

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012-YTD
<b>MDCM Dividend Income Institutional (Net)</b>	<b>42.62%</b>	<b>25.86%</b>	<b>2.54%</b>	<b>24.71%</b>	<b>-1.00%</b>	<b>-22.77%</b>	<b>22.30%</b>	<b>20.15%</b>	<b>14.60%</b>	<b>2.34%</b>
Russell 1000 Value	30.03%	16.49%	7.05%	22.25%	-0.17%	-36.85%	19.69%	15.51%	0.40%	11.12%
DJ Select Dividend (DJDVY)	30.16%	18.12%	3.78%	19.55%	-5.15%	-30.97%	11.14%	18.31%	12.43%	5.06%

	2012-YTD	1 Year	3 Years	5 Years	7 Years	Cumulative
<b>MDCM Dividend Income Institutional (Net)</b>	<b>2.34%</b>	<b>12.87%</b>	<b>22.78%</b>	<b>4.61%</b>	<b>8.35%</b>	<b>208.3%</b>
Russell 1000 Value	11.12%	4.79%	22.83%	-0.81%	3.48%	110.4%
Dow Jones Select Dividend (DJDVY)	5.06%	11.76%	26.39%	-0.12%	3.60%	110.32%

	Annualized Standard Deviation		Sharpe Ratio		R-Squared	
	3 year	5 year	3 year	5 year	3 year	5 year
<b>MDCM Dividend Income Institutional (Net)</b>	<b>9.4%</b>	<b>11.8%</b>	<b>2.42</b>	<b>0.38</b>	<b>NA</b>	<b>NA</b>
Russell 1000 Value	17.2%	20.3%	1.32	-0.04	84.4%	87.8%
Dow Jones Select Dividend (DJDVY)	13.8%	19.7%	1.91	-0.01	90.5%	86.1%

	Beta vs. index		Alpha Annualized vs. index		Jensen's Alpha vs. index	
	3 year	5 year	3 year	5 year	3 year	5 year
<b>MDCM Dividend Income Institutional (Net)</b>						
Russell 1000 Value	0.46	0.51	11.47%	4.58%	11.43%	4.54%
Dow Jones Select Dividend (DJDVY)	0.62	0.52	6.03%	4.24%	7.58%	4.21%

**Sharpe Ratio** measures excess return per unit of Standard Deviation risk

Risk Free Rate (3 month T-bill)

0.07%

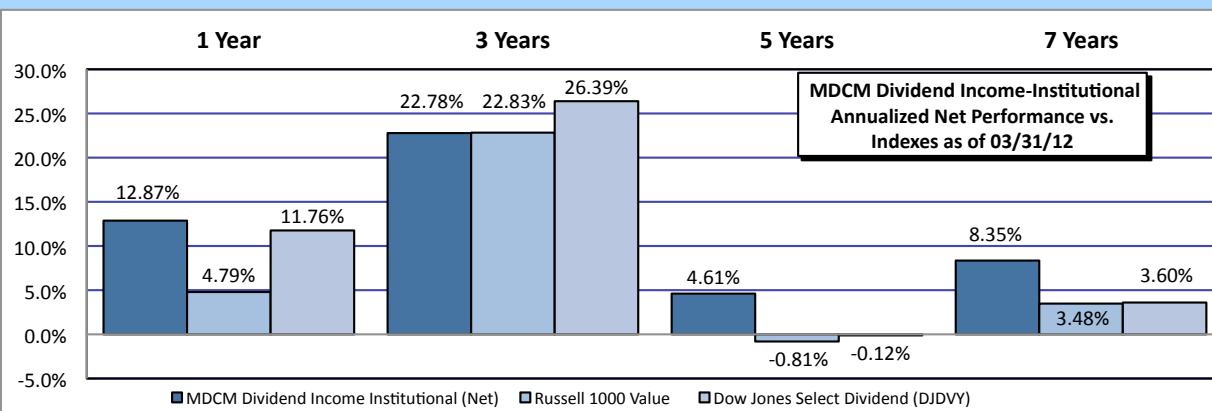
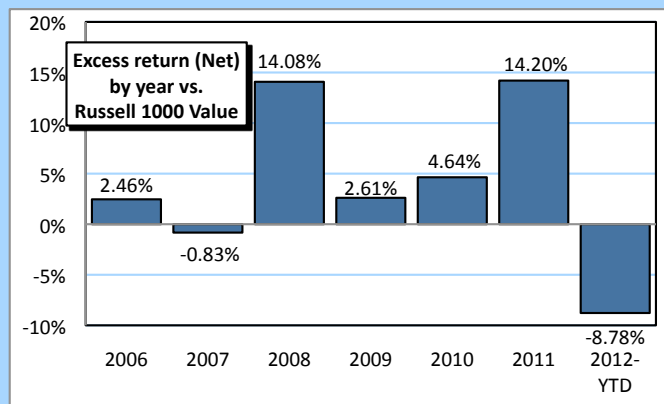
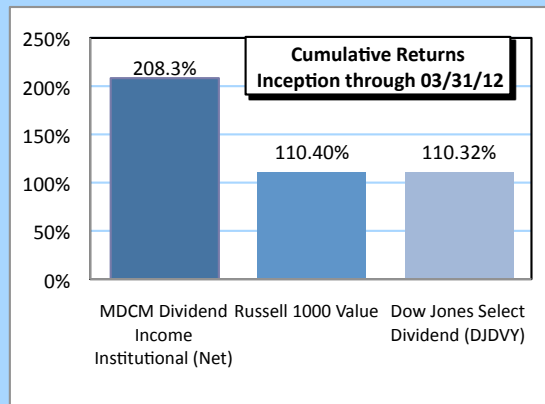
**Standard Deviation** is a measure of volatility and indicates the spread of return data around the mean

**R-Squared** indicates what percent of the portfolio's total volatility is explained by movements in the benchmark (correlation)

**Beta** measures average portfolio volatility relative to the benchmark index

**Alpha** measures excess return from the strategy over a benchmark using Beta as risk

**Jensen's Alpha** represents the average return over and above that predicted by the capital asset pricing model (CAPM)



**MDCM Dividend Income (NET)**

**Russell 1000 Value**

**DJDVY**

		MDCM Dividend Income (NET)		Russell 1000 Value		DJDVY	
		Month	Quarter	Month	Quarter	Month	Quarter
2002	Oct	-1.69%		7.41%		3.17%	
	Nov	1.39%		6.30%		5.95%	
	Q4	2.26%	1.93%	-4.34%	9.22%	-0.81%	8.42%
	Jan	0.12%		-2.42%		-2.76%	
2003	Feb	3.59%		-2.67%		-2.11%	
	Q1	2.11%	5.90%	0.17%	-4.86%	-2.05%	-6.76%
	Apr	4.41%		8.80%		6.68%	
	May	5.37%		6.46%		9.11%	
	Q2	3.45%	13.81%	1.25%	17.28%	0.82%	17.35%
	July	2.66%		1.49%		2.38%	
	Aug	1.24%		1.56%		1.64%	
	Q3	2.22%	6.24%	-0.98%	2.06%	-1.58%	2.41%
	Oct	2.62%		6.12%		7.29%	
	Nov	5.59%		1.36%		2.42%	
	Q4	2.79%	11.38%	6.16%	14.19%	5.71%	16.16%
	2004	Jan	3.38%		1.76%		1.62%
Feb		2.57%		2.14%		3.39%	
Q1		4.98%	11.32%	-0.88%	3.02%	-1.33%	3.67%
Apr		-14.69%		-2.44%		-2.88%	
May		4.24%		1.02%		2.04%	
Q2		3.94%	-7.57%	2.36%	0.88%	2.51%	1.59%
July		1.61%		-1.41%		-0.93%	
Aug		6.89%		1.42%		3.19%	
Q3		1.81%	10.58%	1.55%	1.54%	1.79%	4.06%
Oct		3.07%		1.66%		1.66%	
Nov		4.17%		5.06%		4.66%	
Q4		3.03%	10.62%	3.35%	10.38%	1.30%	7.78%
2005	Jan	-3.41%		-1.78%		-2.70%	
	Feb	2.10%		3.31%		2.32%	
	Q1	-2.53%	-3.88%	-1.37%	0.08%	-1.08%	-1.52%
	Apr	3.62%		-1.79%		-0.60%	
	May	1.57%		2.41%		2.87%	
	Q2	2.33%	7.70%	1.09%	1.67%	1.50%	3.79%
	July	4.43%		2.89%		3.49%	
	Aug	-3.41%		-0.43%		-1.18%	
	Q3	0.12%	0.99%	1.40%	3.88%	-0.29%	1.97%
	Oct	-2.11%		-2.54%		-1.30%	
	Nov	0.71%		3.27%		1.22%	
	Q4	-0.51%	-1.92%	0.61%	1.26%	-0.33%	-0.43%
2006	Jan	2.51%		3.88%		1.83%	
	Feb	2.20%		0.61%		1.26%	
	Q1	1.37%	6.20%	1.35%	5.92%	-0.08%	3.03%
	Apr	-0.22%		2.54%		2.49%	
	May	-0.77%		-2.53%		-1.18%	
	Q2	1.32%	0.32%	0.64%	0.59%	0.63%	1.92%
	July	3.73%		2.43%		3.09%	
	Aug	2.87%		1.67%		1.22%	
	Q3	1.44%	8.24%	1.99%	6.21%	1.34%	5.75%
	Oct	4.15%		3.27%		3.37%	
	Nov	1.79%		2.28%		1.88%	
	Q4	2.01%	8.15%	2.25%	8.00%	2.23%	7.66%
2007	Jan	3.91%		1.28%		1.01%	
	Feb	-0.36%		-1.56%		-0.09%	
	Q1	1.60%	5.19%	1.55%	1.25%	1.37%	2.30%
	Apr	2.39%		3.70%		2.95%	
	May	0.46%		3.61%		2.18%	
	Q2	-3.31%	-0.54%	-2.34%	4.93%	-3.18%	1.85%
	July	-3.97%		-4.62%		-5.86%	
	Aug	0.25%		1.12%		2.29%	
	Q3	0.33%	-3.41%	3.43%	-0.24%	0.75%	-2.98%
	Oct	1.42%		0.01%		-0.04%	
	Nov	-2.58%		-4.89%		-3.07%	
	Q4	-0.84%	-2.03%	-0.97%	-5.80%	-3.16%	-6.17%
2008	Jan	-1.42%		-4.01%		0.45%	
	Feb	-1.99%		-4.19%		-8.87%	
	Q1	-0.44%	-3.81%	-0.75%	-8.72%	-0.17%	-8.62%
	Apr	2.11%		4.87%		2.37%	
	May	0.27%		-0.16%		-1.31%	
	Q2	-7.77%	-5.57%	-9.57%	-5.32%	-14.87%	-13.99%
	July	0.57%		-0.36%		4.46%	
	Aug	3.05%		1.70%		4.25%	
	Q3	-4.97%	-1.51%	-7.35%	-6.11%	2.18%	11.27%
	Oct	-7.11%		-17.31%		-12.29%	
	Nov	-7.51%		-7.17%		-8.50%	
	Q4	0.48%	-13.67%	1.39%	-22.17%	-1.65%	-21.07%
2009	Jan	-1.85%		-11.50%		-16.00%	
	Feb	-7.96%		-13.36%		-15.09%	
	Q1	3.08%	-6.88%	8.55%	-16.77%	7.84%	-23.08%
	Apr	4.92%		10.72%		11.00%	
	May	4.80%		6.18%		2.57%	
	Q2	-0.20%	9.74%	-0.74%	16.69%	-0.12%	13.72%
	July	5.92%		8.19%		9.73%	
	Aug	1.06%		5.23%		3.32%	
	Q3	1.87%	9.04%	3.86%	18.24%	4.29%	18.24%
	Oct	0.55%		-3.06%		-1.51%	
	Nov	5.62%		5.64%		5.41%	
	Q4	3.35%	9.76%	1.77%	4.22%	3.51%	7.46%

2010	Jan	-2.16%		-2.81%		-2.79%	
	Feb	2.36%		3.16%		3.32%	
	Q1	4.05%	4.21%	6.51%	6.79%	5.48%	5.94%
	Apr	1.64%		2.59%		3.24%	
	May	-4.66%		-8.22%		-6.88%	
	Q2	0.97%	-2.16%	-5.63%	-11.14%	-3.08%	-6.82%
	July	6.27%		6.77%		7.35%	
	Aug	-1.26%		-4.28%		-3.10%	
	Q3	5.81%	11.03%	7.76%	10.13%	7.21%	11.52%
	Oct	2.84%		3.00%		2.66%	
	Nov	-0.17%		-0.53%		-0.62%	
	Q4	3.38%	6.14%	7.89%	10.54%	5.34%	7.47%
	2011	Jan	0.61%		2.26%		0.28%
Feb		2.67%		3.69%		2.90%	
Q1		0.60%	3.92%	0.40%	6.46%	2.42%	5.69%
Apr		2.99%		2.66%		2.96%	
May		0.31%		-1.06%		0.92%	
Q2		-0.97%	2.31%	-2.05%	-0.51%	-1.29%	2.57%
July		-2.53%		-3.31%		-3.02%	
Aug		0.28%		-6.25%		-0.52%	
Q3		-1.69%	-3.91%	-7.55%	-16.20%	-4.59%	-7.95%
Oct		6.30%		11.45%		8.14%	
Nov		1.23%		-0.52%		1.52%	
Q4		4.25%	12.18%	2.02%	13.11%	2.64%	12.68%
2012		Jan	-0.57%		3.78%		0.00%
	Feb	2.52%		3.99%		3.12%	
	Q1	0.40%	2.34%	2.96%	11.12%	1.88%	5.06%

**DIVIDEND INCOME INSTITUTIONAL COMPOSITE - ANNUAL DISCLOSURE PRESENTATION**

Year End	Total Firm Assets (millions)	Composite Assets (USD) (millions)	Number of Accts	% of Non-Fee-Paying	Annual Performance Results Composite		Russell 1000 Value Index	Composite Dispersion	Composite 3-Yr St Dev	Russell 1000 Value Index 3-Yr St Dev
					Gross	Net				
2012 YTD	221	11	11	16%	2.59%	2.34%	11.12%	N.A.	9.4%	17.2%
2011	186	11	11	16%	15.68%	14.60%	.40%	1.23%	11.1%	21.0%
2010	213	9	12	14%	21.30%	20.15%	15.51%	1.37%		
2009	173	6	10	3%	23.45%	22.30%	19.69%	1.77%		
2008	141	5	9	4%	-22.01%	-22.77%	-36.85%	1.03%		
2007	188	7	10	3%	-.04%	-1.00%	-.17%	.69%		
2006	190	6	8	3%	25.89%	24.71%	22.25%	2.03%		
2005	69	4	9	4%	3.51%	2.54%	7.05%	.32%		
2004	73	7	11	3%	27.04%	25.86%	16.49%	1.68%		
2003	137	6	10	2%	43.99%	42.62%	30.03%	N.A.		

N.A. -Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year, or an incomplete calendar year.

Morgan Dempsey Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Morgan Dempsey has been independently verified for the periods June 30, 2000 through December 31, 2011.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Dividend Income Institutional composite has been examined for the periods September 30, 2002 through December 31, 2011. The verification and performance examination reports are available upon request.

Dividend Income Institutional Composite was created June 30, 2010 and contains fully discretionary Large and Mid Capitalization, US domiciled, long only equity, commission based accounts, and for comparison purposes is measured against the Russell 1000 Value Index. The minimum account size for this composite is \$100,000. Prior to January 1, 2010 the minimum account size was \$50,000. The firm maintains a complete list and description of composites, which is available upon request.

Morgan Dempsey Capital Management, LLC is an independent investment management and advisory firm registered under the Investment Advisers Act of 1940. MDCM was established in 1994. The number of portfolios in the composite is as of yearend.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Beginning January 1, 2010, composite policy requires the creation of a temporary portfolio for a client initiated significant cash flow of at least 10% of portfolio assets. The creation of such a temporary account occurs on the date in which the significant cash flow occurs and the temporary account is combined with the corresponding composite account at the month end after the cash flow is fully invested. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using MDCM's maximum Dividend Income annual management fee of 1.0%, equally applied on a monthly basis. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the Dividend Income composite is 1.0%. Actual investment advisory fees incurred by clients may vary. Past performance does not guarantee future results. A client's investment return may be lower or higher than the performance shown above. Clients may suffer an investment loss.

The information herein is for informational use only. Under no circumstances does this information represent a recommendation to buy or sell securities. Information contained herein should not be construed as a solicitation or offer of any services in a jurisdiction where Morgan Dempsey Capital Management, LLC is not registered to do business or does not qualify for an exemption or exclusion from registration requirements.

There can be no assurance that MDCM's future recommendations and account performance results will be favorable, or that losses will not occur in any client's account. The information contained herein is not a guarantee, or warranty by Morgan Dempsey Capital Management, LLC, nor its employees for any loss you may incur as result of the given information.

Unless otherwise noted, performance results discussed in company communications and advertisements are net of fees and taken from our performance composite for the time period specified. Further detailed disclosure information is contained in our Form ADV Part IIA which is available upon request.

Factors such as the size and performance of specific securities positions in accounts, the length of time certain positions are held, the timing of purchases and sales during the reporting period, client objectives, cyclical securities price trends, favorable and unfavorable news pertaining to securities, market trends and other factors all influence performance results materially. For these reasons, actual client account performance for any style would only match MDCM's total performance by coincidence. Upon request MDCM will provide a complete list of all recommendations made within the past year.

The data used for this report was obtained from sources deemed reliable and then organized by the staff at MDCM. Performance calculations were prepared using standard industry software and were not audited by any third party. Some information provided on MDCM's website or in company communications reflects opinions, and as such are not facts. These opinions are subject to change with changes in economic conditions and new information. Therefore, this information should not be used as a basis for an investment decision.

Any question regarding this information should be brought to the attention of Morgan Dempsey Capital Management, LLC.



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