	Five or Fewer	24.71%	24.25%		11.95%	13.02%	N.A.	N.A.	N.A.
2003*		<1	Five or Fewer	13.53%	13.30%		12.43%	12.74%	N.A.	N.A.	N.A.

NA - Information not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

NA - Information for 3-Year Ex Post Standard Deviation is not presented because 36 monthly returns are not available.

* Results shown for the year 2003 represent partial period performance from October 1, 2003 through December 31, 2003.

income. The official benchmark for the composite was changed to the Russell 3000 Value from the Russell 3000 on July 1, 2007. River Road Asset Management, LLC determined that the Russell 3000 Value represents a more appropriate benchmark for the composite as determined by a process of evaluation which began once the Dividend All-Cap Value Composite completed its three-year track record in October 2006. All other indices are shown as additional information only. *Russell 3000 Value* - Unmanaged index constructed to provide a comprehensive and unbiased barometer of the broad value market.

Upon formation, RRAM had an individual account assigned to it from its prior firm. Prior to the formation of RRAM, the principals of the company were primarily responsible for the management of the account, from October 1, 2003 to March 31, 2005. The investment objectives, policies and strategies for the prior firm are substantially similar to those of RRAM. The individual has provided authorization allowing RRAM use of the performance history and supporting records for this report.

