



Investment Results & Portfolio Characteristics as of March 31, 2009

Large Cap						
Performance						
	Large Cap Core	LC Socially Responsible	Russell 1000	S&P 500	Large Cap Growth	Russell 1000 Growth
1Q09	(3.5)%	(4.8)%	(10.5)%	(11.0)%	(3.5)%	(4.1)%
1 Year	(31.4)%	(36.4)%	(38.3)%	(38.1)%	(30.3)%	(34.3)%
3 Year	(12.0)%	(12.9)%	(13.2)%	(13.0)%	(10.6)%	(11.3)%
5 Year	(3.6)%	(4.6)%	(4.5)%	(4.8)%	(3.8)%	(4.4)%
10 Year	0.5%	(0.7)%	(2.6)%	(3.0)%	0.2%	(5.3)%
Characteristics						
Price to Earnings	12.3x	13.3x	13.6x	13.2x	13.4x	15.1x
Price to Book	5.4x	4.0x	3.0x	3.0x	5.6x	4.1x
Yield	1.9%	1.9%	2.7%	2.8%	1.5%	2.1%
Forecast Growth	6.7%	6.2%	5.8%	5.6%	7.3%	6.9%
Return on Equity	24.0%	22.1%	19.5%	20.5%	24.8%	26.8%
Wtd. Avg. Mkt. Cap.	\$32.2 B	\$33.7 B	\$61.1 B	\$67.2 B	\$33.2 B	\$52.9 B
Median Mkt. Cap.	\$14.7 B	\$14.7 B	\$2.7 B	\$5.6 B	\$16.3 B	\$3.1 B

Despite a turbulent start to the year we are pleased to note that the majority of our strategies outperformed their respective benchmarks for the first quarter. This quarter, again, has proven to be a challenging time in the market, and we know many of you are feeling some pain as a result. We are deeply appreciative of the trust and loyalty that our clients have shown us, and we are working hard to keep your portfolios in line with the strong long term track record that we've been able to deliver.

New Amsterdam Partners continues to use our proven process, strategy and proprietary technology to successfully invest our clients' assets with a long-term perspective. We use a valuation model to identify companies with better than average forecast growth and profitability selling at reasonable valuation multiples. We then subject the high expected return companies to rigorous fundamental scrutiny.

Our products are founded on our belief that the best investment opportunities are companies that are reasonably priced with strong growth potential. We utilize the same philosophy and process for each strategy and invest approximately \$2.5 billion in the U.S. equity market on behalf of our clients.

Our Strategies

- Large Cap Active Equity
- Large Cap Growth Active Equity
- Large Cap Socially Responsible Active Equity
- Mid Cap Active Equity
- Mid Cap Growth Active Equity
- Mid Cap Socially Responsible Active Equity
- Small Cap Active Equity
- All Cap Active Equity

Performance Spotlight on Large Cap Active Equity

This quarter we outperformed both the Russell 1000 and the S&P 500, continuing to prove somewhat defensive in a down market. Growth stocks outperformed value stocks for the quarter, providing a helpful tailwind to performance. Both our sector selection and stock selection were strong. Our underweight positions in finance and producer manufacturing as well as an overweight in retail trade helped performance, but our underweight in technology services detracted from performance. Our stock picks in finance, producer manufacturing and health technology added value. Our stock picking was weak in electronic technology, non-energy minerals and consumer non-durables.

Market Outlook

The first quarter of 2009 continued the barrage of bad economic news and poor stock market returns. Fourth quarter 2008 GDP growth declined by -6.3%, worse than expected, and unemployment rose steadily. The S&P 500 ended down -11.0% in the first quarter with negative returns in January and February. After hitting a low on March 9, it then snapped back +17.9%, though still ended the quarter firmly in negative territory. The Russell 1000, a broader index, fell -10.5% and the Russell MidCap index dropped -9.0% for the full quarter.

The economy is still in bad shape. Full year 2009 GDP is likely to show little, if any, growth. We believe that the first quarter GDP number will be less negative than feared and the economy may recover by year end. Consumer spending appears to have flattened out and it will likely be a



Large Cap Active Equity Top Ten Composite Holdings

Security	%	Security	%
Apollo Group Inc	3.3	Becton Dickinson	2.9
Autozone Inc	3.3	Baxter Intl Inc	2.8
Lowes Cos Inc	3.1	VF Corp	2.7
Verizon Comm.	3.1	Northern Tr Corp	2.7
Colgate Palmolive Co	2.9	Gilead Sciences Inc	2.7

Market Outlook continued...

positive contributor to GDP in the first quarter. So while the consumer is still weak, spending is not declining at the rate we saw at the end of 2008. The unemployment rate went over 8% and is likely to rise further, yet unemployment is a lagging indicator and will only improve when the recovery is solidly underway. Inflation is benign at the moment due to declining commodity prices, low capacity utilization and weak global economic growth. Meanwhile there is massive fiscal and monetary stimulus (with the Fed saying it stands ready to do more). The stimulus will help avert deflation while supporting economic growth. While credit is still tight, housing affordability is up and the mortgage cleanup is underway.

We believe these points are supportive of the equity markets, aided by other factors too: institutional investors are underweight US equities, and normal rebalancing will drive demand for stocks; there is a large amount of cash on the sidelines (some estimates are \$9 trillion), which will be put to work when investors are ready to stomach risk and look for return; and finally, the “bubble” in Treasury securities as a result of a flight to safety is likely to depress fixed income returns over the near term.

Risks remain as ever: there will be diminishing returns to ever increasing amounts of stimulus; the stimulus may be less effective long term if it favors short term increases in government services over long term growth drivers (such as infrastructure spending); housing inventories are still high; households are reeling from negative wealth effects; corporate credit quality is still dropping and credit is still tight; and the near term earnings outlook is still poor. A longer run risk is the reigniting of inflation once the economy recovers, if the stimulus spigots are not turned off soon enough (which may happen as a result of political pressure). But on balance, we expect the equity market to be higher by year end (although it may take three to five years to regain all of its lost ground).

Over the recent months we have scaled back our defensive posture, reducing our overweight to the health care sector (which served us well in 2008) and increasing exposure to

more cyclical names. We still remain underweight finance stocks as we believe the sector will take some time to recover from its malaise, though we expect to increase our exposure (back towards benchmark weight) over the coming months.

New Amsterdam News

Michelle Clayman, CFA, Founder, Managing Partner & Chief Investment Officer of New Amsterdam Partners, will be honored by the Girl Scout Council of Greater New York for her outstanding leadership and devotion to community service.

An active volunteer in her community, Ms. Clayman serves as a Director of Children of Bellevue, a charity providing services to children at New York's Bellevue Hospital. She was a Girl Scout Leader for 17 years and has acted as a Course Director in Finance and Entrepreneurship for the East Harlem Tutorial Program. She is a member of the Dean's Council at the Harvard Divinity School. Ms. Clayman is also Chair of the Advisory Council of Stanford University's Institute for Gender Research as well as a member of the Stanford Graduate School of Business' Advisory Council. Ms. Clayman received a degree in Philosophy, Politics and Economics from Oxford University, England (MA (Oxon)), and an MBA from Stanford University, California.

We will be attending the following conferences this year:

- *NCPERS*; May 3-7 in Beverly Hills, CA
- *NASP*; June 10-12 in Atlanta, GA
- *Schwab IMPACT*; September 13-16 in San Diego, CA
- *NCTR*; October 10-15 in Indian Wells, CA
- *IFEBP*; November 8-11 in Orlando, FL

See you there!

Michelle R. Clayman, CFA
Managing Partner & CIO

Nathaniel Paull, CFA
Partner & Senior Portfolio Manager



Investment Results & Portfolio Characteristics as of March 31, 2009 (continued)

Mid Cap						
	Mid Cap Core	MC Socially Responsible	Russell Midcap	S&P MidCap	Mid Cap Growth	Russell Midcap Growth
Performance						
1Q09	(6.6)%	(6.5)%	(9.0)%	(8.7)%	(8.2)%	(3.4)%
1 Year	(33.5)%	(37.2)%	(40.8)%	(36.1)%	(35.1)%	(39.6)%
3 Year	(14.3)%	(15.1)%	(15.5)%	(13.6)%	(14.1)%	(14.9)%
5 Year	(2.8)%	(4.0)%	(3.5)%	(2.8)%	(3.4)%	(3.9)%
10 Year	2.9%	-	2.3%	4.2%	-	(0.9)%
Characteristics						
Price to Earnings	10.6x	11.3x	16.0x	16.1x	10.8x	18.1x
Price to Book	3.8x	2.7x	2.8x	2.5x	3.7x	3.9x
Yield	1.6%	1.3%	2.5%	2.2%	1.2%	1.4%
Forecast Growth	9.0%	9.9%	7.2%	7.9%	8.9%	8.6%
Return on Equity	21.8%	20.6%	14.0%	11.0%	21.2%	23.0%
Wtd. Avg. Mkt. Cap.	\$3.1 B	\$3.1 B	\$5.0 B	\$2.2 B	\$3.0 B	\$5.5 B
Median Mkt. Cap.	\$2.4 B	\$2.4 B	\$2.2 B	\$1.4 B	\$2.2 B	\$2.4 B

Small Cap				
	Small Cap	Russell 2500	Russell 2000	S&P SmallCap
Performance				
1Q09	(9.4)%	(11.4)%	(15.0)%	(16.8)%
1 Year	(33.0)%	(38.2)%	(37.5)%	(38.1)%
3 Year	(11.3)%	(16.0)%	(16.8)%	(16.4)%
5 Year	(0.3)%	(4.5)%	(5.2)%	(3.9)%
10 Year	-	3.3%	1.9%	4.2%
Characteristics				
Price to Earnings	10.8x	19.9x	21.4x	16.7x
Price to Book	3.2x	2.6x	2.7x	1.9x
Yield	1.1%	2.2%	2.1%	1.9%
Forecast Growth	9.4%	8.1%	8.6%	8.1%
Return on Equity	23.8%	6.8%	5.2%	9.9%
Wtd. Avg. Mkt. Cap.	\$2.0 B	\$1.7 B	\$0.8 B	\$0.7 B
Median Mkt. Cap.	\$1.7 B	\$0.4 B	\$0.3 B	\$0.4 B

All Cap				
	All Cap	Russell 3000	Russell 1000	S&P 500
Performance				
1Q09	(5.6)%	(10.8)%	(10.5)%	(11.0)%
1 Year	(32.5)%	(38.2)%	(38.3)%	(38.1)%
3 Year	(14.1)%	(13.6)%	(13.2)%	(13.0)%
5 Year	(7.8)%	(4.6)%	(4.5)%	(4.8)%
10 Year	0.9%	(2.3)%	(2.6)%	(3.0)%
Characteristics				
Price to Earnings	11.8x	14.2x	13.6x	13.2x
Price to Book	5.1x	3.0x	3.0x	3.0x
Yield	1.8%	2.7%	2.7%	2.8%
Forecast Growth	8.3%	6.0%	5.8%	5.6%
Return on Equity	25.1%	18.4%	19.5%	20.5%
Wtd. Avg. Mkt. Cap.	\$18.9 B	\$56.5 B	\$61.1 B	\$67.2 B
Median Mkt. Cap.	\$4.8 B	\$0.5 B	\$2.7 B	\$5.6 B

Note: Past performance is not indicative of future results. Performance is preliminary, annualized for periods greater than one year and calculated NET of fees. Results include the reinvestment of dividends and other earnings. Please be aware that these are composite returns and individual account returns may vary from composite returns. The returns of each strategy may be more volatile than those of the indexes. Dispersion and volatility numbers are available upon request. A full disclosure report is included with the distribution of this newsletter. Our performance disclosure statement is also posted on our website and a hard copy is available upon request. Russell Index data disclosures are an integral part of any disclosure presentation and are included therein.