Nichols Asset Management, LLC

Small Cap Growth Equities

Fall 2008

75 Federal Street
Boston, MA 02110

People ~ Process ~ Perspective

Contents

People ~ Process ~ Perspective

Firm Overview

- Registered Investment Advisor – est. 1992
  - Serving Individuals, Foundations, and Institutions
- Assets under management: $88 million
  - Small Cap Growth: $1 million
  - U.S. Equities: $64 million
  - U.S. Fixed Income: $23 million
- Expanded & reunited small cap team in 2005 & 2007

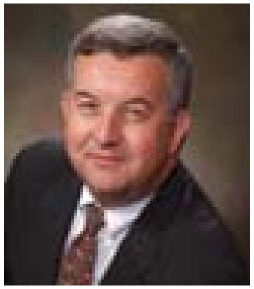
Investment Team

Patricia M. Nichols

President & Chief Compliance Officer

Charles Nichols II

Chief Investment Officer

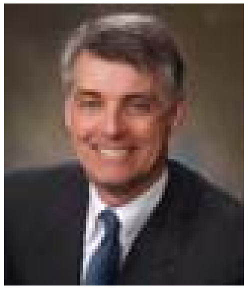


Christopher Ely, CFA

Partner, Portfolio Manager & Analyst

Roland Gillis, CFA

Partner, Portfolio Manager & Analyst



David Smith, CFA

Partner, Portfolio Manager & Analyst

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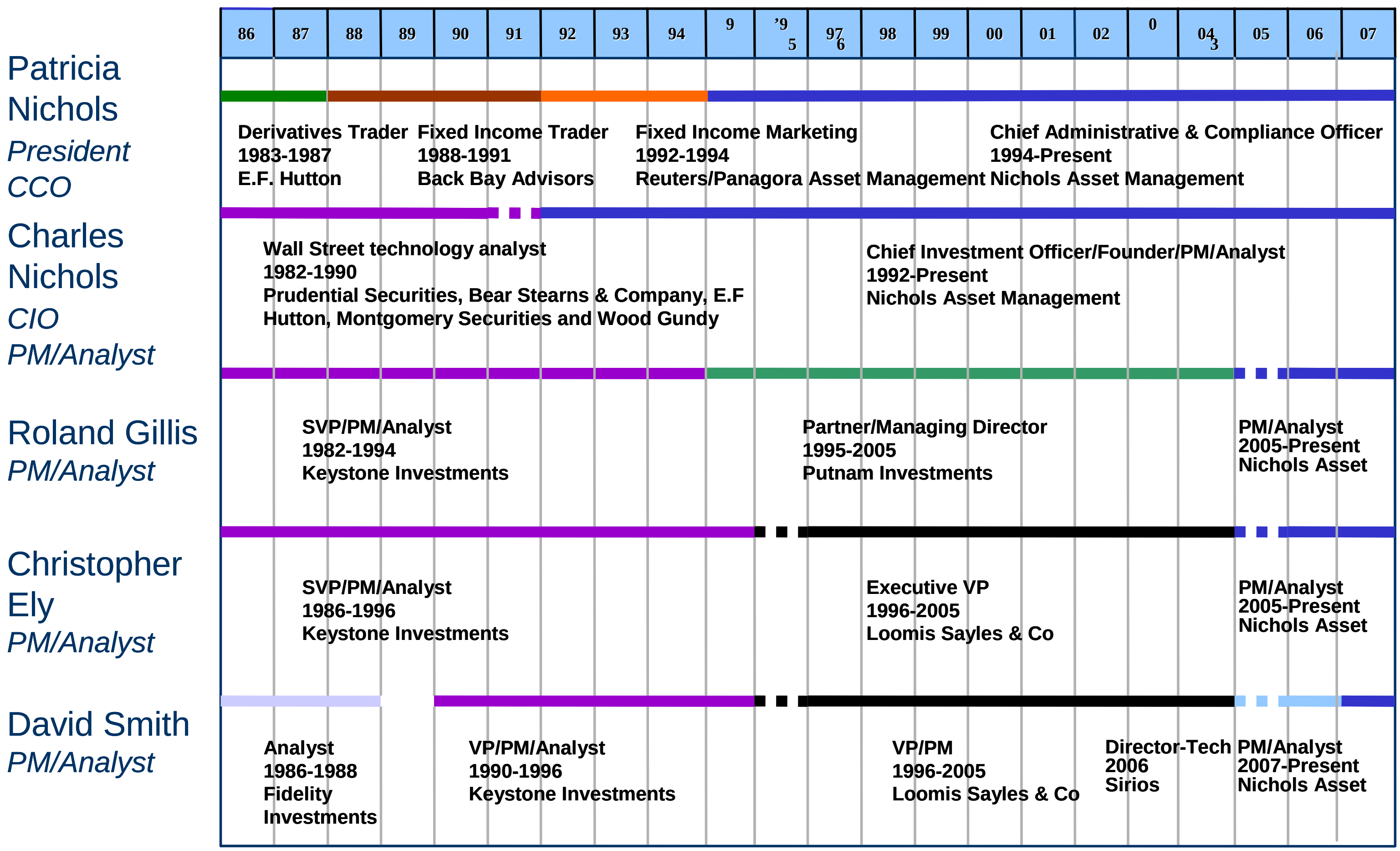
Professional Timeline



People ~ Process ~ Perspective

Small Cap Growth Overview

- Market cap range at purchase: $250 million to $2 billion
- Holdings: 40-60
- Top ten holdings: 25% - 35% of portfolio
- Portfolio construction: bottom up stock selection
- Sector exposure: variable
- Portfolio objectives:
  - Excess return: 200 bps+ above R2000G
  - Tracking error: 5-7%

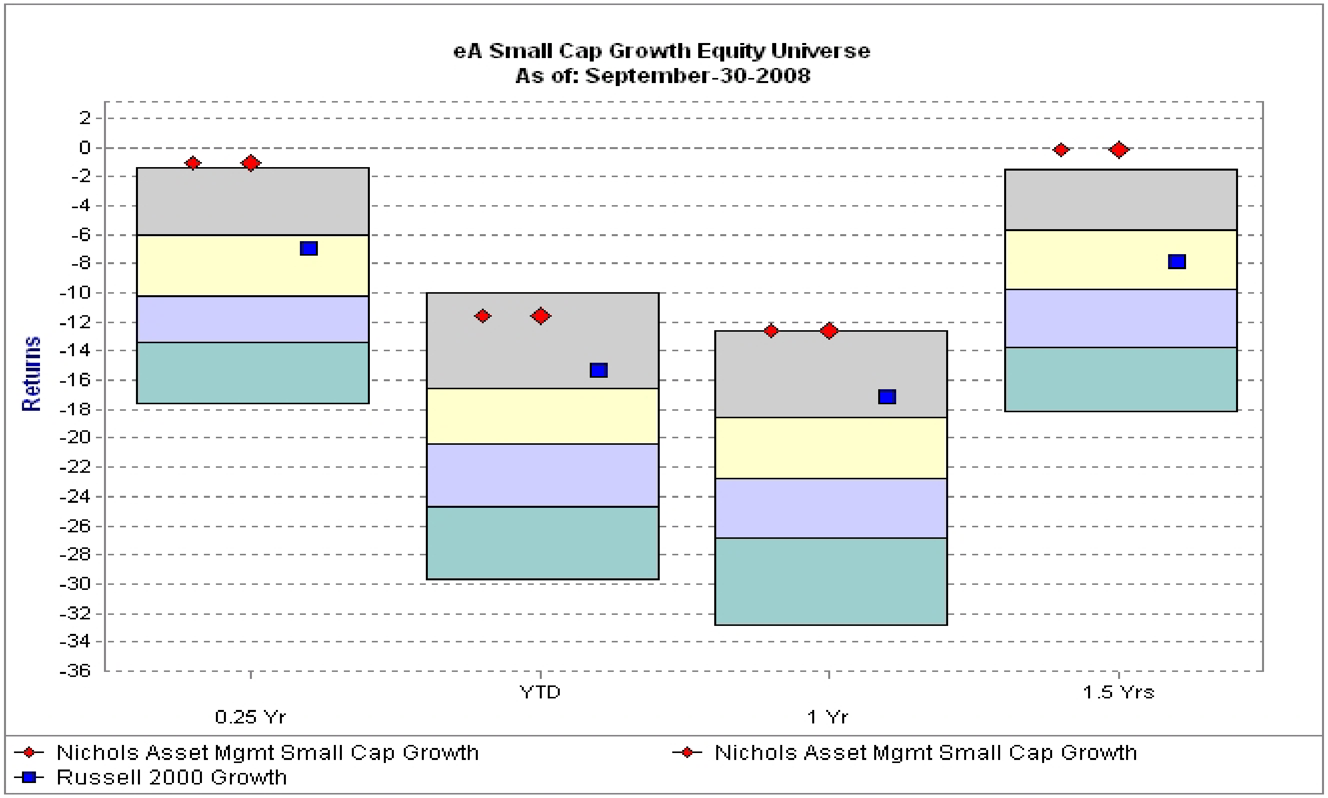
Recent Performance

	Nichols Asset Management	Russell 2000 Growth Index	Value Added	Universe Rank
Q3:2008	- 1.06%	- 6.99%	5.93%	4 of 245
Year to Date	-11.60%	-15.29%	3.69%	8 of 239
Latest 12 Months	-12.59%	-17.07%	4.48%	5 of 233
Since Inception (4/07)	- 0.19%	- 7.82%	7.63%	3 of 231

Note: The eVestment Alliance Small Cap Growth Universe referenced above includes between 231-245 self-identifying Small Cap Growth Equity managers who have reported returns for the periods in question. Returns for Nichols Asset Management displayed above are both gross and net as all management fees are currently being waived.

Source: eVestment Alliance, Nichols Asset Management. Returns annualized. See performance disclosure on pg. 29. Past performance is not indicative of future results. Information provided is supplemental only and complements the full disclosure on pg. 29.

Competitive Performance



Source: eVestment Alliance, Nichols Asset Management. Returns annualized. See performance disclosure on pg. 29. Past performance is not indicative of future results. Information provided is supplemental only and complements the full disclosure on pg. 29.

Attribution

	Returns			Attribution		
	Nichols Asset Management	Russell 2000 Growth	Value Added	Sector	Stock	Interaction
Q3:2008	-1.06%	-6.99%	5.93%	3.63%	2.96%	-0.66%
Q2:2008	0.35%	4.47%	-4.12%	-3.30%	-5.47%	4.65%
Q1:2008	-10.97%	-12.83%	1.86%	-0.69%	0.51%	1.68%
Q4:2007	-1.11%	-2.10%	0.99%	0.32%	0.50%	0.17%
Q3:2007	7.14%	0.02%	7.12%	-0.30%	5.85%	1.57%

Source: Nichols Asset Management. Attribution Statistics are actual. Returns for Nichols Asset Management displayed above are both gross and net as all management fees are currently being waived. See performance disclosure on pg. 29. Past performance is not indicative of future results. Information provided is supplemental only and complements the full disclosure on pg. 29.

Philosophy

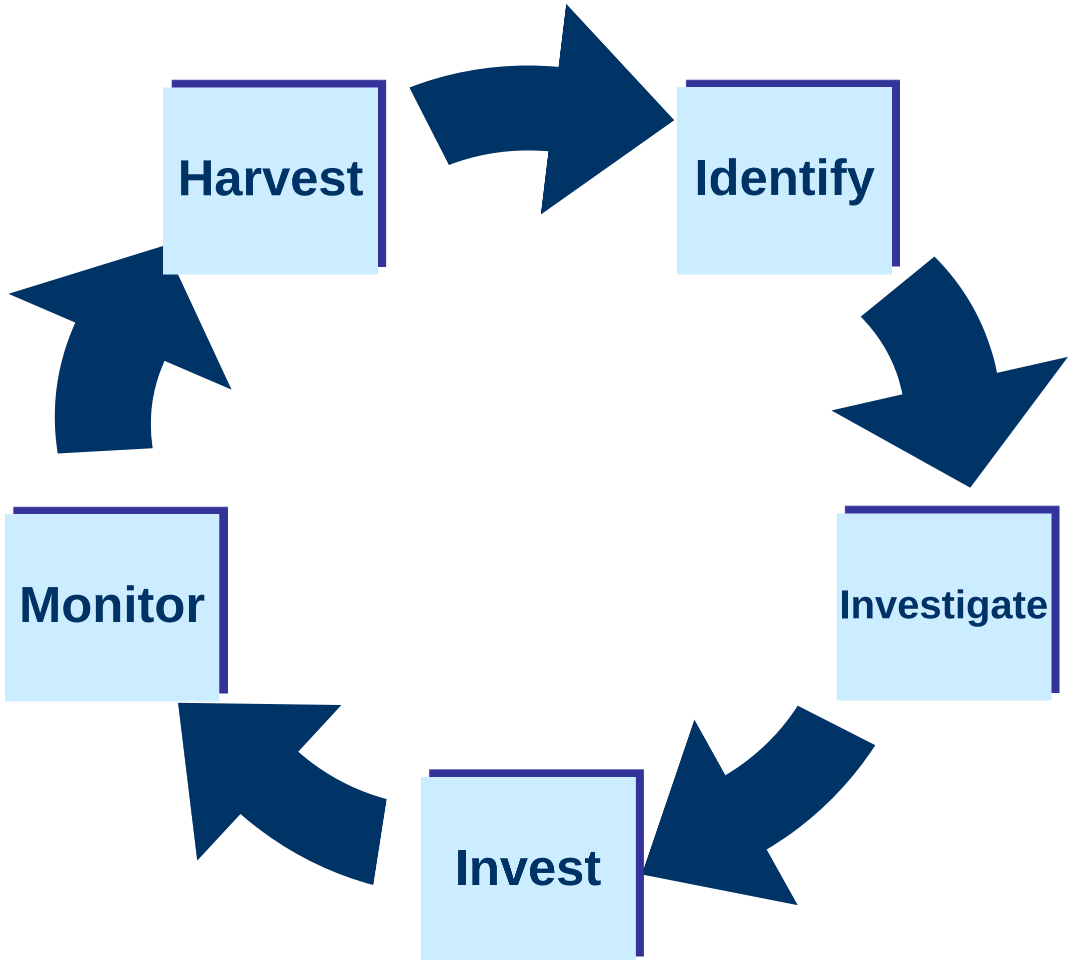
- Stock prices follow earnings growth over time
- A properly diversified portfolio of carefully selected stocks is key to building value for the long term
- The combination of quantitative tools, fundamental analysis, and experience can improve the security selection process
- Long-term performance can be enhanced by balancing exposure to Emerging, Stable, and Opportunistic growth categories over market cycles

Balancing Exposure

A balanced approach to small cap growth portfolio construction.

Category Weight:	40%	40%	20%
Market's Risk Preference	Emerging Growth	Stable Growth	Opportunistic
Higher Risk Tolerance	Expect Outperformance	Expect Inline Performance	Expect Inline Performance
Lower Risk Tolerance	Expect Underperformance	Expect Inline Performance	Expect Outperformance

Investment Process



People ~ Process ~ Perspective

Investment Process - Identify

Fundamental Hybrid Model: A formal process and framework for ongoing fundamental analysis and portfolio management.

- Over 4700 Companies
- 6 Broad Industry Sectors: 84 Sub-sectors

Technology	17
Health Care	10
Consumer	18
Industrials	13
Materials, Energy, Utilities	12
Financials	14

- Total Market Capitalization: $33 Trillion
- Total Annual Revenues: $21 Trillion

Investment Process - Identify

Fundamental Hybrid Model:

- Multi-Factor Model: 48 Factors (objective, subjective, & non-traditional metrics)
- Monthly Scoring of 6 Categories:
  - Valuation (21%): P/E, P/S, P/B, PEG & Non-traditional
  - Market (23%) : Beta, 50/200 Day MA, Sector Relative Strength
  - Growth (14%): Rev & EPS Trends & Revisions
  - Profitability (14%): Absolute/Relative/Trends
  - Capital Structure (10%): ROA, ROE, Debt/Equity, Cash
  - Subjective (18%): Industry, Sector, Management

Investment Process - Identify

Fundamental Hybrid Model:

- Updated monthly, applied real-time
- Model Output
  - High/Improving Scores = Targets of Opportunity
  - Low/Failing Scores = Areas of Risk
- Review portfolio holdings & consensus rankings
- Identify new candidates from:
  - Prior holdings
  - Previous candidate pool
  - New candidates from current model results
- Review specific factors affecting candidate scores

Investment Process - Identify

Model Output – June 30, 2008 Portfolio

[illegible]	TIC	Current SCORE	Prior SCORE	Mkt Cap ($Mil)	Rev ($Mil)	Growth TTM yr/yr	Recent Price	30 Day Avg	Variance 30 Day	FCFY1 EPS est	FCFY2 EPS est	FY1 P/E	FY2 P/E	(TTM) P/S	FY0 P/B	Wall St Opinion	RANK SUM	YTYRG (Q1 8.0)
CHATTEM INC	CHTT	0.5	1.0	$1,247.5	$443.3	39.7%	$65.05	$64.60	0.7%	$3.94	$4.52	16.5	14.4	2.8	5.7	.9	225	19.8%
CLEAN HARBORS INC	CLHB	0.5	0.5	$1,657.7	$984.4	15.8%	$71.06	$69.22	2.7%	$2.59	$3.08	27.4	23.1	1.5	6.9	1.8	262	18.3%
BRUKER CORP	BRKR	1.0	2.0	$2,099.1	$675.5	23.2%	$12.85	$12.17	5.6%	$0.51	$0.70	25.2	18.4	3.1	7.2	1.3	194	14.9%
CALGON CARBON CORP	CCC	1.0	0.5	$632.5	$358.4	11.1%	$15.46	$17.07	-9.4%	$0.43	$0.56	36.0	27.6	1.7	3.3	1.4	103	8.8%
COMTECH TELECOMMUN	CMTL	1.0	0.5	$1,188.3	$523.0	22.2%	$49.00	$44.85	9.3%	$2.62	$2.88	18.7	17.0	2.3	2.8	.5	243	15.6%
CUBIST PHARMACEUTICAL	CBST	1.0	1.0	$1,007.1	$323.4	51.0%	$17.86	$18.63	-4.1%	$0.99	$1.56	18.0	11.4	3.1	9.3	1.2	147	48.4%
DIODES INC	DIOD	1.0	1.0	$1,121.7	$404.7	11.9%	$27.64	$27.94	-1.1%	$1.53	$1.88	18.1	14.7	2.8	2.9	.0	238	1.9%
EXPONENT INC	EXPO	1.0	1.0	$462.9	$212.5	21.2%	$31.41	$32.73	-4.0%	$1.39	$1.54	22.6	20.4	2.2	3.2	1.0	203	15.1%
PHASE FORWARD INC	PFWD	1.0	1.5	$768.8	$142.2	25.8%	$17.97	$17.61	2.0%	$0.49	$0.63	36.7	28.5	5.4	3.5	.9	204	26.4%
POWELL INDUSTRIES INC	POWL	1.0	1.0	$569.9	$607.0	64.6%	$50.41	$49.08	2.7%	$2.07	$2.88	24.4	17.5	0.9	3.0	1.8	239	13.0%
POWER INTEGRATIONS INC	POWI	1.0	1.0	$960.9	$197.6	16.9%	$31.61	$32.59	-3.0%	$1.53	$1.84	20.7	17.2	4.8	3.2	1.1	224	14.4%
SPSS INC	SPSS	1.0	1.0	$649.1	$299.1	11.0%	$36.37	$39.24	-7.3%	$2.00	$2.23	18.2	16.3	2.2	3.3	1.2	179	11.5%
TEAM INC	TISI	1.0	1.0	$633.5	$430.8	44.4%	$34.32	$31.19	10.1%	$1.17	$1.50	29.3	22.9	1.5	6.0	.2	243	48.5%
VOLTERRA SEMICONDUCTO	VLTR	1.0	1.0	$437.5	$80.1	4.8%	$17.26	$16.10	7.2%	$0.71	$0.88	24.3	19.6	5.0	6.2	1.6	289	3.1%
WEBSENSE INC	WBSN	1.0	1.5	$760.0	$254.1	36.2%	$16.84	$18.36	-8.3%	$1.23	$1.38	13.7	12.2	3.0	4.0	1.5	170	34.6%
WMS INDUSTRIES INC	WMS	1.0	0.5	$1,513.7	$622.5	23.4%	$29.77	$35.65	-16.5%	$1.13	$1.43	26.3	20.8	2.4	3.0	1.3	109	26.5%
WORLD WRESTLING ENTMT	WWE	1.0	1.5	$378.4	$340.9	165.6%	$15.47	$16.46	-6.0%	$0.79	$0.93	19.6	16.6	2.1	2.9	1.3	194	51.4%
AMEDISYS INC	AMED	1.5	1.5	$1,335.9	$757.4	33.5%	$50.42	$50.66	-0.5%	$2.75	$3.36	18.3	15.0	1.8	2.8	1.0	240	31.7%
ANALOGIC CORP	ALOG	1.5	1.0	$845.2	$389.3	17.4%	$63.07	$64.89	-2.8%	$2.18	$2.84	28.9	22.2	2.2	2.0	1.0	177	21.5%
BRISTOW GROUP INC	BRS	1.5	1.5	$1,395.1	$1,012.8	20.1%	$49.49	$52.20	-5.2%	$3.51	$3.93	14.1	12.6	1.2	1.6	1.3	87	20.1%
KAYDON CORP	KDN	1.5	1.0	$1,422.8	$467.8	14.3%	$51.41	$55.07	-6.6%	$2.60	$3.14	19.8	16.4	3.0	2.9	.8	166	15.3%
MASIMO CORP	MASI	1.5	1.0	$1,922.6	$268.4	14.7%	$34.35	$32.41	6.0%	$0.57	$0.71	60.3	48.4	7.1	11.4	1.0	215	20.6%
NETSCOUT SYSTEMS INC	NTCT	1.5	1.0	$417.4	$169.0	64.9%	$10.68	$11.58	-7.8%	$0.54	$0.68	19.8	15.7	2.4	2.1	.6	149	111.2%
OPTIONSXPRESS HOLDINGS	OXPS	1.5	2.0	$1,343.5	$259.3	30.8%	$22.34	$22.48	-0.6%	$1.62	$1.88	13.8	11.9	5.2	5.6	1.7	206	9.3%
SPARTAN STORES INC	SPTN	1.5	1.5	$503.2	$2,476.8	12.3%	$23.00	$22.29	3.2%	$1.66	$1.85	13.9	12.4	0.2	2.4	1.0	246	9.7%
SYBASE INC	SY	1.5	1.0	$2,332.3	$1,055.6	15.9%	$29.42	$30.74	-4.3%	$1.97	$2.19	14.9	13.4	2.5	2.6	2.1	216	13.1%
SYNAPTICS INC	SYNA	1.5	0.5	$855.1	$335.8	40.4%	$37.73	$39.69	-4.9%	$1.92	$2.34	19.7	16.1	2.6	6.3	1.0	194	21.6%
ULTIMATE SOFTWARE GRO	ULTI	1.5	1.0	$876.6	$158.4	25.0%	$35.63	$36.20	-1.6%	$0.65	$0.95	54.8	37.5	5.5	15.2	1.3	239	19.0%
VNUS MEDICAL TECHNOLO	VNUS	1.5	1.5	$316.6	$74.1	37.3%	$20.01	$18.03	11.0%	$0.95	$0.89	21.1	22.5	4.3	4.3	.8	259	20.6%
ACTEL CORP	ACTL	2.0	2.0	$426.0	$203.2	4.8%	$16.85	$17.20	-2.0%	$0.32	$0.60	52.7	28.1	2.1	1.6	1.0	251	11.7%
ALLSCRIPTS HEALTHCARE	MDRX	2.0	2.0	$710.2	$289.0	15.2%	$12.41	$12.34	0.6%	$0.55	$0.76	22.6	16.3	2.4	2.1	1.3	183	10.9%
ANALOGIC CORP	ALOG	2.0	1.0	$845.2	$389.3	17.4%	$63.07	$64.89	-2.8%	$2.18	$2.84	28.9	22.2	2.2	2.0	1.0	165	21.5%
BIO REFERENCE LABS	BRLI	2.0	1.5	$307.5	$277.8	27.6%	$22.31	$24.31	-8.2%	$1.12	$1.32	19.9	16.9	1.1	3.4	.8	99	21.3%
ESTERLINE TECHNOLOGIES	ESL	2.0	0.5	$1,453.3	$1,443.4	32.6%	$49.26	$55.27	-10.9%	$3.60	$3.94	13.7	12.5	1.0	1.3	2.1	123	19.7%
MWI VETERINARY SUPPLY	MWIV	2.0	2.5	$399.0	$723.3	16.8%	$33.11	$36.05	-8.2%	$1.63	$1.90	20.3	17.4	0.5	2.4	.5	115	1.4%
PHOENIX TECHNOLOGIES LT	PTEC	2.0	3.0	$302.6	$62.7	66.8%	$11.00	$11.16	-1.4%	($0.13)	$0.06	(84.6)	183.3	4.8	4.4	1.5	162	83.5%
SMART BALANCE INC	SMBL	2.0	2.5	$451.6	$161.8	#DIV/0!	$7.21	$8.05	-10.5%	$0.04	$0.22	180.3	32.8	2.8	1.1	1.0	125	0.0%
LAZARD LTD	LAZ	2.5	2.5	$1,767.1	$2,001.2	23.2%	$34.15	$36.89	-7.4%	$2.00	$3.03	17.1	11.3	0.8	43.9	.8	168	-11.4%
NETEZZA CORP	NZ	2.5	2.0	$674.8	$140.9	51.6%	$11.55	$11.57	-0.2%	$0.15	$0.26	77.0	44.4	4.7	4.9	1.8	158	56.2%
ENTERCOM COMMUNICATI	ETM	3.0	2.5	$221.4	$463.9	3.3%	$7.02	$9.43	-25.6%	$1.31	$1.25	5.4	5.6	0.6	0.4	1.1	40	-4.5%

People ~ Process ~ Perspective

Investment Process - Investigate

Fundamental Analysis

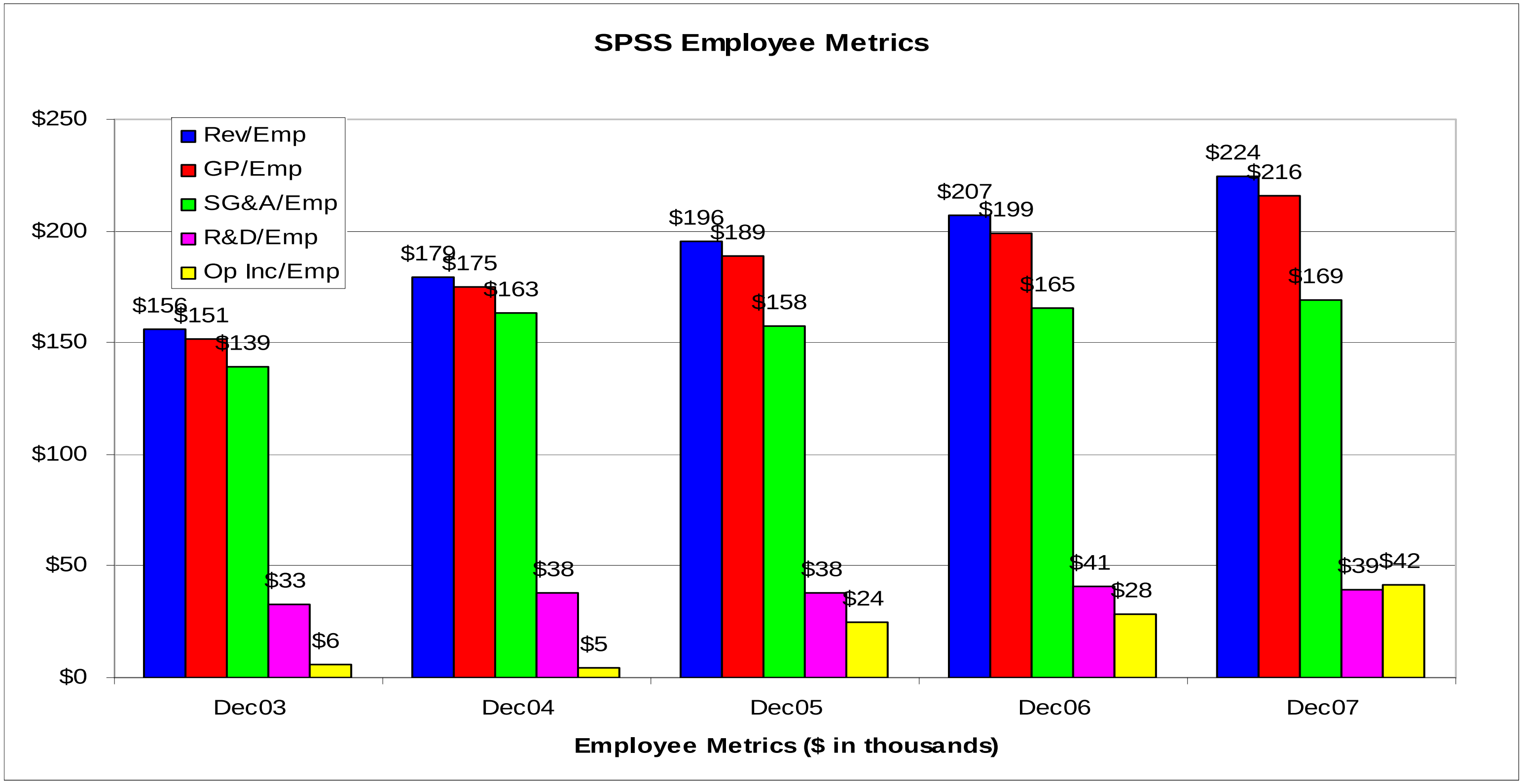
- Earnings models
- Management contact and evaluation
- Industry and competitive analysis
- Review of external research

Technical Analysis

- STANDARD & POOR'S Research Insight – Leveraging technology to improve productivity: Time Series Graphical Analysis & Review enhances efficiency and productivity

Investment Process - Investigate

Employee Metrics



People ~ Process ~ Perspective

Investment Process - Invest

Small cap growth category characteristics:

Characteristic	Emerging Growth	Stable Growth	Opportunistic
Revenue Growth:	>15%/yr	8-15%/yr	Variable
Margins:	Expanding rapidly	Stable to rising slowly	Recovery potential
Earnings Growth:	>20%/yr	10-20%/yr	Variable
Cash Flow:	Using cash	Generating cash	Generating cash
Balance Sheet:	Unlevered	Some leverage	Catalyst for improvement
Valuation:	> Market	=> Market	< Market

Investment Process - Invest

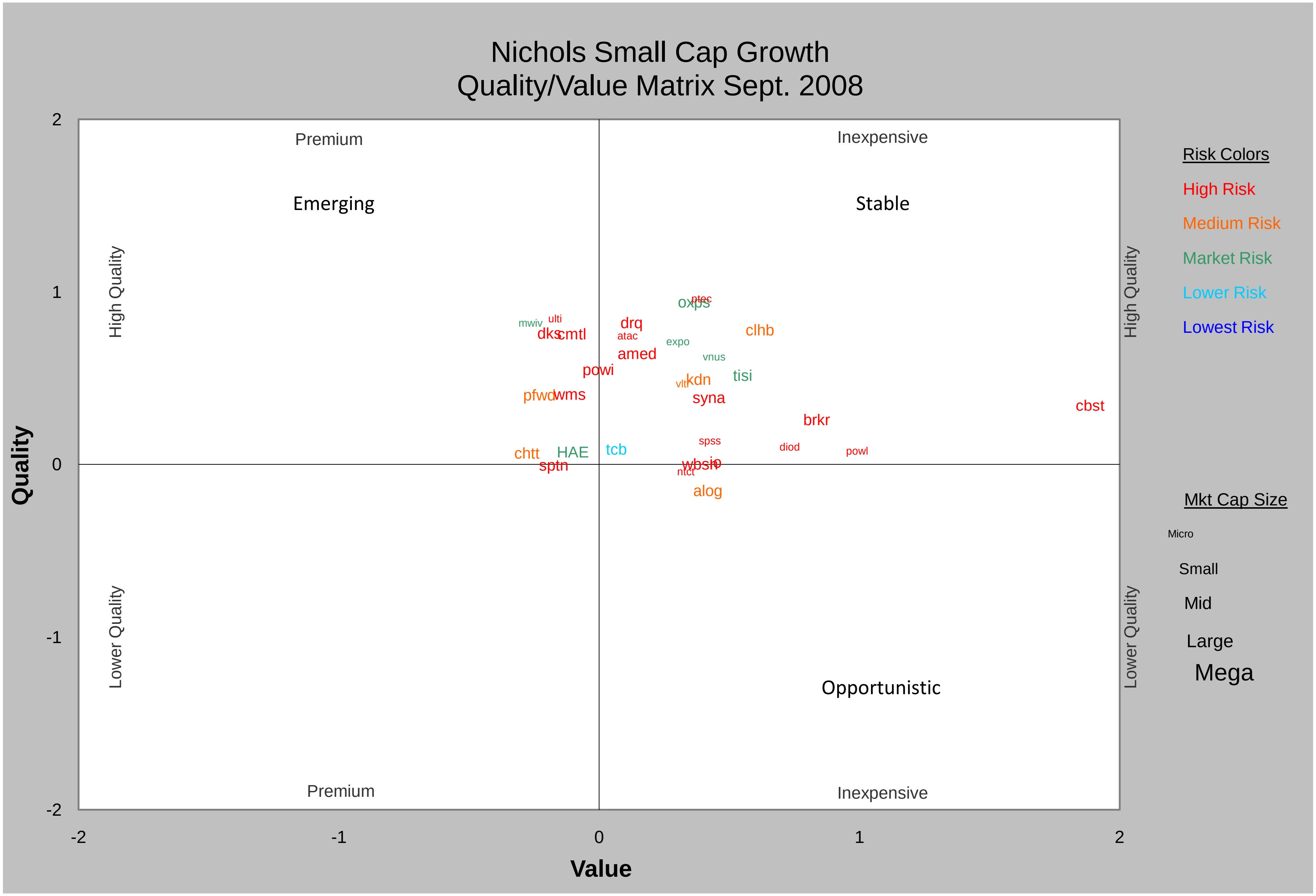
Judgment Overlay

- 100+ years of combined investment experience
- Spanning four decades of market cycles
  - Researched and analyzed every major industry segment
  - Visited thousands of companies
  - Watched companies succeed, fail, and evolve
  - Observed and evaluated management teams

Investment Process - Invest

Portfolio Construction

- Team managed
  - stock selection, sector exposure and growth style
- Consensus decision making process
- 40 - 60 stock portfolio
- Initial Position size 2%, Maximum Position size 5%
- Targeted Turnover: +/- 100%
- Targeted Time Horizon: 12-18 months



Portfolio IQ Data: 03Nov08
Data Not Available for:
NZ, VOCS, MASI, BABY, APEI, SMBL, TNDM

Nichols Asset Management, LLC

Nichols Small Cap Sept 08 - 30/09/2008
Reported in US Dollars.

Investment Process - Monitor

Sector Weighting

Sector	Nichols	Russell 2000 Growth	Guideline (relative to benchmark)	Over/Under
Energy	3.70%	8.90%	0.0-3X	-5.20%
Materials	0.00%	3.20%	0.0-3X	-3.20%
Industrials	11.20%	18.30%	0.5-2X	-7.10%
Consumer Discretionary	10.20%	12.60%	0.5-2X	-2.11%
Consumer Staples	8.30%	2.80%	0.0-4X	5.50%
Health Care	27.90%	24.80%	0.5-2X	3.10%
Financials	5.20%	5.20%	0.0-2X	0.00%
Information Technology	27.50%	21.80%	0.5-2X	5.70%
Telecom Services	0.00%	1.20%	0.0-3X	-1.20%
Utilities	0.00%	0.80%	0.0-5X	-0.80%
Cash	5.90%			

Source: Russell Investments, Nichols Asset Management. Sector weightings are subject to change. References to specific sectors are for informational purposes only and do not represent recommendations. See performance disclosure on pg. 29. Past performance is not indicative of future results. Information provided is supplemental only and complements the full disclosure on pg. 29. Columns may not sum to 100% due to rounding.

Investment Process - Monitor

Portfolio Characteristics
September 30, 2008

Number of Holdings	40
P/E	18.7x
Est. LT Growth	19.0%
P/B	3.60x
Weighted Avg. Market Cap	$893 million
Median Market Cap	$671 million
ROE	15.7%
Dividend Yield (portfolio)	0.44%

Source: Standard & Poors, First Call, via Nichols Asset Management. Averages are medians unless otherwise noted. See performance disclosure on pg. 29. Past performance is not indicative of future results. Information provided is supplemental only and complements the full disclosure on pg. 29.

Investment Process - Monitor

Top Ten Holdings

Company	**Weight**	**Sector**	**E/S/O**
Chattem Inc.	**3.37%**	Cons. Staple	**E**
Masimo Corp.	**2.98%**	Healthcare	**E**
Comtech Telecom	**2.96%**	Info Tech	**E**
MWI Veterinary	**2.96%**	Healthcare	**E**
Websense	**2.91%**	Info Tech	**O**
WMS Industries	**2.91%**	Cons. Discr.	**S**
TCF Financial	**2.89%**	Financial	**O**
Ultimate Software	**2.84%**	Info Tech	**E**
Phase Forward	**2.83%**	Healthcare	**E**
Bio Reference Labs	**2.75%**	Healthcare	**S**
Total	**29.42%**		

As of 9/30/08 E: Emerging, S: Stable, O: Opportunistic

Source: Nichols Asset Management. See performance disclosure on pg. 29. Information provided is supplemental only and complements the full disclosure on pg. 29.

Investment Process - Harvest

- Fundamental hybrid model rank erosion
- Fundamental concerns:
  - Income statement/balance sheet metrics deteriorate
  - Unexpected management changes
  - Changes to competitive environment
  - Macro factors affecting individual companies
- Excessive valuation
- Absolute and relative time series
- Stop loss (normal market conditions)
  - Decline of more than 20% below cost triggers:
    - Formal review (fundamentals, valuation, technical, etc.)
    - Decision to add to position or eliminate after review

Summary

- Experienced professionals who have managed small cap portfolios over multiple market cycles
- Unique proprietary fundamental hybrid model featuring custom metrics/non-traditional factors
- In-depth fundamental company analysis
- Balanced portfolio across emerging, stable, and opportunistic growth stocks
- Focused team in an entrepreneurial firm
- Available capacity in a constrained asset class

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Disclosure

- This presentation has been prepared solely to describe the investment approach utilized by Nichols Asset Management, LLC for small cap growth portfolios. As of September 30, 2008, accounts totaling approximately $1 million are managed by Nichols Asset Management, LLC in the style described by this presentation.
- Presentation materials do not purport to contain all of the information relevant to evaluating the capabilities of Nichols Asset Management, LLC.
- An investment in small cap growth stocks can involve significant risk due to market fluctuations, portfolio allocations, individual stock selection and/or other factors and may not be appropriate for all investors.
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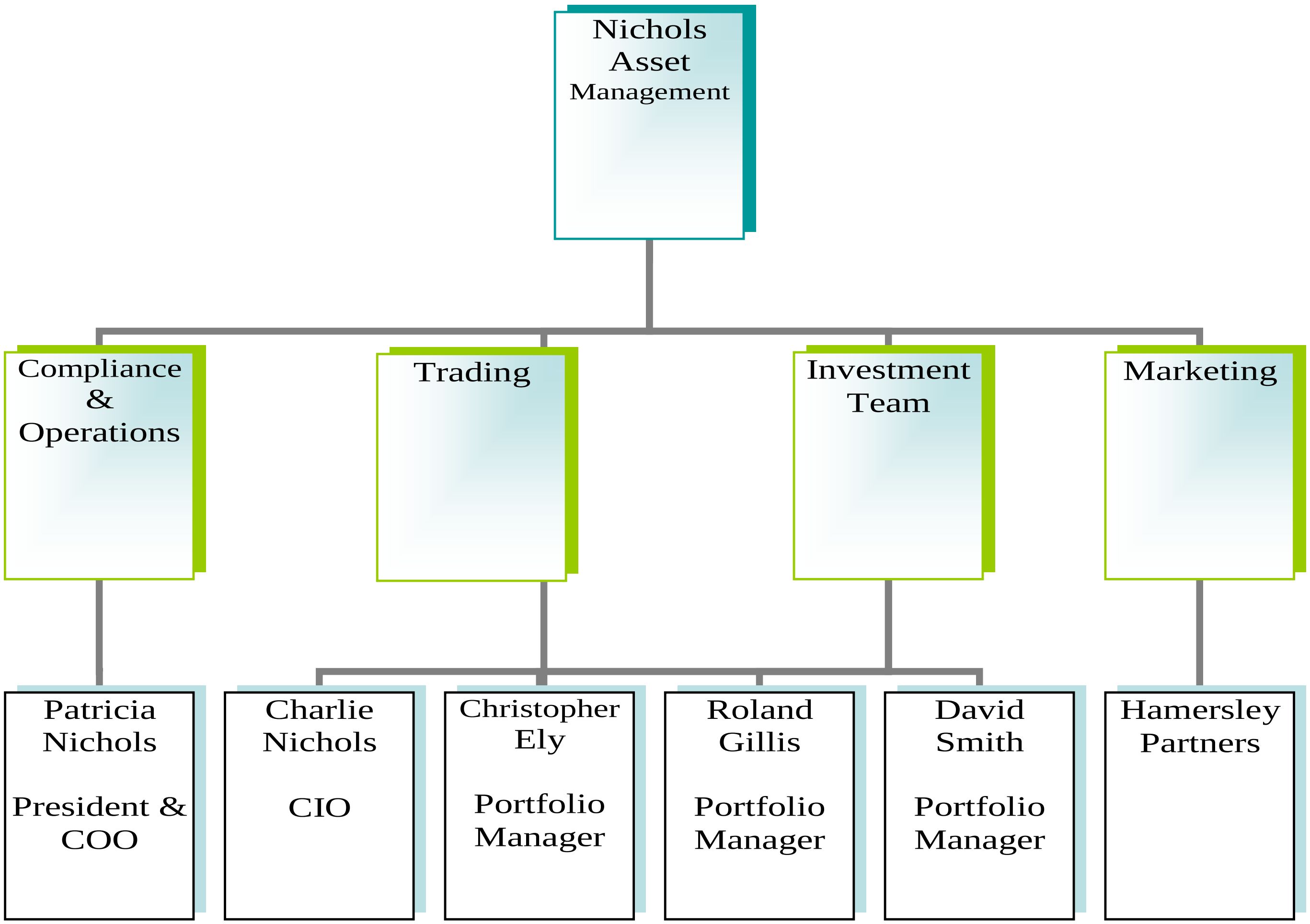
Appendix

Included:

- Organizational Chart
- Biographies
- Additional Investment Process Examples
- Holdings as of September 30, 2008
- Stock Stories

Organization Chart



People ~ Process ~ Perspective

Biographies

Patricia M. Nichols: President & Chief Compliance Officer

Patricia M. Nichols has over 22 years experience in various aspects of the money management field. Currently Ms. Nichols co-manages Nichols Asset Management's diversified portfolios. Prior to joining Nichols in 1994, Ms. Nichols was a fixed income investment and marketing manager at PanAgora Asset Management. Since 1983, she has managed institutional money ranging from money markets and derivatives to mortgages, corporate, and treasury bonds as well as equity futures. At Back Bay Advisors from 1988-1990, she consistently outperformed her benchmark. At E.F. Hutton Asset Management from 1983-1987, she shared responsibility for redirecting the hedging strategy to profitability. In addition, she successfully expanded the reverse repo and bonds borrowed portfolio to $2.2 billion; accounting for 12% of the daily portfolio income which helped boost the $6.6 billion fund to the top of the Lipper Large Government fund rankings. Ms. Nichols also authored the quarterly economic commentaries on the outlook and activity of the E.F. Hutton fixed income, municipal, short-term, and equity portfolios. Ms. Nichols has extensive experience in the area of portfolio analytics and derivative products. Ms. Nichols has series 7, 3, and 63 registrations with the NASD. Ms. Nichols received her B.A. in Economics in 1979 from the University of Denver.

Charles Nichols II: Chief Investment Officer

Charles Nichols has over 25 years experience in the investment business and technology fields. In early 1992, Mr. Nichols founded Nichols Asset Management. From 1982-1990, Mr. Nichols was a Wall Street telecommunications and technology analyst. In 1988-1989, Mr. Nichols was Vice President and telecommunications analyst at Prudential Securities and a Vice President and equity analyst at Bear Stearns & Company, responsible for research of the long distance, telecommunications equipment, and networking industries. From 1983 through 1987, Mr. Nichols was First Vice President and equity analyst at E.F. Hutton, responsible for coverage of the telecommunications equipment, networking, and long distance services industries. Mr. Nichols has also worked for Montgomery Securities and Wood Gundy as an analyst. Mr. Nichols has been involved in venture capital and investment banking activities during his career. As a Wall Street analyst, Mr. Nichols was frequently quoted in the Wall Street Journal, Business Week, Fortune, and numerous trade publications and appeared on CBS, NBC, CNN, and FNN, providing industry commentary. Mr. Nichols was a member of the prestigious *Institutional Investor* magazine "All Star" research team. From 1979-1981, he was a systems engineer at AT&T and StorageTek. He is a director of Ektron Inc., an Internet infrastructure software company he helped fund. Mr. Nichols received a B.S. in Economics & Finance from the University of Denver in 1978.

Christopher R. Ely, CFA: Partner, Portfolio Manager & Analyst

Chris Ely has more than 25 years of investment experience as an analyst and portfolio manager. Most recently, he served as Executive Vice President of Loomis Sayles & Co., LP, and a member of its Board of Directors. Mr. Ely led the Specialty Growth team managing portfolios of small and mid-sized growth companies for institutions, mutual funds and high net worth clients. Mr. Ely and his team grew this business from its inception in July 1996 to a peak of over $3 billion of assets under management. Prior to Loomis Sayles, Mr. Ely was a portfolio manager and analyst at Keystone Investments (Evergreen) where in his last position he was lead portfolio manager of the firm's small cap growth fund, S-4, and separately managed accounts utilizing the same investment style. He has appeared on CNBC and is an occasional guest on Bloomberg Radio's "On The Money". Mr. Ely began his investment career at Sun Life of Canada and continued in his analyst role at Fleet National Bank prior to joining Keystone in 1986. Mr. Ely earned his B.A. in Mathematical Economics from Brown University in 1978 and his MBA from Babson College in 1984. He holds a CFA and is a member of the Boston Security Analysts Society.

Roland W. Gillis, CFA: Partner, Portfolio Manager & Analyst

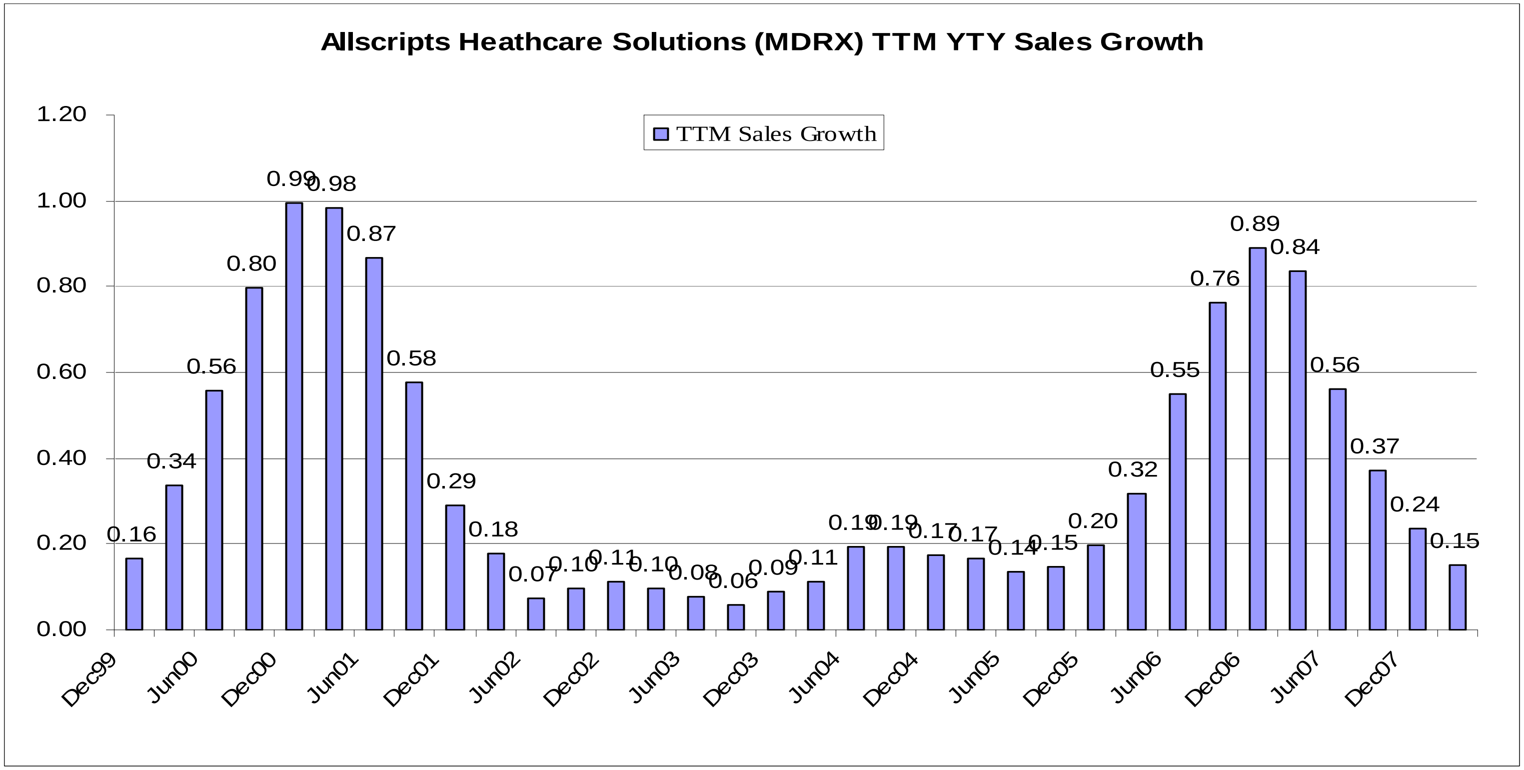
Roland Gillis has 30 years of investment experience, most recently as a Partner of Putnam Investments where he was Managing Director and Director of their Specialty Growth Equity team. Mr. Gillis was the lead Portfolio Manager on the Putnam Voyager Fund from 1995-2000. He was responsible for investments in high-quality, rapidly growing small- and mid-cap companies. Mr. Gillis was the Portfolio Leader of the Discovery Growth Fund and a Portfolio Member on the Small Cap Growth Fund. Additionally, he managed Putnam Information Sciences Trust, an offshore small cap technology fund, since 1996. Prior to joining Putnam in 1995, Mr. Gillis was a Vice President, Portfolio Manager, and analyst with the Keystone Investments (Evergreen) from 1982-1994. From 1980-1982 Gillis was an analyst with Loomis Sayles & Company. Between 1978-1980 Mr. Gillis was an analyst at American Mutual Insurance. Mr. Gillis started his career as a trust officer at South Shore Bank & Trust Co. in 1975. Mr. Gillis received his MBA from Thunderbird, The Garvin School of International Business, and his B.A. from Northeastern University. Mr. Gillis has a CFA and Series 7, 65 and 63 registrations with the NASD.

David L. Smith, CFA: Partner, Portfolio Manager & Analyst

Dave Smith has more than 23 years experience as a securities analyst and portfolio manager. He comes to NAM from Sirios Capital Management, LP where he was Director, Technology Sector. Prior to joining Sirios, Smith served for nine years as a Vice President and Portfolio Manager on the Specialty Growth team at Loomis Sayles & Co., LP. There, he was instrumental in helping to build Loomis Sayles' specialty growth group to a peak of $3 billion in assets under management. From 1990 through 1996, Smith was a Vice President, Portfolio Manager and analyst at Keystone Investments (Evergreen) working on the small cap growth team and its flagship Keystone S-4 Fund. Before Keystone, Smith was an analyst at Fidelity Investments from 1986 to 1988, focusing on the savings and loan industry and assisting on Fidelity's thrift sector fund. Smith started his career at Boston Safe Deposit and Trust Company as a trust services specialist in 1983. Smith earned an MBA from the Johnson School at Cornell University in 1990, a B.A. in Political Science (honors) from the University of Massachusetts/Amherst in 1982 and holds a CFA.

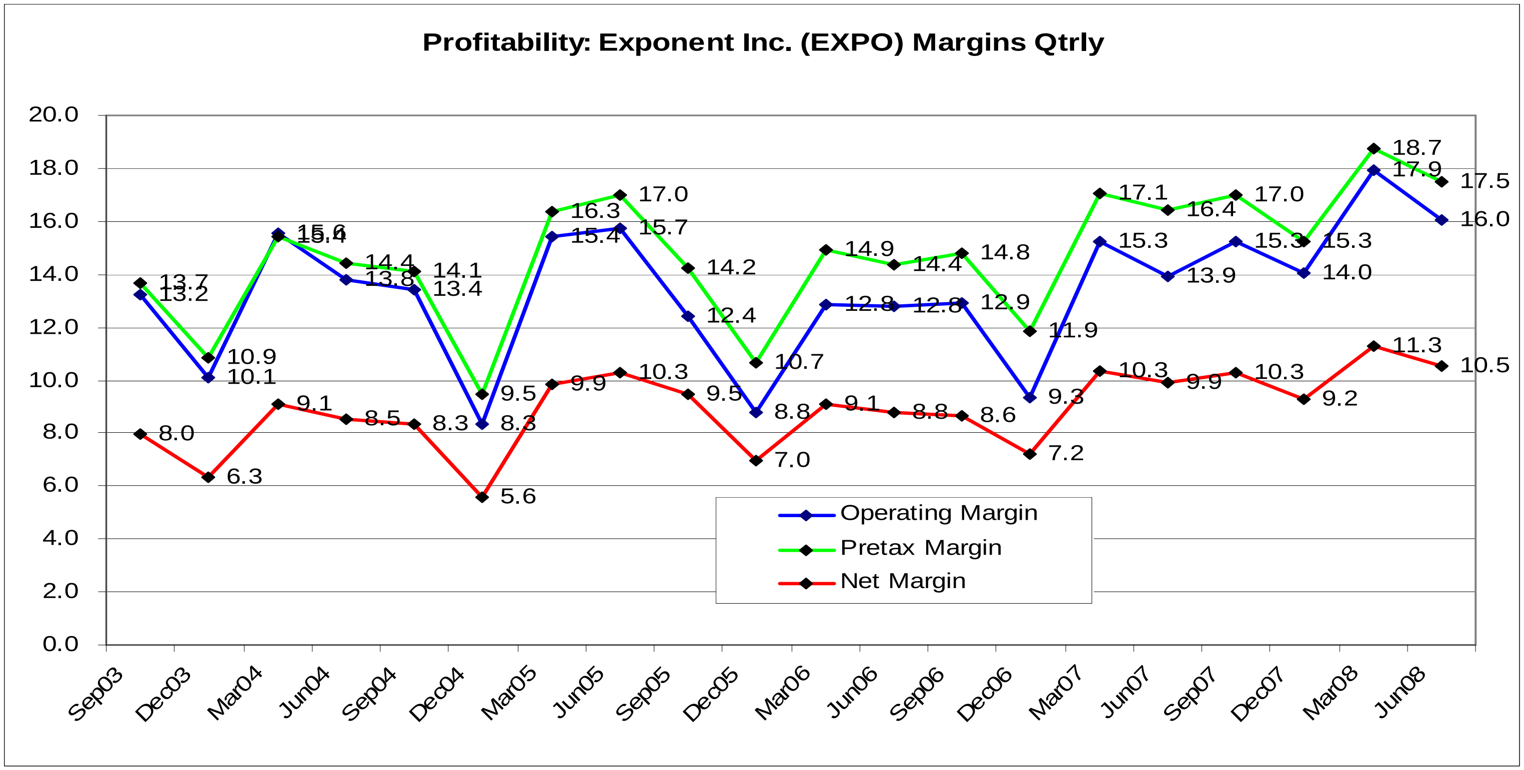
Investment Process - Investigate

Quarterly Sales Growth Rates



Investment Process - Investigate

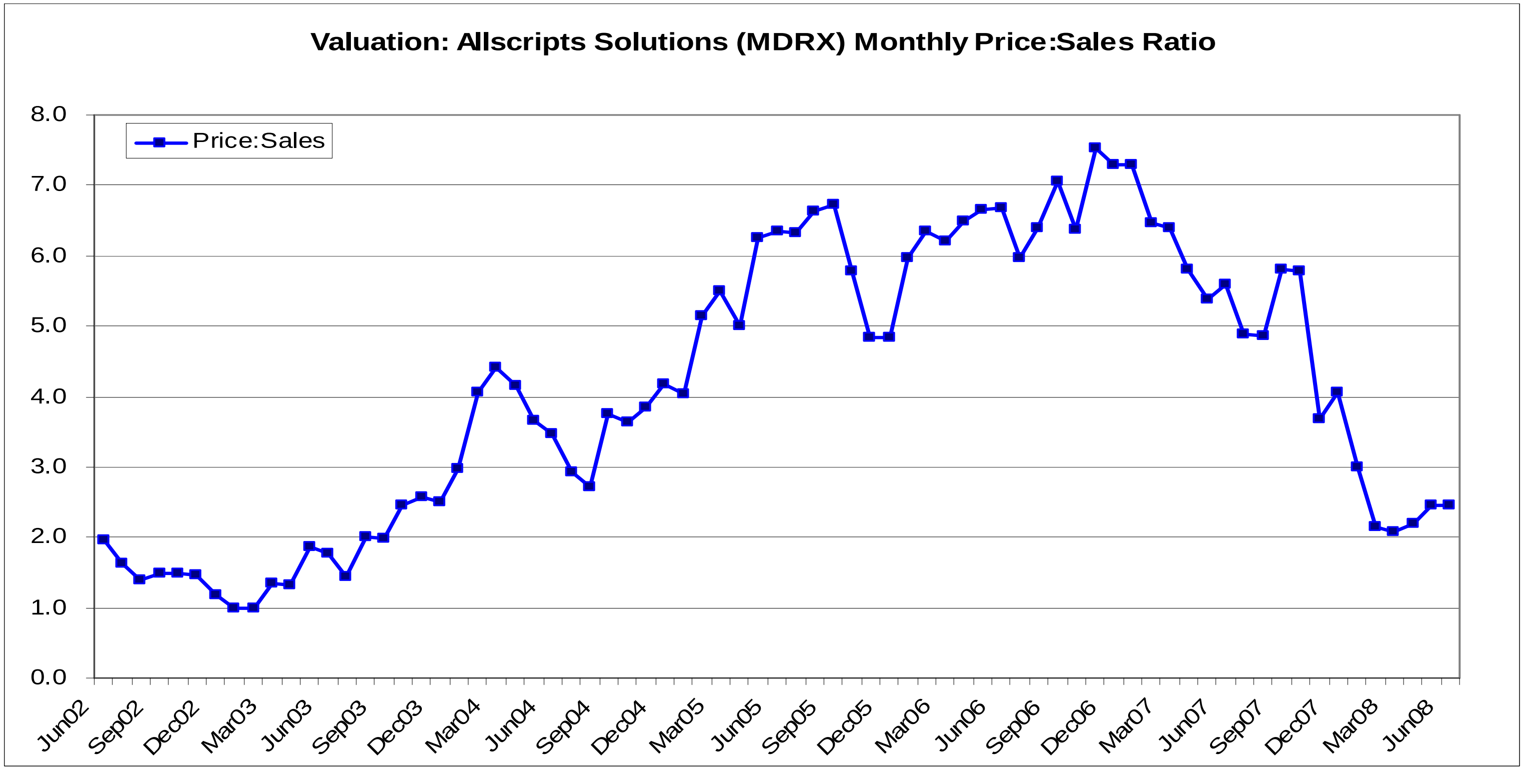
Quarterly Profitability



People ~ Process ~ Perspective

Investment Process - Investigate

Valuation - Price:Sales Ratio



Holdings

Energy	Financials	Healthcare	Technology
Dril-Quip	Options Express	Amedisys	Comtech Telecommunications
ION Geophysical	TCF Financial	Analogic	Diodes
		Bio Reference Labs	Netezza
Industrials	**Consumer Discretionary**	Bruker Biosciences	Netscout Systems
Clean Harbors	ATC Technology	Cubist Pharmaceuticals	Neutral Tandem
Exponent	American Public Education	Haemonetics	Phoenix Technologies
Kaydon	Dicks Sporting Goods	MWI Veterinary Supply	Power Integrations
Powell Industries	WMS Industries	Masimo	SPSS
TEAM		Natus Medical	Synaptics
	Consumer Staples	Phase Forward	Ultimate Software
	Chattem	VNUS Medical Technologies	Vocus
	Smart Balance		Volterra
	Spartan Stores		Websense

Source: Nichols Asset Management. See performance disclosure on pg. 29. Information provided is supplemental only and complements the full disclosure on pg. 29.

Stock Story

Company:	Ultimate Software (ULTI)
Purchase Date:	July 2007
Purchase Price:	$30.00/share
Purchase Category:	Emerging
Company Description:	Develops, markets and supports payroll and HR software. Primarily focused on mid-sized companies with a minimum of 100 employees. Ultimate has more than1500 customers representing over three million employees.
Reasons For Purchase:	Company is taking market share from two large competitors through pricing initiatives and providing better value proposition to their customers. Large and stable market should enable the company to grow earnings at 25% rate over the next 3-5 years.

Stock Story

Company:	Chattem Inc. (CHTT)
Purchase Date:	September 2007
Purchase Price:	$66.81/share
Purchase Category:	Emerging
Company Description:	Through its subsidiaries, the company manufactures and sells a portfolio of over-the- counter (OTC) healthcare products, toiletries and dietary supplements. The company has grown through timely acquisition of consumer brands that have been ignored by large companies and re-energizes them through aggressive marketing campaigns.
Reasons For Purchase:	Strong disciplined management team that has consistently beat consensus estimates and stays within its area of expertise.

Stock Story

Company:	Sybase Inc (SY)
Purchase Date:	April 2007
Purchase Price:	$25.18/share
Purchase Category:	Opportunistic
Company Description:	Provides enterprise and mobile software solutions for information management, development and integration worldwide. The company is exclusively focused on managing and mobilizing information. Sybase was one of the original players in the corporate database market and has a large and loyal set of customers, especially in the financial services industry.
Reasons For Purchase:	The stock has languished over the past several years because several of its products are mature. However new releases and entry into the mobile arena should accelerate the overall growth rate. The company generates significant excess cash and would be a prime target for acquisition by a larger software company.

Stock Story

Company: MWI Veterinary Supply Inc (MWIV)

Purchase Date: April 2007

Purchase Price: $33.76/share

Purchase Category: Emerging

Company Description: Distributes animal health products, including pharmaceuticals, vaccines, pet foods and other supplies. The company has been in business for over thirty years and delivers products to over 15,000 veterinary clinics nationwide.

Reasons For Purchase: Twenty percent growth in earnings in a non–cyclical business. Reasonable valuation with strong financial metrics with no intention to move into other markets.