



UNCOMMON FORESIGHT.

HCM

PORTFOLIO MANAGEMENT & INVESTMENT ADVISERS

Advantage Equity Portfolios

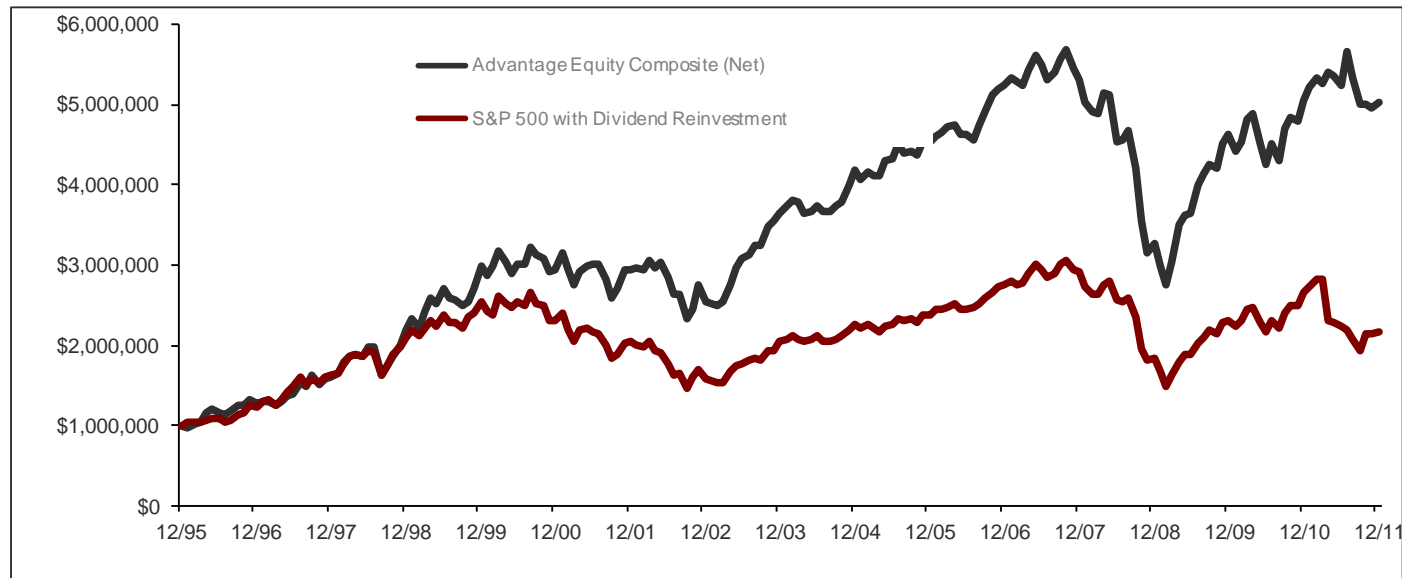
Q4 2011

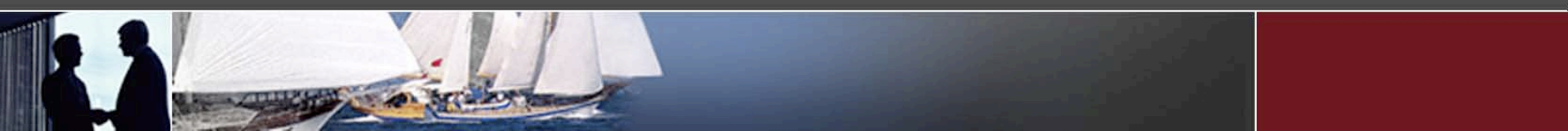


A Proven Approach

At Hillman Capital Management, Inc., we have engineered a discipline through which we seek to invest in strong companies when we believe their stocks are undervalued. The strength of this discipline is derived from our independent research focusing on companies believed to have a sustainable competitive advantage and investing in these companies only when they are trading at a discount to our calculated intrinsic value. Continued adherence to our principles have supported our results.

The graph to the right depicts the growth of \$1,000,000 invested in the Advantage Equity Composite (Net of Fees) at the start of January, 1996 versus the same \$1,000,000 invested in the S&P 500 with dividend reinvestment.





PORTFOLIO MANAGEMENT & INVESTMENT ADVISERS

Investment Team

Mark A. Hillman, President and Chief Investment Officer, founded HCM in 1998, bringing into the firm assets of predecessor companies he established in the early 1990s. His first investment advisory company, Custom Asset Management, merged with Menocal Capital Management in 1993 and he became Chief Investment Officer of the combined firms. Prior to founding his first firm, he was a financial consultant with Shearson Lehman Hutton. A graduate of Tufts University, he has done graduate coursework at Harvard University Extension School. An expert sailboat racer, he has competed successfully in National and World Championships over three decades.

As the architect of the firm's proprietary investment process and Chief Investment Officer at HCM, Mark Hillman continues to lead the investment process. Since 1994, his investment results have spoken for themselves and have been recognized by investors and media alike. He has appeared in Fortune Magazine, The New York Times, MSN Money, USA Today, Bloomberg News, Dow Jones Marketwatch, The Baltimore Sun, The San Francisco Chronicle, Bloomberg Television, Kiplinger's and Forbes.com.

Fletcher D. Perkins, CFA, Analyst, focuses on assessing the competitive dynamics and valuation of companies in the industrial, material, energy, telecommunications and utility sectors. Fletcher joined Hillman Capital Management in 2002 and is a member of HCM's Investment Committee. He has appeared on Bloomberg Television and Dow Jones Market Watch. A graduate of Saint Mary's College of Maryland, he has served as a tactician for many competitive sailboat racing teams. Fletcher is a member of the CFA institute and an active participant in the Washington Society of Securities Analysts.

Robert David, MBA, Analyst, focuses on assessing the competitive dynamics and valuation of companies in the financial, technology, consumer discretionary and healthcare sectors. Bob joined Hillman Capital Management in 2006 and is a member of HCM's Investment Committee. Prior to becoming an analyst at Hillman Capital Management, Bob worked as an equity research associate at Legg Mason in the Equity Marketing and Portfolio Strategy Group. Prior to that Bob had a career in media; producing and editing programming for ABC News, CBS News, National Geographic and PBS. Bob earned his MBA from Loyola University of Maryland's Sellinger School of Business and his Bachelor of Science in Communications from Hofstra University.

Trevor Lee, MBA, Analyst, focuses on assessing the competitive dynamics and valuation of companies in the consumer staples sector. Trevor joined Hillman Capital Management in 2008 and is a member of HCM's Investment Committee. Trevor evaluates companies from the unique perspective of his solid background in marketing and product development for Fortune 500 companies, including Procter and Gamble, Kraft, and Sara Lee. A graduate of Tufts University, Trevor earned his MBA at The Wharton School of the University of Pennsylvania. He was the recipient of Distinguished Lecturer in Business Policy from the University of Florida MBA Program and served on the Steering Committee of a National MBA Association (Philadelphia chapter).

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Investment Philosophy

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1. We believe that companies with sustainable competitive advantage will outperform the broad market over time.
2. We believe that market volatility can be exploited to purchase companies at a discount to their intrinsic value.
3. We believe that consistent adherence to a discipline based on fundamental valuation techniques will produce results.

The Screening Process

STOCK UNIVERSE

- All public U.S. Equities with a market capitalization greater than three billion dollars.



QUALITATIVE SCREEN

- HCM analysts evaluate companies by addressing nine qualitative concerns to identify candidates with sustainable competitive advantage.
- The HCM investment committee reviews analyst findings and companies deemed to have sustainable competitive advantage are added to our Qualified Universe of Investment Candidates.



QUANTITATIVE SCREEN

- The four quantitative measures are applied to each company in the Qualified Universe of Investment Candidates.



RANKING

- The Qualified Universe of Investment Candidates is ranked according to valuation.
- Securities calculated to be overvalued are ineligible for inclusion in client portfolios.

QUALITATIVE CONCERNS

1. Is the company an industry leader or does it dominate a certain niche market?
2. Has management been prudent and proactive over various economic cycles?
3. Does the company have pricing power with customers?
4. Does the company have purchasing power with suppliers?
5. Do barriers to entry exist for prospective competitors?
6. Does the company have a strong brand/franchise with brand loyalty?
7. Does the company deliver excellent products or services?
8. Does the company provide outstanding customer service?
9. Does the company have enough financial flexibility to weather short term problems, an economic downturn or increased competitive pressures?

QUANTITATIVE MEASURES

1. PEGY Model
2. Discounted Cash Flow Model
3. Price to Book Model
4. Price to Sales Model

Portfolio Characteristics

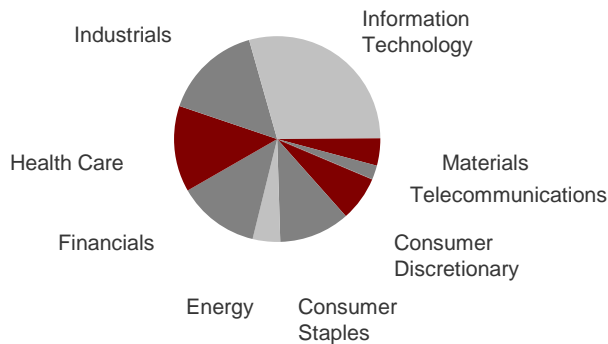
PORTFOLIO CONSTRUCTION

The 45 securities in our Advantage Equity model are purchased in equal proportion, with each stock representing approximately 2.2% of total portfolio value, subject to the following limitation: No industry may represent more than 10% of the total portfolio at the time of purchase.

SELL DISCIPLINE

- Sell all shares if a portfolio holding fails the qualitative screen.
- Sell all shares if the price of a security exceeds fair value.
- Re-balance each holding to its target weight:
 - Buy if position < 1.5% of total market value.**
 - Sell if position > 2.9% of total market value.**

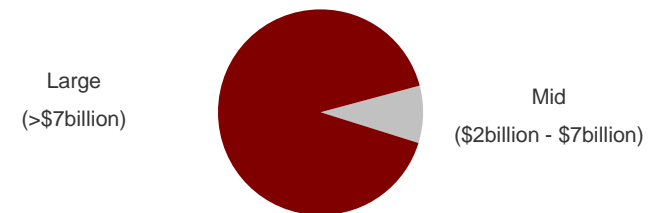
SECTOR WEIGHTINGS



TOP 10 HOLDINGS

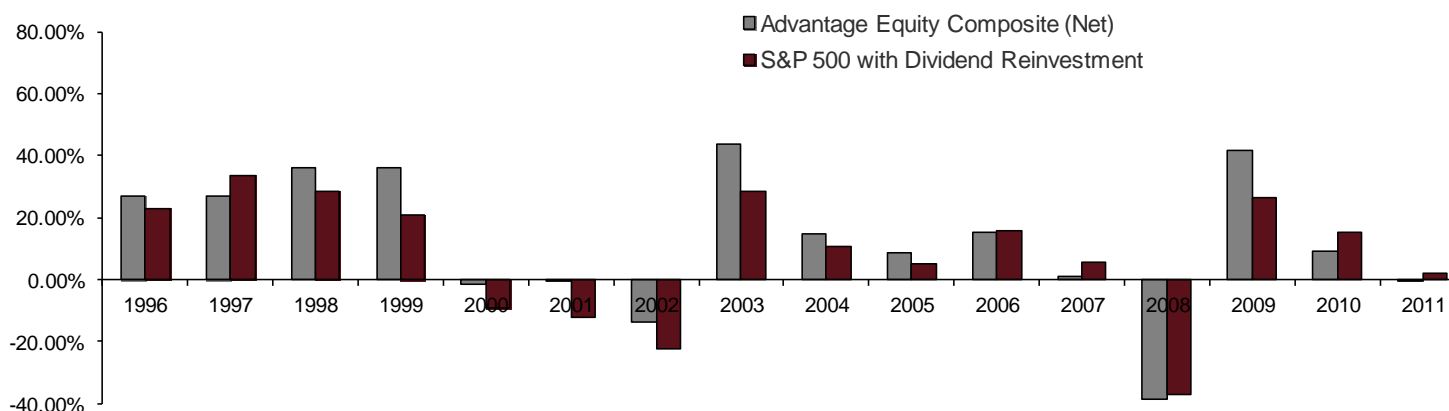
1. Google
2. Apollo Group
3. Cisco Systems
4. Wal-Mart Stores
5. Amgen
6. Boeing
7. Merck & Co.
8. Intel
9. Yahoo!
10. Pfizer

MARKET CAP WEIGHTINGS



Advantage Equity Composite

YEARLY PERFORMANCE – ADVANTAGE EQUITY COMPOSITE



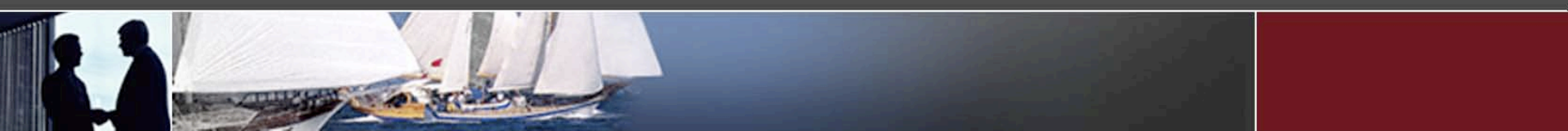
ANNUALIZED PERFORMANCE THROUGH DECEMBER 31ST, 2011

	Q4 2011	One Year	Three Years	Five Years	Ten Years	Inception (01/01/1996)
Advantage Equity (Gross)	11.55%	0.02%	15.97%	-0.47%	6.06%	11.36%
Advantage Equity (Net)	11.48%	-0.30%	15.56%	-0.81%	5.53%	10.62%
Standard & Poor's 500 Total Return*	11.82%	2.11%	14.11%	-0.25%	2.92%	6.47%

*Includes dividends.

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PORTFOLIO MANAGEMENT & INVESTMENT ADVISERS

About Hillman Capital Management, Inc.

Hillman Capital Management, Inc. ("HCM") was founded by Mark A. Hillman in the Spring of 1998. The Firm offers portfolio management services to an international client base of foundations, endowments, corporations, pension plans, and private investors. In addition to its separate accounts, the Firm is the Investment Adviser to the Hillman Capital Management Funds, a family of registered mutual funds available to the general public.

HCM employs a unique portfolio management style through which it endeavors to outperform the capital markets over various economic cycles and generate positive returns for its clients. The Firm prefers equities over other asset classes for long-term results. In selecting equities for client portfolios, HCM invests only in enterprises that they believe have a competitive advantage in their industries or niche markets. While other firms may follow trends, HCM follows a discipline that calls for investment in industry leaders when they believe their stocks are undervalued using established quantitative measures.

CONTACT US

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Disclosure Statements

Past performance is not indicative of future results. This material is not financial advice or an offer to sell any product. The portfolio characteristics shown relate to the Hillman Advantage Equity Composite. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Hillman Capital Management, Inc. reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Hillman Capital Management, Inc. is a registered investment advisor. More information about the advisor including its investment strategies and objectives can be obtained by visiting www.hillmancapital.com. The firm maintains a complete list and description of composites, which is available upon request. Visit our website for a fully compliant performance presentation.

The investment objective of the Advantage Equity Composite (the "Composite") is long-term capital appreciation. The Composite contains fully discretionary advantage equity accounts (9 client portfolios) and for comparison purposes is measured against the S&P 500 Index with dividends. These accounts totaled \$67 million and represented approximately 42% of the firm's total assets as of 12/31/2011. The volatility (beta) of the Composite may be greater or less than its respective benchmark. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite for the entire year. Leverage is not used in these composites. Non-fee-paying accounts are not included in these composites. The U.S. dollar is the currency used to express performance. The S&P 500 Total Return Index is the Standard & Poor's Composite Index of 500 stocks and is a widely recognized, unmanaged index of common stock prices. It is not possible to invest in this index.

Hillman Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance the GIPS standards. Hillman Capital Management, Inc. has been independently verified by Ashland Partners & Company LLP for the periods April 1, 1998 through June 30, 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 Advantage Equity Composite has been examined for the periods April 1, 1998 through June 30, 2011. The verification and performance examination reports are available upon request.

The Advantage Equity Composite was created April 1, 1998. Performance presented prior to April 1, 1998 occurred while the Portfolio Manager was affiliated with a prior firm and the Portfolio Manager was the only individual responsible for selecting the securities to buy and sell. The name of the Composite prior to March 31, 2005 was the Equity Composite.

** Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. For example, a 3% annual fee deducted quarterly (.75%) from an account with a ten year annualized growth rate of 14% will produce a net result of 10.8%. Actual performance results will vary from this example. Net returns will be reduced by additional fees (outside of investment advisory fees) and transaction costs that may be incurred in the management of the account. Net of fee performance was calculated using actual management fees.

The fee schedule for Hillman's investment advisory services is 1.00% for the first \$5 million, 0.85% for the next \$15 million, 0.75% for the next \$50 million, and 0.50% thereafter. Actual investment advisory fees incurred by clients may vary. A complete description of Hillman's fee schedule can be found under Part 2 of its FORM-ADV at www.hillmancapital.com. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request. HCM-12-08

ADVANTAGE EQUITY COMPOSITE

Year End	Total Firm	Composite Assets		Annual Performance Results			
	Assets (thousands)	USD (thousands)	Number of Accounts	Composite Gross	Composite Net	S&P 500	Composite Dispersion
2011	158,723	67,758	9	0.02%	-0.30%	2.11%	0.68%
2010	463,949	86,325	11	9.57%	9.18%	15.06%	0.75%
2009	519,265	70,660	10	42.33%	41.77%	26.46%	1.4%
2008	327,854	32,764	7	-38.36%	-38.55%	-37.00%	0.5%
2007	1,286,200	61,202	7	1.57%	1.24%	5.49%	0.2%
2006	687,451	87,295	8	15.92%	15.43%	15.80%	0.4%
2005	374,186	53,009	7	8.98%	8.46%	4.91%	N.A.
2004	126,805	33,345	7	15.64%	14.83%	10.88%	N.A.
2003	53,448	6,970	Five or fewer	44.97%	43.71%	28.68%	N.A.
2002	33,665	4,304	Five or fewer	-12.89%	-13.62%	-22.06%	N.A.
2001	33,233	4,784	Five or fewer	0.40%	-0.55%	-11.93%	N.A.

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