

4Q • 2010

MARKET OVERVIEW

Overall equity markets posted strong gains during the fourth quarter of 2010, driving total annual gains north of 10% for the second consecutive year. The S&P 500 rallied 10.8% (total return) during the quarter and 15% for 2010, outpacing the Dow Jones Industrial Average which posted an 8% gain in the fourth quarter and 14% for 2011. The strong equity markets in the fourth quarter were driven in part by the Fed's QE2 announcement, which signaled an additional \$600 billion of Fed bond buying, along with continued strong corporate earnings results and improving macroeconomic conditions. Recently, investor risk appetite appears to be improving as evidenced by an increasing allocation into equities and out of fixed income assets.

Mid-Cap equities once again outperformed Larger-Cap equities, with the Russell Midcap Index gaining 13.2% in the fourth quarter and 25.6% for the full year. Within Mid-Caps, the growth index outperformed the value index by 14% vs. 12.2% for the fourth quarter and 26.4% vs. 24.8% for the full year.

STRATEGY REVIEW

Another quarter of solid market gains provided the backdrop for a second consecutive quarter of benchmark and peer group outperformance by the MTB Mid-Cap Growth Strategy. Due to a long-standing orientation toward companies and industries geared toward economic recovery, the Strategy finished up over 18.0% for the three months ended December 31, 2010 and outperformed the Russell Midcap Growth Index in the quarter by over 400bps. Information Technology was our biggest contributor to the outperformance. This was a result of effective security selection within the sector. Stock selection in Materials and an overweight in Energy also generated positive relative returns. Our detractors for the quarter came primarily from stock selection in Health Care and Industrials.

OUTLOOK

Investors have much to learn from the market gyrations of the last several years. A key lesson has been that forecasting is difficult in a volatile, fluid environment. However forecasting is the essence of investing and cannot be avoided. If our forecasts – of economics, politics, company earnings or investor behavior – are proven more accurate over time than those of the broader market, our investors should enjoy excellent returns. Our record indicates we have done a credible job.

In the teeth of the 2008 market downturn, we committed to a pro-growth stance in the Strategy. This stance has paid off with two years of sizable investment gains, both absolute and relative to the benchmark. We are sticking with this position and remain tilted towards growth U.S. companies and industries.

We expect that the constellation of factors that has propelled the market off the lows will remain intact. The basic backdrop of solid corporate earnings growth will continue. Earnings may be driven increasingly by top-line growth based on a strengthening economy and less by expanding margins reflecting aggressive cost-cutting. Investors should find this encouraging. We expect monetary policy will remain accommodative until the Fed sees convincing evidence of a sustainable pick-up in hiring. We also remain tilted towards export-oriented companies and industries that will benefit from more robust global growth.

We expect two additional factors to help support further market appreciation. First, we anticipate some multiple expansion, which has been a missing ingredient in the equity market rally. As investors gain confidence that the economic recovery is durable, we expect them to be willing to pay a higher multiple for corporate earnings than heretofore. Second, greater confidence in the economy and the equity markets should release some of the capital allocated to the perceived safety of fixed income for redeployment into equities. We are beginning to see some evidence of this trend.

Through the year, we expect that the growing weight of positive economic data will lead investors to contemplate the reversal of the extraordinary monetary and fiscal stimuli that have been applied for the past several years. Likewise, a long list of macro issues and challenges remain (e.g. European debt issues). We expect these to create some volatility (and opportunity), but not have enough impact to change the overall direction of the economy and markets, which remains towards recovery.

MARK SCHULTZ, D.PHIL., CFA

Chief Equity Strategist and Senior Portfolio Manager



Mark Schultz is the portfolio manager of the MTB Mid-Cap Growth Fund and Strategy. He has over 12 years of investment industry experience. Prior to joining MTB Investment Advisors in 2001,

Mr. Schultz worked as an assistant portfolio manager with Caldwell Securities in Toronto, Ontario. He began his career with Royal Bank of Canada in country risk analysis and multinational corporate banking. Mr. Schultz earned a Doctorate in Politics from the University of Oxford.

MTBIA Mid-Cap Growth Composite Returns (%) for the periods ending 12/31/10

	Composite (Gross of fees)	Composite (Net of fees)	Russell Midcap Growth Index
3 Mo	18.31	18.05	14.01
YTD	30.76	29.60	26.38
1 Yr	30.76	29.60	26.38
3 Yr	3.94	3.01	0.97
5 Yr	7.42	6.46	4.88
10 Yr	6.59	5.64	3.12
Inception (12/1/96)	10.80	9.81	--

Supplemental Information - These numbers are preliminary and are subject to change.

The net of fee composite performance is based on the highest applicable quarterly fees, adjusted for changes in the market value. Returns for periods greater than one year are annualized. Returns reflect reinvestment of all dividends and other earnings. Until January 2008, the Composite was measured against the S&P Mid-Cap Growth Index. Indices are unmanaged and not available for direct investment. Past performance is no guarantee of future results. Please refer to the end of this presentation for our GIPS compliant presentation, which includes performance footnotes, fee schedules, and disclosures.

Opinions and projections contained herein reflect our opinion as of the date of the analysis and are subject to change without notice. Mid-cap investing involves special risks. Mid-cap stocks are more volatile and drop more in down markets than large-cap stocks.

Year	Composite Return Gross of Fees (%)	Composite Return Net of Fees (%)	Benchmark Return (%)	Total Composite Assets (\$ millions)	Percentage of Carve-out	Total Firm Assets (\$ millions)	Dispersion (%)	Portfolios Year End
1996**	-0.31	-0.38	-1.07	25.55	***	7,004	N/A	≤5
1997	32.28	31.38	30.28	47.16	--	11,341	N/A	≤5
1998	23.01	22.11	34.86	63.12	--	14,873	N/A	≤5
1999	25.03	24.13	28.74	82.10	--	17,272	N/A	≤5
2000	10.36	9.46	9.16	97.14	--	18,543	N/A	≤5
2001	-5.86	-6.76	-7.97	96.21	--	16,299	N/A	≤5
2002	-20.12	-21.02	-19.17	74.17	--	15,046	N/A	≤5
2003	35.49	34.59	30.95	87.40	--	14,358	N/A	≤5
2004	19.39	18.49	14.00	92.90	--	12,861	N/A	≤5
2005	8.85	7.95	13.57	124.98	--	11,859	N/A	≤5
2006	6.75	5.79	5.80	84.52	N/A	12,913	N/A	≤5
2007	19.32	18.25	13.50	75.90	N/A	15,029	N/A	≤5
2008	-42.85	-43.36	-37.62	60.13	N/A	15,380	N/A	≤5
2009	50.25	48.90	46.30	170.09	N/A	13,191	N/A	≤5
2010	30.76	29.60	26.38	221.4	N/A	13,354	N/A	≤5

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

Firm: MTB Investment Advisors ("MTBIA"), a wholly owned subsidiary of Manufacturers and Traders Trust Company ("M&T Bank"), is a Registered Investment Advisor managing U.S. equity, fixed income, and balanced assets for institutional investors. MTBIA also manages proprietary funds available for institutional and retail investors.

MTBIA has been verified by an independent auditor for each year during the period from 2001 through 2009. A copy of the Firm verification report is available upon request.

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

Allied Investment Advisors, Inc. was created and registered as an investment advisor in 1995. It was renamed MTB Investment Advisors, Inc. in 2003 following the acquisition of its corporate parent by M&T Bank Corporation. The GIPS portability rules apply with respect to performance for periods prior to the acquisition.

Composite Definition: The MTB Mid Cap Growth Composite was created February 14, 2005. This composite has a minimum account market value of \$1,000,000. Prior to the merger of ARK Funds and Vision Group of Funds into the MTB Funds in August 2003, the Composite was named ARK Mid-Cap Equity. The Composite consists of all fully discretionary, fee-paying, actively managed accounts that invest at least 80% of their assets in a diversified portfolio of growth-oriented equity securities of mid cap companies defined as companies with market capitalizations, at the time of purchase, similar to companies in the Russell Midcap Index. Prior to January 2010, where the firm used the performance of the equity and or fixed income portion of balanced portfolios in composite calculations, cash was allocated proportionally based on beginning asset class market values as a percentage of the portfolio. Going forward, cash is managed separately. Past performance is not indicative of future performance, and individual portfolios may experience different performance results.

Calculations: Composite performance is calculated in U.S. dollars and assumes reinvestment of dividends, interest, capital gains, and other earnings. MTBIA maintains additional information regarding policies for calculating and reporting performance returns, which is available upon request.

Benchmark: The benchmark for this composite is: (100%) Russell Midcap Growth Index. The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market.

Dispersion: Asset-weighted standard deviation is used.

Fees: The "Gross" of fees performance figures do not reflect the deduction of investment advisory fees, but do reflect the deduction of any trading commissions. The "Net" of fees performance figures reflect the deduction of any trading commissions and investment advisory fees. Actual fees may vary depending on, among other things, the applicable fee schedule and account size. Complete MTBIA investment advisory fee information is set forth in Form ADV Part II, which is available upon request. The fee schedule for this product is: Mid-Cap Equity Management: 0.90% (90 basis points) on the first \$10,000,000; 0.80% (80 basis points) on the next \$15,000,000; 0.70% (70 basis points) on the next \$25,000,000; 0.65% (65 basis points) on the next \$50,000,000; 0.50% (50 basis points) on the balance over \$100,000,000.

*Net returns are calculated based on deducting the highest applicable fee in the Composite from the Composite gross return on an annual basis with no regard to market value change and its effect on fees. Going forward from 2006, the net of fee composite performance is based on the highest applicable quarterly fees, adjusted for changes in the market value.

**For 1996, this is a stub period. The composite has an effective start date of 12/01/1996.

***Prior to 1/1/2008, benchmark was the S&P Mid Cap 400/Citigroup Growth Index. In meetings with potential external distribution channels, it became apparent that the majority of mid cap growth funds were being benchmarked against the Russell Midcap Growth Index, unlike the MTB Mid-Cap Growth Fund, which had the S&P Mid Cap 400/Citigroup Growth Index as its benchmark.

****In a 2008 reorganization, the positions of Chief Investment Officer of Equities and Chief Equity Strategist were created. The firm maintained a net neutral headcount.

Returns represent past performance, and are not a guarantee of future performance. References to indexes are made for comparison purposes. Indexes are unmanaged and cannot be invested in directly.

The goal of the MTB Mid-Cap Growth Strategy is long-term capital appreciation. Investment returns and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here.

Some mid-cap growth portfolios invest in stocks of all sizes, thus leading to a mid-cap profile, but others focus on midsize companies. Mid-cap growth portfolios target U.S. firms that are projected to grow faster than other mid-cap stocks, therefore commanding relatively higher prices. The U.S. mid-cap range for market capitalization typically falls between \$1 billion-\$8 billion and represents 20% of the total capitalization of the U.S. equity market.

Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Mid-Cap investing involves special risks. Mid-Cap funds are designed for investors who can accept short-term fluctuations in principal and earnings and can assume the higher risk typically associated with an aggressive growth fund. Mid-Cap stocks tend to be more volatile and to drop more in down markets than large cap stocks. Growth stocks can perform differently from the market as a whole and can be more volatile than other types of stock.

The Russell Midcap® Growth Index is an unmanaged index generally representative of the U.S. market for medium capitalization growth stocks. This unmanaged index does not reflect fees and expenses. An investment cannot be made directly into an index. The Russell Midcap® Growth Index is a trademark/service mark of the Frank Russell Company.

Opinions and projections contained herein reflect our opinion as of the date of the analysis and are subject to change without notice. This report is distributed for information purposes only, and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy.

Current and future holdings are subject to risk. A complete list of the funds holdings can be found at <http://www.mtb-funds.com/individualinvestor/fund-performance>.

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