



April 16, 2007

Dear Friends:

On April 1, River Road team celebrated its two-year anniversary. While the past two years have passed quickly, it is comforting to realize that we will soon be celebrating the ten-year anniversary of our flagship Small Cap Value portfolio.

Since launching River Road, we have reached several milestones. Over the past twenty-four months, assets under management have grown from less than \$100 million to nearly \$3 billion. As a result of our growth, we have greatly expanded both our staff and our infrastructure. Founded with six associates, today River Road employs eighteen investment industry professionals. Across all areas of the firm, including research, operations and client service, we have invested in both talented human resources and leading industry technology.

The two most recent additions to our team are **Matthew W. Moran, CFA**, and **L. Michele Robbins**. Matt joined the firm in January as *Equity Research Analyst* and comes to us with 8 years of industry experience. Prior to joining River Road, Matt worked with high net worth families at Goldman Sachs and Citigroup. Most recently, he covered oil-service stocks at Morningstar. Matt played Division I basketball and graduated *summa cum laude* with a B.S. in Finance from Bradley University. He earned his CFA designation in 2002 and is currently pursuing his M.B.A. on weekends at the University of Chicago.

Michele Robbins joins River Road as *Vice President of Client Services*. Michele brings 23 years of industry experience to her role as liaison between River Road's investment team and the firm's clients. Prior to joining River Road, Michele held positions with JPMorgan Chase, SMC Capital, Inc., Aquila Management of New York, and Hilliard Lyons. She attended the University of Kentucky and holds Series 24, Series 7, and Series 65 securities licenses.

Our growth has also allowed us to expand our strategy offering. In December, we closed our flagship Small Cap Value portfolio to new clients. In January, after many months of research and design work, we launched our **Small-Mid Cap Value** strategy. This strategy employs the same team, philosophy, and process as Small Cap Value, but invests in companies valued at \$250 million to \$6 billion in market cap. Launched on January 11, 2007, both performance and asset growth have exceeded our expectations.

Finally, thanks to strong performance and a differentiated approach to the asset class, our **Multi-Cap Equity Income** strategy has also continued to grow rapidly. Since launching that strategy in October, 2003, assets have grown to more than \$1.6 billion, managed for clients across North America and Europe.

Most importantly, we want to thank you for your business. Your commitment to River Road has allowed us to invest in the firm and offer the best resources to our clients. In return, we will stand behind our commitment to you to pursue investment excellence with passion and discipline, and to maintain the unique culture and values we embraced on the day we founded River Road. Again, thank you for your support.

Sincerely,

A handwritten signature in blue ink that reads "James C. Shircliff".

James C. Shircliff, CFA
CEO / Chief Investment Officer

A handwritten signature in blue ink that reads "R. Andrew Beck".

R. Andrew Beck
President, Senior Portfolio Manager

A handwritten signature in blue ink that reads "Henry W. Sanders, III".

Henry W. Sanders, III, CFA
EVP, Senior Portfolio Manager