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# Forward-Looking Statement

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The following slide show was furnished to the Securities and Exchange Commission (SEC) as part of a Current Report on Form 8-K filed by Highbury Financial Inc. (Highbury) with the SEC on April 29, 2009.

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to Highbury's and Aston Asset Management LLC's (Aston) future financial or business performance, strategies and expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve," and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" and similar expressions.

Highbury cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and Highbury assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

In addition to factors previously disclosed in Highbury's SEC filings and those identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: (1) the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies; (2) changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management; (3) terrorist activities and international hostilities, which may adversely affect the general economy, financial and capital markets, specific industries, and Highbury; (4) changing conditions in global financial markets generally and in the equity markets particularly, and decline or lack of sustained growth in these markets; (5) Highbury's business strategy and plans; (6) the introduction, withdrawal, success and timing of business initiatives and strategies; (7) the unfavorable resolution of legal proceedings and/or harm to Highbury's reputation; (8) fluctuations in customer demand; (9) management of rapid growth; (10) the impact of fund performance on redemptions; (11) changes in investors' preference of investing styles; (12) changes in or loss of sub-advisers; (13) the impact of increased competition; (14) the results of future financing efforts; (15) the impact of future acquisitions or divestitures; (16) the relative and absolute investment performance of Highbury's investment products; (17) investment advisory agreements subject to termination or non-renewal; (18) a substantial reduction in fees received from third parties; (19) Highbury's success in finding or acquiring additional investment management firms on favorable terms and consummating acquisitions of investment management firms; (20) the ability to retain major clients; (21) the ability to attract and retain highly talented professionals; (22) significant limitations or failure of software applications; (23) expenses subject to significant fluctuations; (24) the impact, extent and timing of technological changes and the adequacy of intellectual property protection; (25) the impact of capital improvement projects; (26) the extent and timing of any share repurchases; and (27) the impact of changes to tax legislation and, generally, the tax position of Highbury.

Highbury's filings with the SEC, accessible on the SEC's website at <http://www.sec.gov>, discuss these factors in more detail and identify additional factors that can affect forward-looking statements.

## Overview of Highbury Financial Inc.

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- Publicly traded investment management holding company with \$3.9 billion of AUM as of March 31, 2009
- Objective is to partner with dynamic, accomplished firms seeking long-term growth
  - Provide permanent capital solutions to owners of investment management firms
  - Diversify by asset class, investment style, distribution channel, client type and management team
- Access to proprietary mutual fund sales, marketing, operations, compliance, finance and administration resources of Aston Asset Management LLC
  - 17 wholesalers, over 400 selling agreements
  - Co-branded, sub-advised model
- Access to Berkshire Capital's proprietary deal flow, strategic guidance and extensive network of contacts throughout the U.S. and Europe

# Financial Highlights

(all data in millions, except per share amounts or as otherwise indicated)

	Year Ended December 31,		Three Months Ended March 31,	
	2007	2008	2008	2009
<b>Operating Results</b>				
Revenue	\$42.1	\$35.7	\$9.3	\$7.0
Net income	0.9	0.5	0.6	0.4
EBITDA *	5.7	3.4	1.0	0.6
Cash Net Income *	4.5	2.9	0.9	0.7
Average shares outstanding - diluted	10.8	9.2	9.3	9.1
Earnings per share - diluted	\$0.08	\$0.05	\$0.07	\$0.04
Cash Net Income per share - diluted *	0.42	0.32	0.10	0.07
<b>Balance Sheet Data</b>				
Cash and equivalents and investments	\$11.9	\$14.4	\$8.6	\$14.3
Total assets	50.1	45.7	46.3	45.5
Total liabilities	5.5	4.2	4.6	4.1
Highbury Financial Inc. stockholders' equity	43.8	40.7	40.8	40.6
<b>Assets Under Management</b>				
Total assets - EOP (in billions)	\$5.1	\$3.5	\$4.7	\$3.9
Mutual fund assets - BOP (in billions)	\$5.5	\$5.0	\$5.0	\$3.4
Net client inflows (outflows)	(1.0)	0.2	0.0	0.6
Market appreciation and other changes	0.5	(1.8)	(0.5)	(0.2)
Mutual fund assets - EOP	\$5.0	\$3.4	\$4.5	\$3.8
Separate account assets - EOP (in millions)	\$145	\$115	\$151	\$107

\* Note: Definitions for these metrics are provided on pages 33-36.

## Strong Core Shareholder Group

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- Management Founders (21.6% of common stock)
  - 10 employees of Berkshire Capital, the leading merger and acquisition advisor to the investment management industry
  - Caledonia Investments plc, a UK investment trust controlled by the Cayzer family with market capitalization of US\$1.1 billion as of March 31, 2009
- Major Investors
  - Clayton Management Company
  - Fairview Capital Investment Management, LLC
  - North Star Investment Management Corp.
  - Pine River Capital Management L.P.
  - Second Curve Capital, LLC
  - Talon Asset Management, LLC
  - Wellington Management Company, LLP

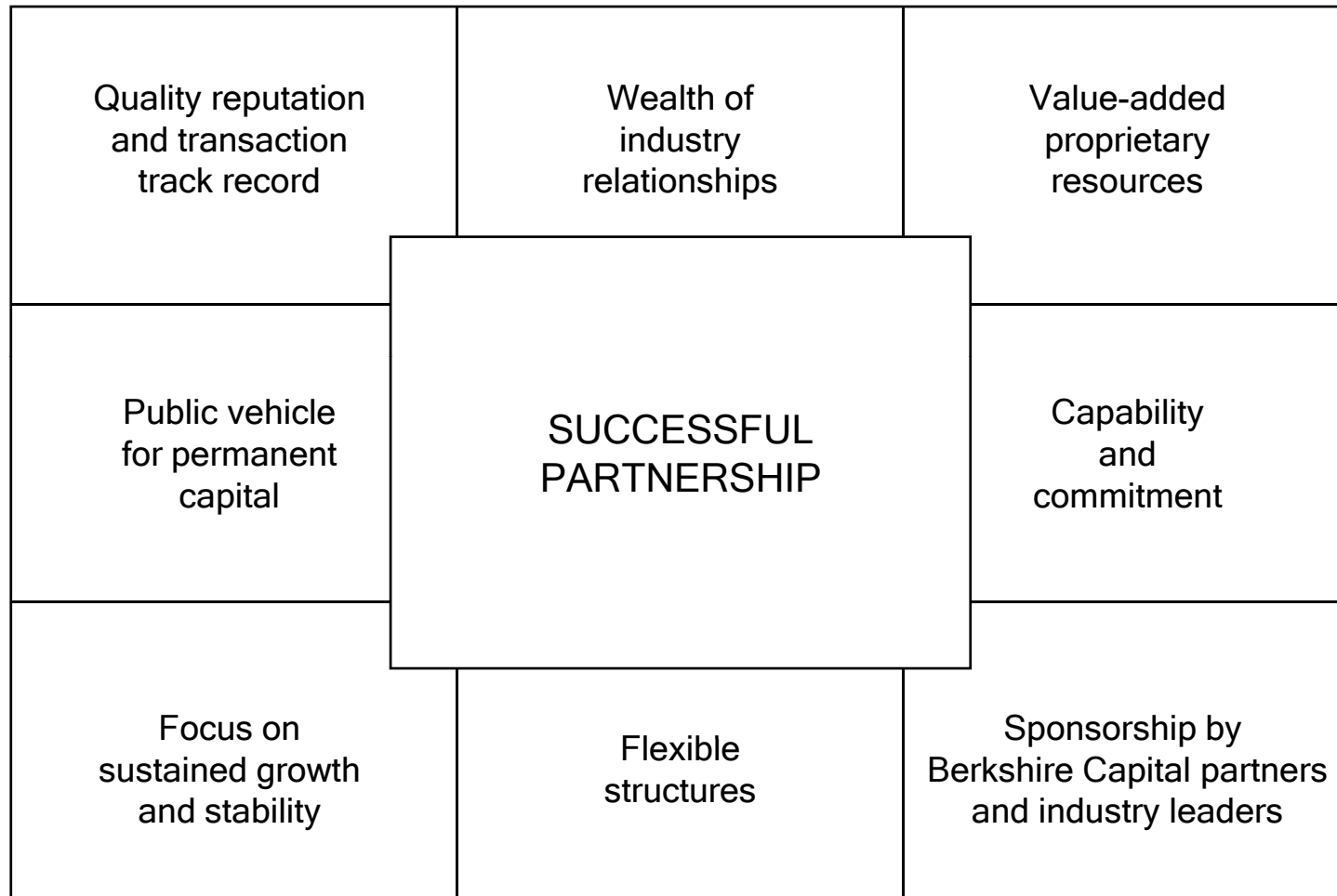
## Directors and Officers

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	Background	Transactions	Experience	Education
<b>R. Bruce Cameron, CFA</b> Chairman	President & Co-Founder, Berkshire	233 transactions \$10.3 billion value	26 yrs Berkshire 31 yrs total	Harvard MBA Trinity BA
<b>Richard S. Foote, CFA</b> President, CEO & Director	Managing Director, Berkshire	30 transactions \$2.2 billion value	15 yrs Berkshire 24 yrs total	Harvard BA
<b>R. Bradley Forth, CFA</b> EVP & CFO	Vice President, Berkshire	19 transactions \$1.3 billion value	8 yrs Berkshire 8 yrs total	Duke BS & BA
<b>Aidan J. Riordan</b> Director	Partner, Calvert Street Capital Partners	\$1.3 billion total \$500 million CSCP	6 yrs CSCP 15 yrs total	Columbia MBA Pennsylvania BA
<b>Hoyt Ammidon Jr.</b> Director	Advisory Director, Berkshire	Many at Berkshire, Cazenove, Chase, E.F. Hutton & Morgan Stanley	15 yrs Berkshire 42 yrs total	Yale BA
<b>Theodore M. Leary Jr.</b> Director	President, Crosswater Realty Advisors	231 transactions \$7.8 billion value	4 yrs Crosswater 34 yrs total	George Washington JD Harvard BA

## Experienced Team & Resources

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## Business Strategy Highlights

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- Acquire majority equity positions in investment management firms with significant growth potential
- Partner with superior management teams
  - Corporate divestitures
  - Management buyouts
  - Liquidity to unwind strategic joint ventures
  - Liquidity for departing individual partners
  - Diversification for founders and transition to next generation
  - Exit strategies for private equity funds
- Affiliates to operate independently
  - Highbury not active in day-to-day management
  - Retained ownership interest by affiliate management aligns interests with Highbury's shareholders
- Seek diversified affiliates to provide growth potential with reduced downside risk

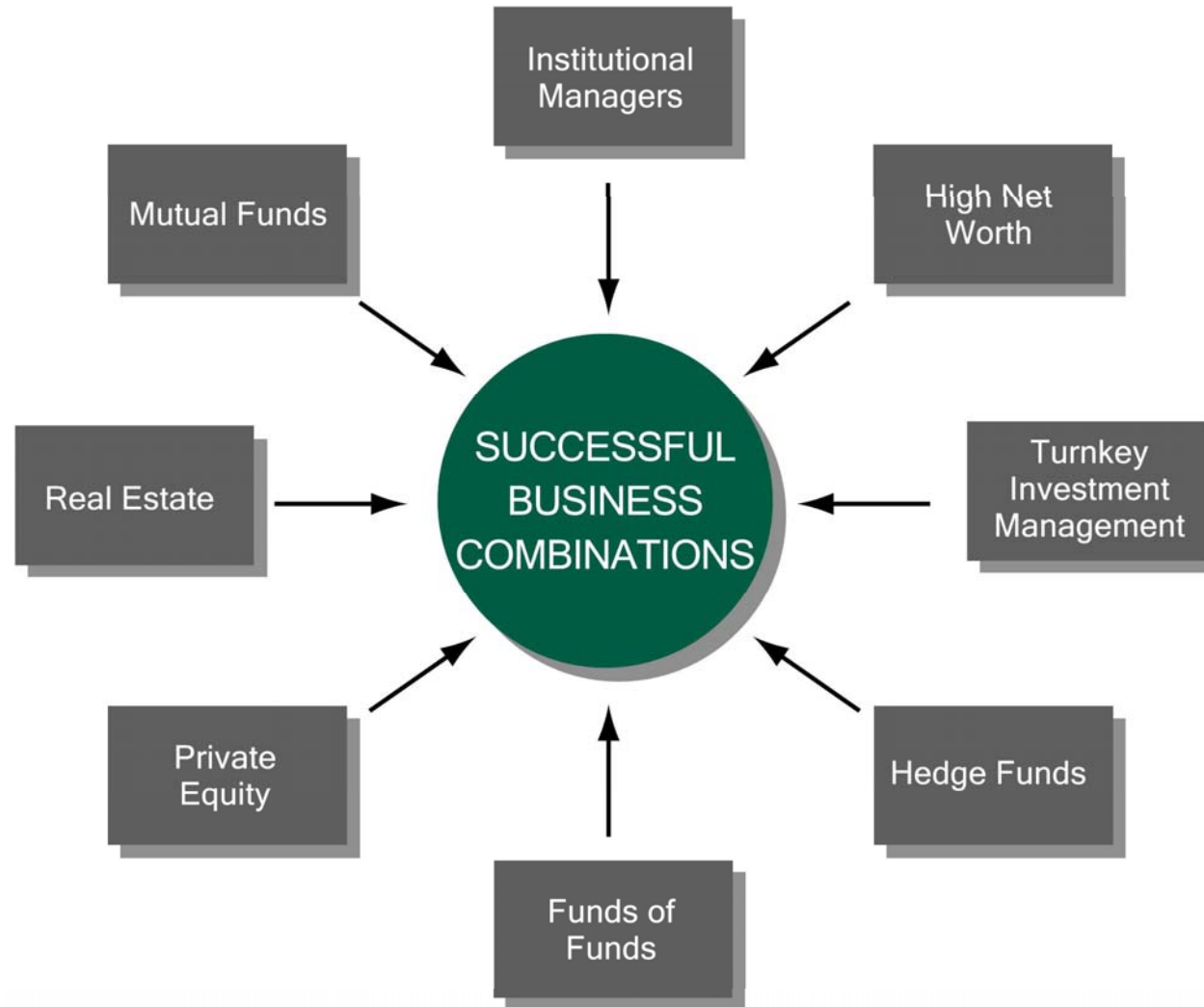


## Investment Management Firms Provide Attractive Economics to Owners



## Variety of Target Types

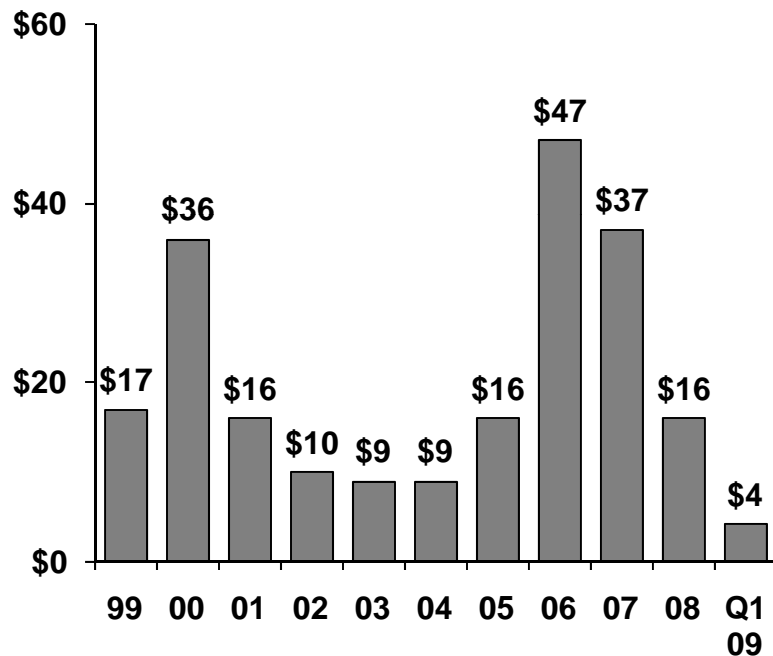
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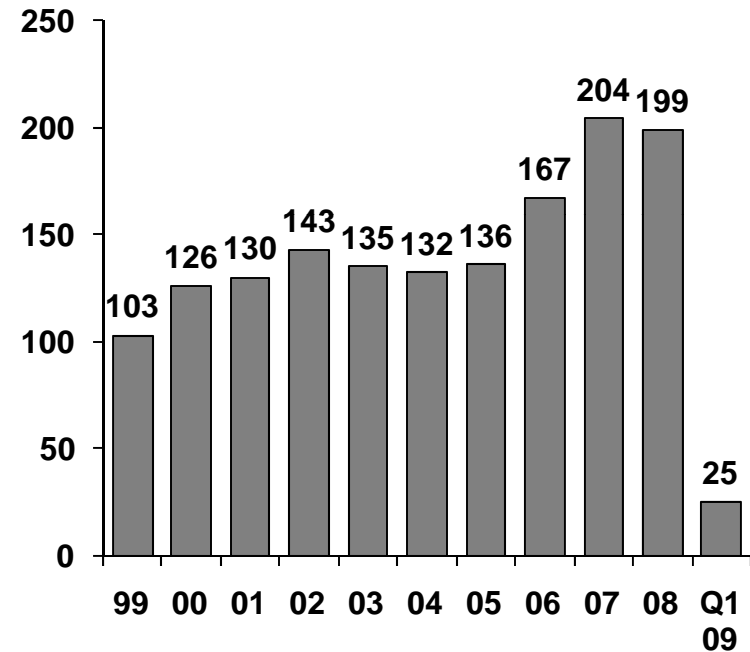
## Robust Deal Flow Within Investment Management Industry

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**Total Transaction Value (\$B)**



**Number of Transactions**



Source: Berkshire Capital Securities LLC

## Partnership Criteria

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## Compelling Opportunity for Investment Managers

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- Structuring flexibility to preserve current value and maximize potential
  - Highbury able to negotiate and execute transaction efficiently to minimize risk
  - No integration (unlike strategic sale)
  - No interference with day-to-day management
- Permanent capital solution
  - No future liquidity event or exit strategy required (unlike private equity sources)
  - Ongoing value creation for management through equity ownership
  - Equity recycling to next generation of management to ensure long-term stability and growth
  - Joint ownership by Highbury and management provides alignment of interests
- Ongoing strategic input from Highbury and Aston
  - Access to proprietary mutual fund sales, marketing, operations, compliance, finance and administrative resources (17 wholesalers, over 400 selling agreements)
  - Introductions to new business opportunities
  - Industry insights and professional relationships
  - Employee compensation, incentive, retention and succession structures
  - Marketing, distribution and competitive positioning strategies
  - Valuations

## Overview of Revenue Sharing

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- Revenues divided into operating allocation and owners' allocation
  - Operating allocation covers all expenses associated with the business; any residual income after expenses is additional compensation to the management team
  - Owners' allocation is distributed pro rata to the equity owners of the business
- Highbury acquires 51% - 80% of the owners' allocation
  - Balance of owners' allocation retained by management
  - Joint ownership provides for alignment of interests
- Preserve integrity and autonomy of affiliate franchise
  - Retain brand
  - Permanent delegation of full operating authority
  - Highbury approval required for limited set of major decisions
  - No integration with legacy investment process or distribution system
  - Contractual protections for all parties in operating agreement
  - Long-term, enforceable restrictive covenants in employment contracts and definitive transaction agreements

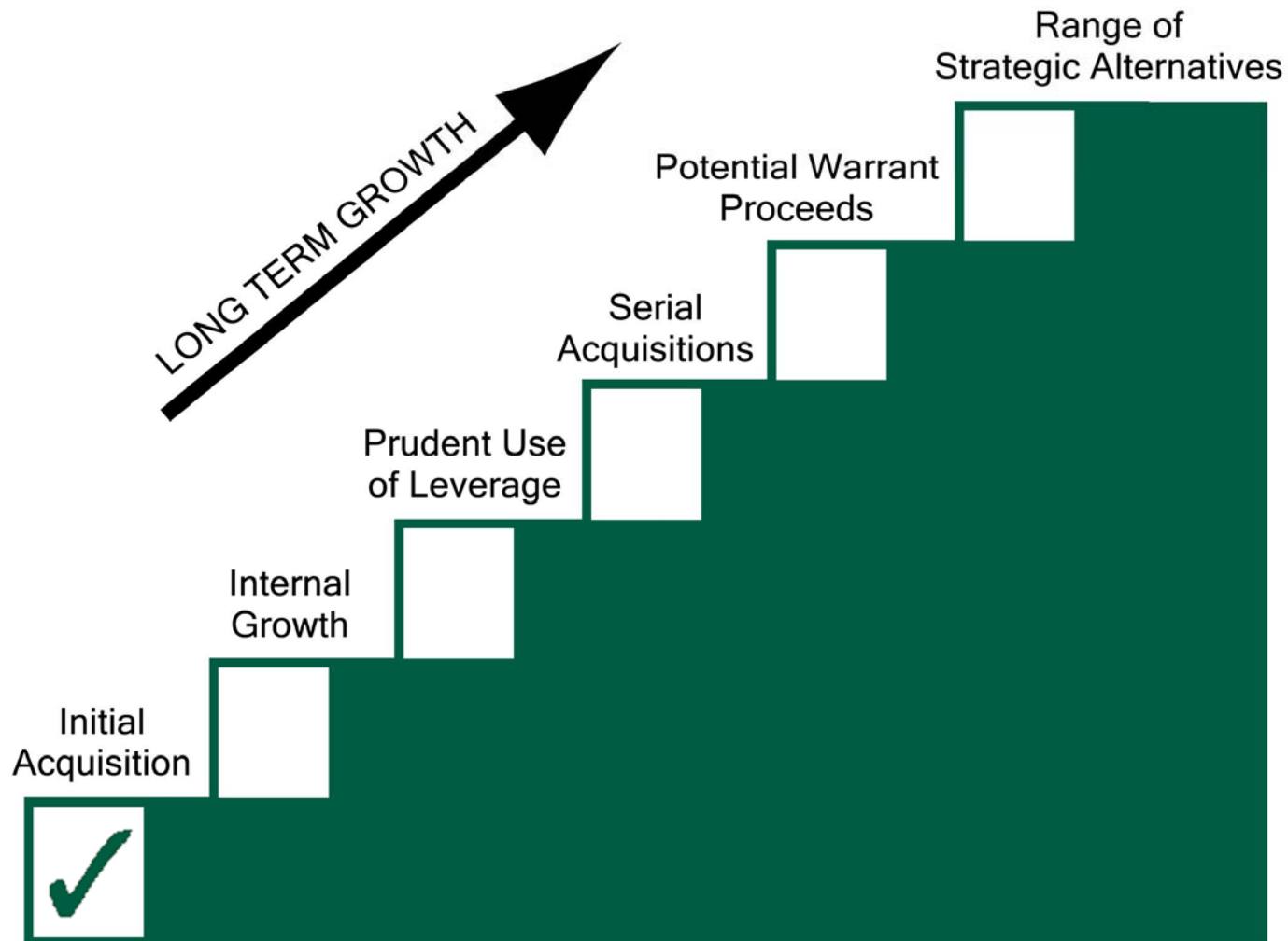
## Key Drivers of Value

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Organic Growth	→	YES
Operational Changes	→	NO
Financial Leverage		
Affiliates	→	NO
Holding Company	→	YES (limited)
P/E Expansion	→	YES
Diversified Group of Partners	→	YES

## Strategy Provides Long-Term Value Creation for Shareholders

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## Summary

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### Unique Capital Source

- Permanent equity capital
- Flexible approach to transaction structuring
- Liquidity with retained equity upside
- Permanent full delegation of operations
- No integration with legacy infrastructure

### Premier Shareholder Group

- Employees of Berkshire Capital - leading M&A advisor to investment management firms
- Caledonia Investments plc
- Long term fundamental investors

SUCCESSFUL  
PARTNERSHIP

### Compelling Opportunity for Partner

- Eliminates need for future sale process
- Equity incentives for management
- Support and strategic input from Highbury
- Proprietary mutual fund distribution

## Aston Funds Supplemental Information

## Highlights of Aston Asset Management LLC

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- \$3.8 billion of mutual fund AUM and \$107 million of separate account AUM as of March 31, 2009
- 13 funds opened since closing of acquisition
  - Aston/Optimum Large Cap Opportunity Fund (December 2006)
  - Aston/River Road Small-Mid Cap Fund (March 2007)
  - Aston/Neptune International Fund (August 2007)
  - Aston/Resolution Global Equity Fund (August 2007)
  - Aston/ABN AMRO Global Real Estate Fund (August 2007)
  - Aston/SGA International Small-Mid Cap Fund (November 2007)
  - Aston/Barings International Fund (November 2007)
  - Aston/Montag & Caldwell Mid Cap Growth Fund (November 2007)
  - Aston/Cardinal Mid Cap Value Fund (November 2007)
  - Aston/ClariVest Mid Cap Growth Fund (November 2007)
  - Aston/Smart Allocation ETF Fund (January 2008)
  - Aston/MB Enhanced Equity Income Fund (January 2008)
  - Aston/New Century Absolute Return ETF Fund (March 2008)
- Eight funds closed or merged as a result of poor investment performance, portfolio manager turnover or for other reasons between closing of acquisition and March 31, 2009, including two equity mutual funds closed during the first quarter of 2009

## Highlights of Aston Asset Management LLC

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- Diversified, scalable operating platform
  - 17 sales and client service professionals
  - Over 400 selling agreements in place
  - 14 high quality sub-advisors; five with limited non-compete provisions as of March 31, 2009
  - Operations, administration and compliance
- Outstanding management team
  - Shared values of integrity, character and ethics
  - Track record of leading successful growth, internally and by acquisition
  - Distribution, management and operating experience complement Highbury management

## Broad Array of High Quality Investment Products

- Diversified mix of mutual funds
- Funds managed by independent sub-advisors with unique investment styles
- 9 funds with overall Morningstar Ratings of 4 or 5 stars; 4 funds with 3 stars
- Approximately 86% of assets under management in funds with overall Morningstar Ratings of 4 or 5 stars

EQUITY FUNDS			
	Value	Blend	Growth
Large	★★★★		★★★★★ ★★★★★ ★★★★★ ★★★★★ ★★★★ ★★★★
Medium	★★★ ★★★★★	★★★★★	
Small		★★★★★	★★★★★ ★★

FIXED INCOME FUNDS			
	Short	Intermediate	Long
High		★★★	
Medium			
Low			

Source: Morningstar, as of March 31, 2009. For the graphic, star ratings are allocated according to each fund's equity or fixed income style designation not the category designation.

## Strong Relationship with Diversified Group of Sub-Advisors

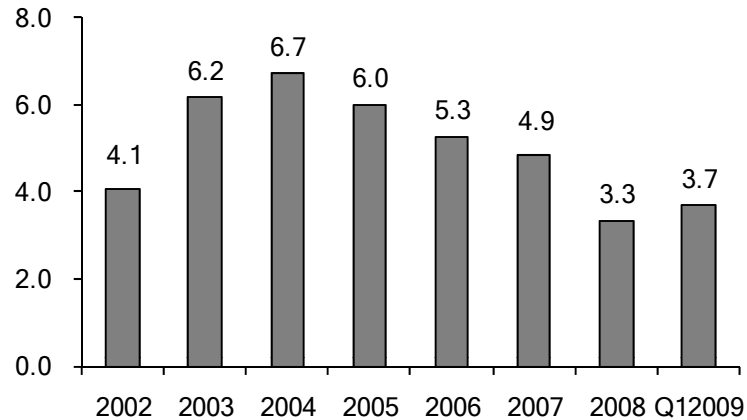
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- Open-architecture, sub-advised platform brings strategic relationships
  - Baring Asset Management
  - Cardinal Capital Management
  - Fortis Investment Management USA \*
  - MB Investment Partners
  - MFS Investment Management
  - Montag & Caldwell \*
  - Neptune Investment Management
  - New Century Capital Management
  - Optimum Investment Advisors
  - River Road Asset Management \*
  - Smart Portfolios
  - TAMRO Capital Partners \*
  - Taplin, Canida & Habacht
  - Veredus Asset Management \*

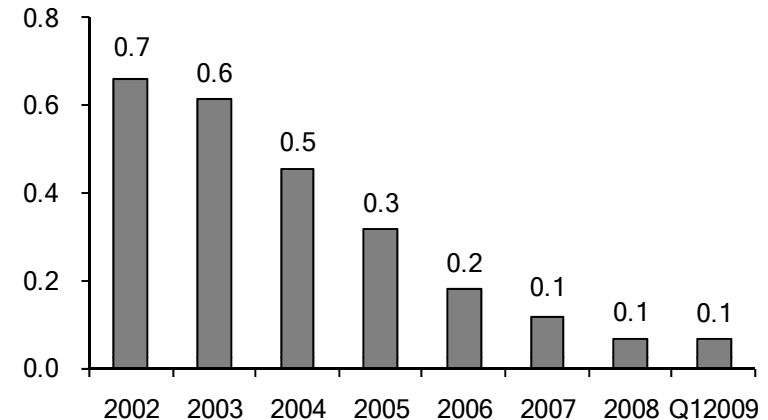
\* Limited non-competes in the current product styles through November 30, 2011, subject to certain exceptions

# Historical Mutual Fund Assets Under Management and Net Flows

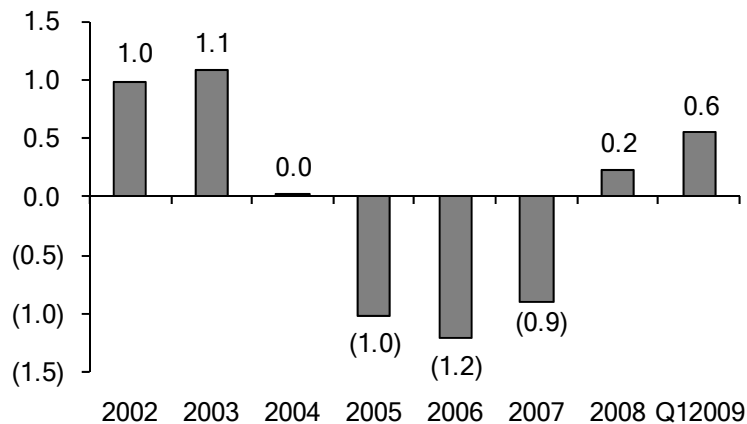
Equity AUM (\$bn)



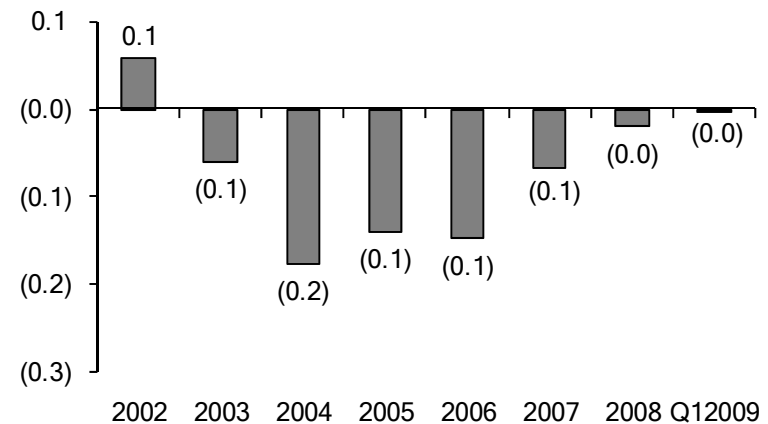
Fixed Income AUM (\$bn)



Equity Net Flows (\$bn)



Fixed Income Net Flows (\$bn)



Source: Strategic Insight and FRC for periods prior to 2007. Aston Asset Management LLC for periods beginning in 2007 and thereafter.

Note: Does not include separate account assets under management.

## Diverse Growth Opportunities for Aston

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- Internal growth of existing products
  - Market appreciation
  - Future net asset flows
  - 20 funds with less than \$200 million in assets
    - Established investment performance track records
    - Capacity for new assets has potential to drive future growth
- Additional product lines
  - Money Market Fund Administration Agreement (\$1.8 billion in assets as of March 31, 2009)
  - Expansion of separately managed account platform
  - Incubation and adoption of additional funds with existing and new sub-advisors
- Accretive add-on acquisitions



## Diverse Family of Mutual Funds

Fund	Subadvisor	Morningstar Category	Morningstar Rating	Inception	AUM (\$m) 3/31/09	% of Total AUM
<b>EQUITY</b>						
Montag & Caldwell Growth	Montag & Caldwell	Large Growth	★★★★★	Nov 1994	1,647	43.7%
Aston/Optimum Mid Cap	Optimum Investment Advisors	Mid Blend	★★★★	Sep 1994	538	14.3%
Aston/TAMRO Small Cap	TAMRO Capital Partners	Small Blend	★★★★	Nov 2000	374	9.9%
Aston/River Road Small Cap Value	River Road Asset Management	Small Value	★★★★★	Jun 2005	330	8.8%
Aston Value	MFS Institutional Advisors	Large Value	★★★★	Jan 1993	179	4.8%
Aston Growth	Montag & Caldwell	Large Growth	★★★	Dec 1993	163	4.3%
Aston/River Road Small Mid Cap	River Road Asset Management	Small Value	--	Mar 2007	144	3.8%
Aston/River Road Dynamic All Cap	River Road Asset Management	Mid Value	★★★★★	Jun 2005	87	2.3%
Aston/Veredus Select Growth	Veredus Asset Management	Large Growth	★★★★	Dec 2001	65	1.7%
Aston/Veredus Aggressive Growth	Veredus Asset Management	Small Growth	★★	Jun 1998	39	1.0%
Aston/Smart Allocation ETF	Smart Portfolios	Conservative Allocation	--	Jan 2008	20	0.5%
Montag & Caldwell Balanced	Montag & Caldwell	Moderate Allocation	★★★★	Nov 1994	16	0.4%
Aston/Fortis Real Estate	Fortis Investment Management	Real Estate	★★★	Dec 1997	16	0.4%
Aston Balanced	Montag & Caldwell	Moderate Allocation	★★★	Sep 1995	15	0.4%
Aston/MB Enhanced Equity Income	MB Investment Partners	Long-Short	--	Jan 2008	15	0.4%
Aston/Baring International	Baring Asset Management	Foreign Large Blend	--	Nov 2007	14	0.4%
Aston/New Century Absolute Return	New Century Capital Management	Moderate Allocation	--	Mar 2008	10	0.3%
Aston/Neptune International	Neptune Investment Management	Foreign Large Growth	--	Aug 2007	8	0.2%
Aston/TAMRO All Cap	TAMRO Capital Partners	Large Blend	★★★★	Nov 2000	8	0.2%
Aston/Fortis Global Real Estate	Fortis Investment Management	Global Real Estate	--	Aug 2007	8	0.2%
Aston/Optimum Large Cap Opportunity	Optimum Investment Advisors	Large Growth	--	Dec 2006	3	0.1%
Aston/Montag & Caldwell Mid Cap Growth	Montag & Caldwell	Mid Growth	--	Nov 2007	2	0.0%
Aston/Cardinal Mid Cap Value	Cardinal Capital Management	Mid Value	--	Nov 2007	1	0.0%
Total Equity					3,700	98.2%
<b>FIXED INCOME</b>						
Aston/TCH Fixed Income	Taplin Canida & Habacht	Int. Term Bond	★★★	Dec 1993	67	1.8%
Total Fixed Income					67	1.8%
<b>Total AUM</b>					<b>\$3,767</b>	<b>100.0%</b>

Source: Morningstar, as of March 31, 2009.

## Diverse Family of Mutual Funds

Fund	Subadvisor	Morningstar Category	Morningstar Rating	AUM (\$m) 3/31/09	Annualized Total Returns		
					1-Year	3-Years	5-Years
EQUITY							
Montag & Caldwell Growth	Montag & Caldwell	Large Growth	★★★★★	1,647	-29.2%	-6.6%	-2.1%
Aston/Optimum Mid Cap	Optimum Investment Advisors	Mid Blend	★★★★	538	-41.5%	-11.8%	-4.3%
Aston/TAMRO Small Cap	TAMRO Capital Partners	Small Blend	★★★★	374	-26.4%	-12.3%	-2.7%
Aston/River Road Small Cap Value	River Road Asset Management	Small Value	★★★★★	330	-31.9%	-10.7%	-
Aston Value	MFS Institutional Advisors	Large Value	★★★★	179	-35.6%	-10.4%	-1.9%
Aston Growth	Montag & Caldwell	Large Growth	★★★	163	-29.3%	-12.8%	-6.1%
Aston/River Road Small Mid Cap	River Road Asset Management	Small Value	--	144	-29.2%	-	-
Aston/River Road Dynamic All Cap	River Road Asset Management	Mid Value	★★★★★	87	-33.0%	-9.0%	-
Aston/Veredus Select Growth	Veredus Asset Management	Large Growth	★★★★	65	-40.1%	-13.8%	-3.1%
Aston/Veredus Aggressive Growth	Veredus Asset Management	Small Growth	★★	39	-41.0%	-22.2%	-9.4%
Aston/Smart Allocation ETF	Smart Portfolios	Conservative Allocation	--	20	-16.8%	-	-
Montag & Caldwell Balanced	Montag & Caldwell	Moderate Allocation	★★★★	16	-17.6%	-2.0%	-0.1%
Aston/Fortis Real Estate	Fortis Investment Management	Real Estate	★★★	16	-59.9%	-27.3%	-9.9%
Aston Balanced	Montag & Caldwell	Moderate Allocation	★★★	15	-20.6%	-7.3%	-3.0%
Aston/MB Enhanced Equity Income	MB Investment Partners	Long-Short	--	15	-28.9%	-	-
Aston/Barings International	Baring Asset Management	Foreign Large Blend	--	14	-44.1%	-	-
Aston/New Century Absolute Return	New Century Capital Management	Moderate Allocation	--	10	-26.6%	-	-
Aston/Neptune International	Neptune Investment Management	Foreign Large Growth	--	8	-49.4%	-	-
Aston/TAMRO All Cap	TAMRO Capital Partners	Large Blend	★★★★	8	-30.8%	-10.4%	-3.3%
Aston/Fortis Global Real Estate	Fortis Investment Management	Global Real Estate	--	8	-59.7%	-	-
Aston/Optimum Large Cap Opportunity	Optimum Investment Advisors	Large Growth	--	3	-42.2%	-	-
Aston/Montag & Caldwell Mid Cap Growth	Montag & Caldwell	Mid Growth	--	2	-40.3%	-	-
Aston/Cardinal Mid Cap Value	Cardinal Capital Management	Mid Value	--	1	-32.7%	-	-
Total Equity				3,700			
FIXED INCOME							
Aston/TCH Fixed Income	Taplin Canida & Habacht	Int. Term Bond	★★★	67	-3.0%	3.0%	2.3%
Total Fixed Income				67			
Total AUM				\$3,767			

Source: Morningstar, as of March 31, 2009.

## Highbury Supplemental Information

## Highbury Officers and Directors - R. Bruce Cameron, CFA

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R. Bruce Cameron, CFA has been our chairman of the board since our inception. Mr. Cameron has been the president and chief executive officer of Berkshire Capital Securities LLC, or Berkshire Capital, a New York-based investment banking firm, since its formation in May 2004. Mr. Cameron co-founded Berkshire Capital Corporation, the predecessor firm to Berkshire Capital, in 1983 as the first independent investment bank covering the financial services industry, with a focus on investment management and capital markets firms. Mr. Cameron and his partners have advised on 233 mergers and acquisitions of financial services companies, including high net worth managers, institutional investment managers, mutual fund managers, real estate managers, brokerage firms, investment banks and capital markets firms with aggregate client assets under management of nearly \$446 billion and aggregate transaction value in excess of \$10.3 billion. Mr. Cameron is the managing member of Broad Hollow LLC, an entity formed for the purpose of facilitating the investments in us made by our founding shareholders, which owns 776,250 shares of our common stock and 75,000 of our units. Prior to forming Berkshire Capital Corporation, Mr. Cameron was an associate director of Paine Webber Group Inc.'s Strategic Planning Group from 1981 through 1983. Mr. Cameron began his career at Prudential Insurance Company from 1978 through 1980, working first in the Comptroller's Department and then in the Planning & Coordination Group. Mr. Cameron was graduated from Trinity College, where he received a B.A. in Economics, and from Harvard Business School, where he received an M.B.A. Mr. Cameron also attended the London School of Economics. Mr. Cameron is a CFA charterholder and is on the membership committee of the New York Society of Security Analysts. Mr. Cameron is a director of Capital Counsel LLC in New York City, a high net worth investment management firm he advised when it was established. Mr. Cameron is a Fellow of the Life Management Institute. He is also a past trustee of the Securities Industry Institute.

## Highbury Officers and Directors - Richard S. Foote, CFA

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Richard S. Foote, CFA has been our president and chief executive officer and a member of our board of directors since our inception. Mr. Foote has been a managing director of Berkshire Capital since its formation in May 2004 and a managing director, principal and vice president of Berkshire Capital Corporation, the predecessor firm to Berkshire Capital, since 1994. Since 1994, Mr. Foote has advised on 30 completed mergers and acquisitions of financial services companies, including high net worth managers, institutional investment managers, mutual fund managers, real estate managers, brokerage firms, investment banks and capital markets firms with aggregate client assets under management of approximately \$131 billion and aggregate transaction value of approximately \$2.2 billion. Mr. Foote is a director of Berkshire Capital and serves on its compensation committee, commitment committee and technology committee. From 1991 through 1994, Mr. Foote was a co-founder and partner of Knightsbridge Capital Partners, a partnership engaged in investment banking and merchant banking activities. From 1985 to 1991, Mr. Foote was a vice president, an associate, and an analyst in the investment banking division of PaineWebber Incorporated, primarily working on mergers, acquisitions and the issuance of equity and debt securities. Mr. Foote was graduated from Harvard College, cum laude, in 1985 with an A.B. in Economics. Mr. Foote is a CFA charterholder and a member of the CFA Institute, the New York Society of Security Analysts, the Pension Real Estate Association and the National Council of Real Estate Investment Fiduciaries.

## Highbury Officers and Directors - R. Bradley Forth, CFA

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R. Bradley Forth, CFA has been our executive vice president, chief financial officer and secretary since our inception. Mr. Forth has been a vice president and an associate at Berkshire Capital since its formation in May 2004 and an associate and an analyst at Berkshire Capital Corporation, the predecessor firm to Berkshire Capital since 2001. Mr. Forth has advised on 19 mergers and acquisitions of financial services companies with aggregate transaction value of approximately \$1.3 billion. He was graduated from Duke University in 2001 with a B.S. in Economics and a B.A. in Chemistry. Mr. Forth is a CFA charterholder and a member of the CFA Institute and the New York Society of Security Analysts.

## Highbury Officers and Directors - Aidan J. Riordan

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Aidan J. Riordan has been a member of our board of directors since May 2007. Mr. Riordan is a partner at Calvert Street Capital Partners, Inc. ("CSCP"), a Baltimore-based private equity investment firm focused on middle-market manufacturing and service companies. Previously, he was an associate with Castle Harlan, Inc., a New York-based middle-market private equity partnership from 2000 to 2003. Mr. Riordan also served as an associate for Berkshire Capital Corporation, the predecessor firm to Berkshire Capital, from 1994 to 1998. During his career, Mr. Riordan has executed transactions with an aggregate value of \$1.3 billion, including approximately \$500 million of transactions in his current position with CSCP. He holds a B.A. in Economics from the University of Pennsylvania and a M.B.A. in Finance from Columbia Business School. Mr. Riordan currently serves on the boards of directors for two CSCP portfolio companies, Universal Millennium, a printing and graphics services company, and ADAPCO, a distributor of specialty chemicals and equipment.

## Highbury Officers and Directors - Hoyt Ammidon Jr.

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Hoyt Ammidon Jr. has been a member of our board of directors since December 2008. Mr. Ammidon has been an Advisory Director for Berkshire Capital since 2004. Prior to this role, he served as a Managing Director at Berkshire Capital and its predecessor from 1994 to 2004. Mr. Ammidon was previously at Cazenove Incorporated, where he was President of its U.S. brokerage and investment banking subsidiary from 1988 to 1993. He was also formerly the Managing Director of Chase Investment Bank's Merger and Acquisition Division from 1985 to 1987, and Senior Vice President in E.F. Hutton Company's Corporate Finance Department from 1977 to 1985. Mr. Ammidon began his career in corporate finance at Morgan Stanley & Co. from 1963 to 1976 and worked in Paris for three years for Morgan & Cie. International from 1972 to 1975. He is a former director of Tetra Technologies, Inc., Balchem Corporation and W. H. Smith Group (USA). He has also served as a member of the Securities Industry Association's International Committee. Mr. Ammidon earned a BA in history from Yale University in 1959 and then served as a captain and aviator in the United States Marine Corps from 1959 to 1963.



## Highbury Officers and Directors - Theodore M. Leary Jr.

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Theodore M. Leary Jr. has been a member of our board of directors since April 2009. Mr. Leary is the President of Crosswater Realty Advisors LLC, a real estate advisory firm he founded in 2005, which provides workout, value recovery and commingled fund/partnership restructuring assistance to owners, investors and managers holding underperforming real estate and transportation infrastructure investments. Prior to founding Crosswater, Mr. Leary served for 22 years in a variety of roles as a Principal of Lowe Enterprises, a diversified real estate company. He was the President of Lowe Enterprises Investment Management, LLC ("LEIM"), the institutional advisory arm of Lowe Enterprises, from 1990 to 2004 and the Chairman from 2004 to 2005. Under Mr. Leary's leadership, LEIM executed 136 acquisitions and 95 dispositions of real estate assets with an aggregate transaction value of \$7.8 billion. Mr. Leary worked for the Victor Palmieri Company from 1975 to 1982 on highly complex workout assignments for major financial institutions. He has served on the boards of directors of the Pension Real Estate Association, the National Association of Real Estate Investment Managers, the Association of Foreign Investors in Real Estate and the Real Estate Capital Recovery Association, which represented the real estate workout industry during the savings and loan collapse in the 1990s. Mr. Leary was honored, in October 2005, with the prestigious Sponsors' Award by The UCLA Real Estate Finance and Investment Conference for his significant contributions to the real estate investment industry. Before entering the real estate business, Mr. Leary worked in the United States Senate as the chief of staff to U.S. Senator Abraham Ribicoff. Mr. Leary is a graduate of Harvard College and George Washington University Law School.

## Disclosure - Adjusted EBITDA

As supplemental information, we provide information regarding Adjusted EBITDA, a non-GAAP liquidity measure. This measure is provided in addition to, but not as a substitute for, cash flow from operations. Adjusted EBITDA means the sum of (a) net income determined in accordance with GAAP, plus (b) amortization of intangible assets, plus (c) interest expense, plus (d) depreciation, plus (e) other non-cash expenses, plus (f) income tax expense. This definition of Adjusted EBITDA is consistent with the definition of EBITDA used in our credit facility. Adjusted EBITDA, as calculated by us, may not be consistent with computations of Adjusted EBITDA by other companies. As a measure of liquidity, we believe that Adjusted EBITDA is useful as an indicator of our ability to service debt, make new investments and meet working capital requirements. We provide this non-GAAP measure because our management uses this information when analyzing the Company's financial position. The following table provides a reconciliation of net income to Adjusted EBITDA.

	Year Ended December 31,		Three Months Ended March 31,	
	2007	2008	2008	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net income - GAAP	\$ 852,892	\$ 486,007	\$ 624,279	\$ 402,937
Income tax expense	498,792	410,925	400,834	168,696
Interest expense	-	-	-	-
Impairment of intangibles	4,110,000	2,288,000	-	-
Depreciation and other amortization	222,114	186,450	49,059	45,921
Other non-cash expenses	-	-	-	-
Adjusted EBITDA	<u>\$ 5,683,798</u>	<u>\$ 3,371,382</u>	<u>\$ 1,074,172</u>	<u>\$ 617,554</u>

## Disclosure - Cash Net Income

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As supplemental information, we provide a non-GAAP performance measure that we refer to as Cash Net Income. This measure is provided in addition to, but not as a substitute for, GAAP net income. Cash net income means the sum of (a) net income determined in accordance with GAAP, plus (b) amortization of intangible assets, plus (c) deferred taxes related to intangible assets, plus (d) affiliate depreciation, plus (e) other non-cash expenses. We consider Cash Net Income an important measure of our financial performance, as we believe it best represents operating performance before non-cash expenses relating to the acquisition of our interest in our affiliated investment management firm. Cash Net Income is not a measure of financial performance under GAAP and, as calculated by us, may not be consistent with computations of Cash Net Income by other companies. Cash Net Income is used by our management and board of directors as a performance benchmark.

Since our acquired assets do not generally depreciate or require replacement by us, and since they generate deferred tax expenses that are unlikely to reverse, we add back these non-cash expenses to Net Income to measure operating performance. We will add back amortization attributable to acquired client relationships because this expense does not correspond to the changes in value of these assets, which do not diminish predictably over time. The portion of deferred taxes generally attributable to intangible assets (including goodwill) that we do not amortize but which generates tax deductions is added back, because these accruals would be used only in the event of a future sale of Aston or an impairment charge. We will add back the portion of consolidated depreciation expense incurred by Aston because under Aston's operating agreement we are not required to replenish these depreciating assets. We also add back expenses that we incur for financial reporting purposes for which there is no corresponding cash expense because such expenses cause our Net Income to be understated relative to our ability to generate cash flow to service debt, if any, finance accretive acquisitions, and repurchase securities, if appropriate.

## Disclosure - Cash Net Income

	Year Ended December 31,		Three Months Ended March 31,	
	2007	2008	2008	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net income - GAAP	\$ 852,892	\$ 486,007	\$ 624,279	\$ 402,937
Intangible-related deferred taxes	4,110,000	(37,023)	233,263	210,214
Other non-cash expenses	(648,507)	-	-	-
Impairment of intangibles	222,114	2,288,000	-	-
Affiliate depreciation	-	186,450	49,059	45,921
Cash net income	<u>\$ 4,536,499</u>	<u>\$ 2,923,434</u>	<u>\$ 906,601</u>	<u>\$ 659,072</u>
Weighted average share outstanding, basic	9,527,000	9,158,692	9,261,221	9,117,670
Dilutive effect of warrants*	1,225,904	-	-	-
Weighted average shares outstanding, diluted	<u>10,752,904</u>	<u>9,158,692</u>	<u>9,261,221</u>	<u>9,117,670</u>
Weighted average stock price	\$ 5.42	\$ 3.03	\$ 3.81	\$ 1.98

\* Reflects dilutive effect of warrants outstanding with a \$5.00 exercise price, using the treasury stock method and based on the weighted average stock price for the periods.

## Disclosure - Cash Net Income Per Share

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Cash Net Income per share represents Cash Net Income divided by the diluted average shares outstanding. In this calculation, the potential share issuance in connection with our warrants is measured using a treasury stock method. Under this method, only the net number of shares of common stock equal to the value of the warrants in excess of the exercise price, if any, is deemed to be outstanding. We believe the inclusion of net shares under a treasury stock method best reflects the benefit of the increase in available capital resources (which could be used to repurchase shares of common stock) that occurs when these securities are exercised. This method does not take into account any increase or decrease in our cost of capital in an assumed exercise.

## Disclosure

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Source of data on pages 20, 24 and 25 is Morningstar, Inc. Past performance is no guarantee of future results. For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars and the bottom 10% receive one star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its 3-, 5-and 10-year (if applicable) Morningstar Rating metrics.



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