

SALEM PARTNERS

INVESTMENT BANKING
WEALTH MANAGEMENT

EXPERIENCE

INTEGRITY

ACCESS

KNOWLEDGE

SUCCESS

INNOVATION

CLIENTS KNOW.

We measure the Firm's success not by the number of clients but by the depth of each client relationship.

WE FOUNDED SALEM PARTNERS in 1997 with the objective of creating a financial services company which provides services that clients view as indispensable after their initial experience with us. We would measure the Firm's success not by the number of clients but by the depth of each client relationship.

We have pursued our objective by ensuring that all Salem Partners clients receive the focus of senior professionals and the benefits of our network of contacts. We view every interaction with clients as the chance to build a lasting relationship.

The profile of the Firm has changed since its beginnings. Salem Partners now consists of an investment banking division and a wealth management division. Our investment bankers have completed billions of dollars of transactions in industries including media and entertainment, health care, aerospace and defense and technology. Our wealth management division provides investment and family office services to families that desire a high level of service and expertise. Our wealth management business also manages a growing hedge fund-of-funds that aims to provide qualified investors with superior risk-adjusted returns.

Through it all, we have continued to emphasize the client experience as our primary focus. Clients who work with Salem Partners know that they will receive an unparalleled level of service in an honest, client-friendly atmosphere. We are especially proud that many of our clients are clients of both of our divisions.

We chose "Clients Know" as the theme of this brochure because, ultimately, what matters the most to us is our clients' perspective of our services. We appreciate your interest in Salem Partners and hope that at some point soon, you will come to know us as well.



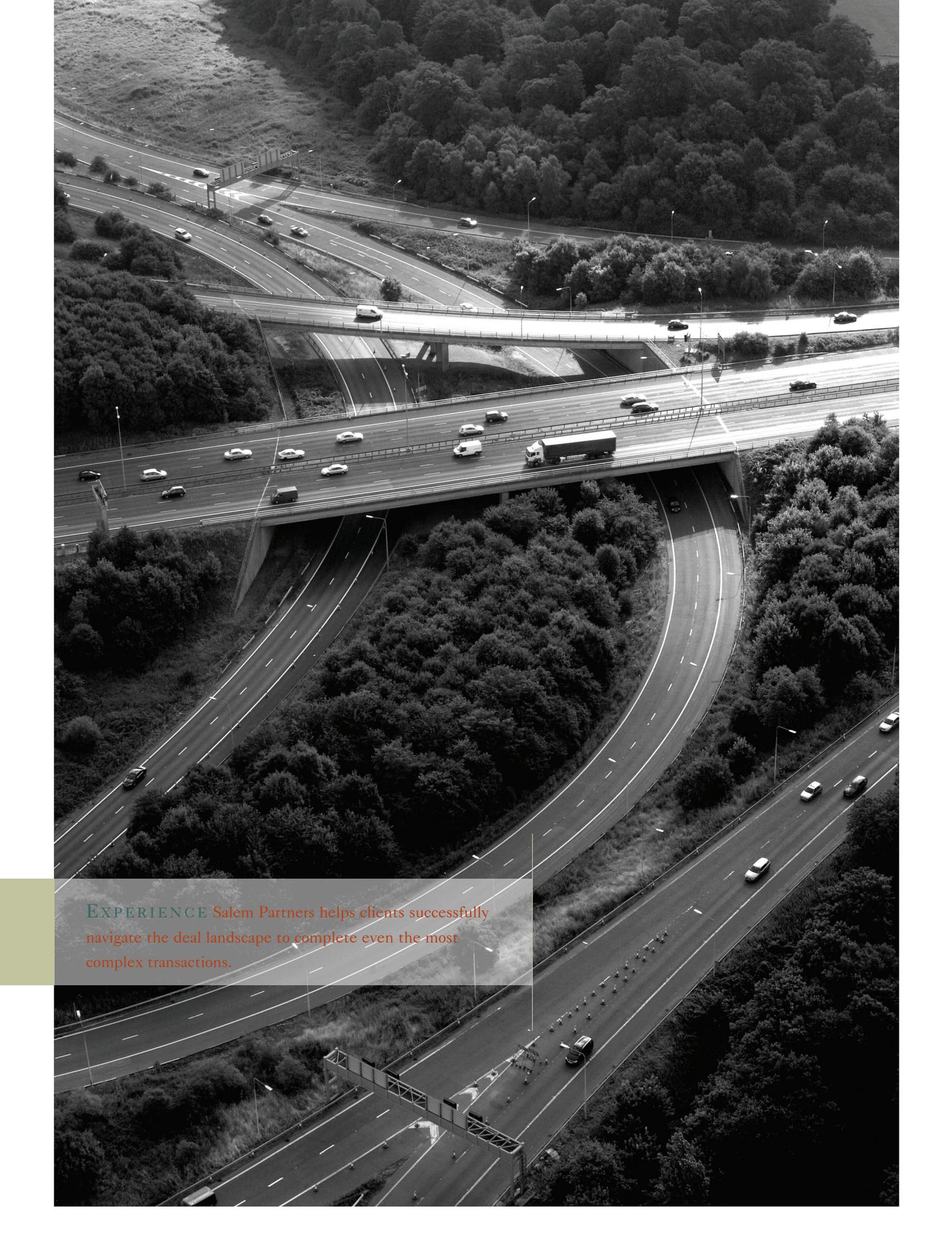
Stephen Prough

Founder



John Dyett

Founder



EXPERIENCE Salem Partners helps clients successfully navigate the deal landscape to complete even the most complex transactions.

OVERVIEW

Originally founded to provide a unique set of transactional services to clients in the entertainment industry, Salem Partners now offers investment banking services to clients across a broad range of industries.

Salem Partners has advised clients on capital raises with aggregate proceeds in excess of one billion dollars and has completed mergers and acquisitions transactions with an aggregate value of over one billion dollars. As the Firm does not perform public offering, sales and trading or equity research services, we are free to operate in an autonomous advisory capacity without conflicting business lines.

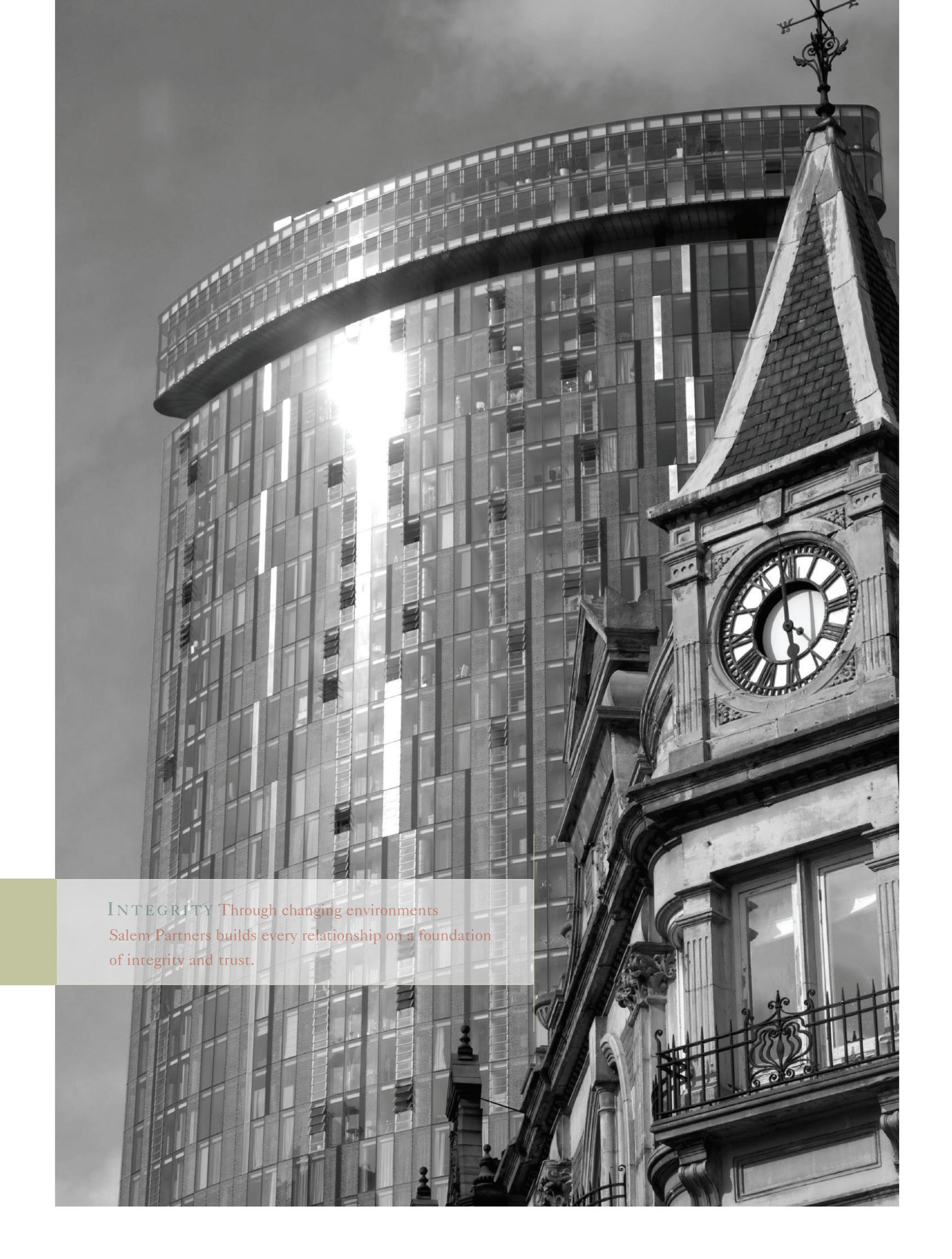
Salem Partners only pursues opportunities in industries we understand with clients we are proud to work with.

Salem Partners' services include:

- *Mergers and Acquisitions*
- *Private Placements of Equity and Debt*
- *Valuations*

Salem Partners focuses on the following industry groups:

- *Aerospace and Defense*
- *Media and Entertainment*
- *Healthcare and Life Sciences*
- *Technology*



INTEGRITY Through changing environments
Salem Partners builds every relationship on a foundation
of integrity and trust.

INVESTMENT BANKING SERVICES

MERGERS AND ACQUISITIONS

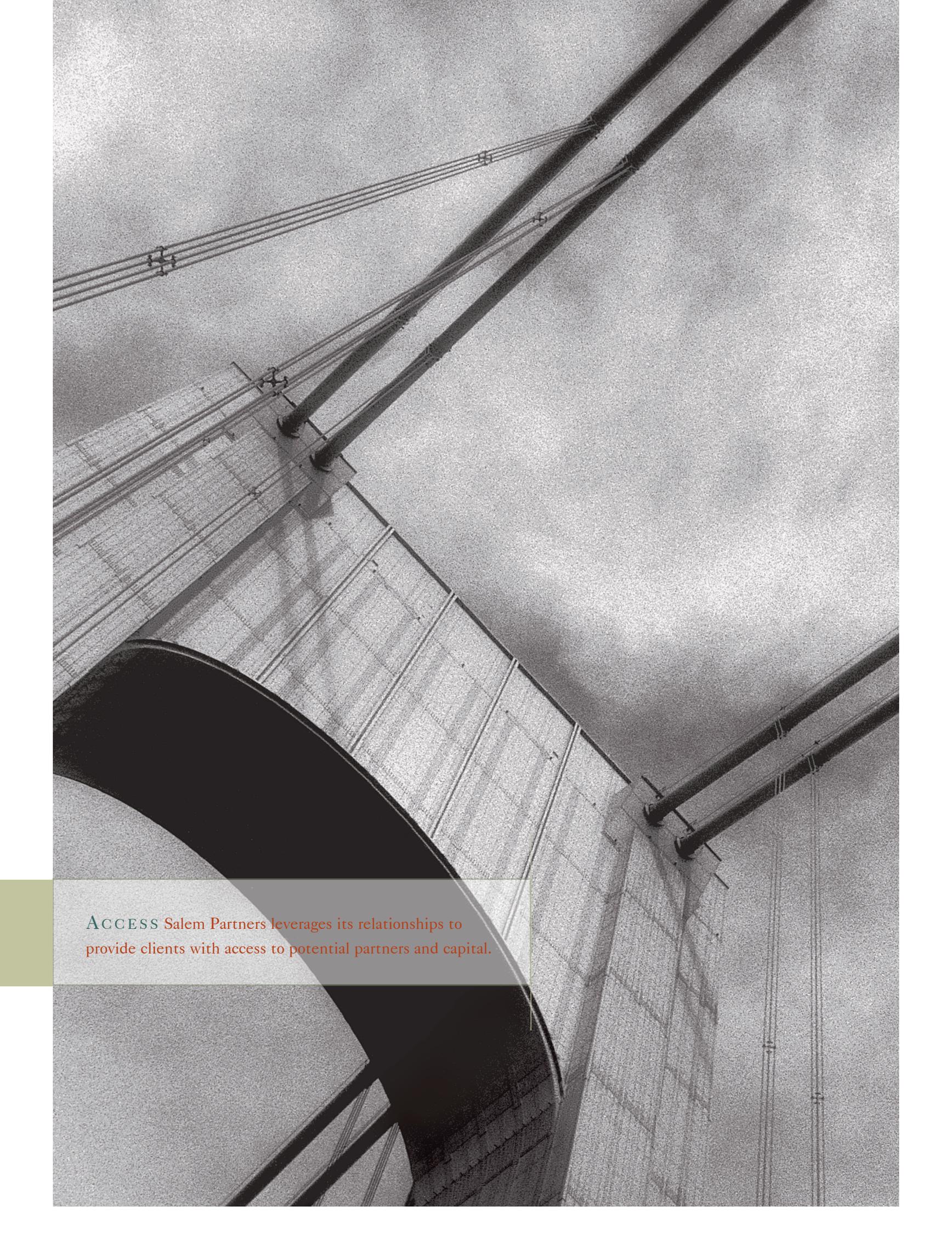
Salem Partners' clients know that they will have a trusted and experienced advisor protecting their interests in all phases of a transaction. We bring a full range of M&A capabilities to every deal, including negotiation, due diligence, valuation, regulation, tax and accounting.

The Firm's deep industry knowledge and access to key executives ensures that clients receive the most advantageous terms available in a transaction.

Salem Partners' clients know that in every M&A transaction, they will have a trusted and experienced advisor protecting their interests.

Divestitures — Salem Partners is a leading sell-side advisor with the access and marketing expertise necessary to close deals with both industrial and financial buyers. Each divestiture the Firm pursues is tailored to the financial market environment as well as the objectives of the companies within the strategic buyer universe.

Buy-Side Advisory — Salem Partners specializes in advising clients on the successful deployment of capital for acquisitions. Salem Partners' industry expertise and analytical skills enable it to identify value and risk. The Firm has advised many leading companies as well as financial buyers in acquisitions both large and small.



ACCESS Salem Partners leverages its relationships to provide clients with access to potential partners and capital.

PRIVATE PLACEMENTS OF EQUITY AND DEBT

Raising capital is a difficult, time consuming and often frustrating process. Growing companies must choose between seeking financing alone, which can defocus management, and trusting a placement agent to guide them through the process. As a company has no more important partnership than that with its investor, hiring the proper investment bank to execute a financing is crucial. Salem Partners' approach to capital raising sets it apart from its competition: we work with fewer clients and serve each with determination and patience. By believing in the companies that we represent and pursuing their financing doggedly, we have earned an excellent reputation from growth companies and investors alike.

Few firms dedicate as many resources to the complex process of identifying capital for growing companies.

VALUATIONS

Salem Partners is a trusted and experienced valuation advisor. The Firm is routinely called upon by some of the world's largest financial institutions to provide validation of asset or company valuations in connection with credit facilities. Salem Partners has performed valuations supporting billions of dollars of commercial loans from banks including JPMorgan Chase, Bank of America, Wells Fargo and US Bank.

In addition, Salem Partners has provided valuations to some of the financial world's largest private equity and hedge funds that invest in our areas of expertise. Salem Partners will only provide valuations in industries in which we have particular expertise and knowledge of market conditions.



KNOWLEDGE Salem Partners' deep industry knowledge gives clients the context and direction necessary to make strategic decisions.

INDUSTRY FOCUS

Since its inception as an advisor to media, entertainment and technology companies, Salem Partners has broadened its focus to include several other industries. The Firm believes that clients are best served by investment bankers who are industry specialists.

When assisting in divestitures, Salem Partners knows the right potential buyers to call. When advising on acquisitions, Salem Partners understands the complexities of the target business. When raising capital, Salem Partners provides access to leading investors for particular industry segments. When providing valuations, Salem Partners knows the trends in the marketplace that impact value.

The Firm believes that clients are best served by investment bankers who are industry specialists.

AEROSPACE AND DEFENSE

Salem Partners is focused on delivering advisory services grounded in true industry expertise and thought leadership to companies competing across multiple tiers and geographies within the aerospace and defense sector. The firm's professionals have completed numerous domestic and cross border transactions. Our professionals have a relationship oriented approach and a diverse background of closed transactions which have shaped many of the global supply chain's current dynamics. Our expertise and familiarity with the considerations, procedures and requirements of completing cross border transactions are increasingly vital due to the rapid globalization of the supply chain.

Commercial Airframe

Electronic Systems

Land Systems

Components

Satellites

Naval Systems

Advanced Materials

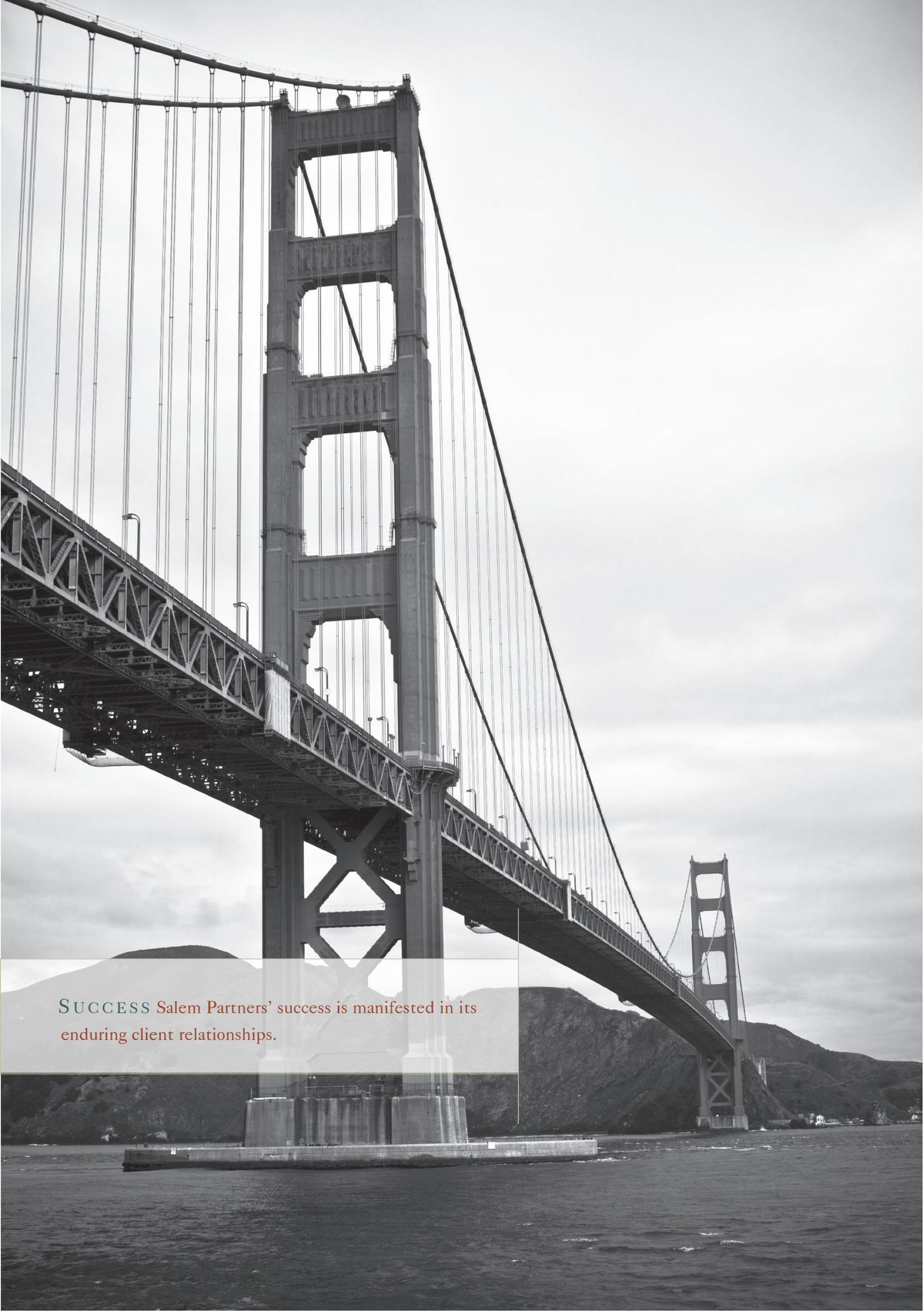
Weapons and Ordnance

Software

C4ISR

Launch Vehicles

IT Services



SUCCESS Salem Partners' success is manifested in its enduring client relationships.

MEDIA AND ENTERTAINMENT

Salem Partners' media and entertainment group is a respected advisor to many of the largest media and entertainment companies in the world. The Firm represents clients in Europe, Asia and Latin America, as well as in North America.

Salem Partners has built its media and entertainment practice by carefully selecting bankers who have unique industry expertise and contacts. The Firm's bankers offer a profound understanding of all considerations involved in a transaction including financing, valuation, accounting and commercial aspects.

The stature of the Firm's media and entertainment practice allows it to access almost anyone in the industry on behalf of its clients. The industry segments on which we focus include film and television production and distribution, cable networks, theatres, broadcasting and music, among others.

Our professionals offer unique insight to help companies access the capital markets.

HEALTHCARE AND LIFE SCIENCES

Salem Partners understands the complexities of the healthcare industry. From drug development to delivery of patient care, our professionals offer unique insight to help companies access the capital markets. We diligently keep up with industry trends and regulatory changes by maintaining an open dialogue with key industry leaders and prominent private equity investors.

Salem has particular expertise in life sciences and has completed multiple transactions across a wide range of development stages. We understand the intricacies of the regulatory process and have demonstrated the ability to complete both early stage transactions where FDA approval is a distant goal, and later stage deals, where growth capital is needed for sales and marketing expansion.

Specialty Pharmaceuticals

Biotechnology

Medical Devices

Healthcare Services

Healthcare Information Technology



INNOVATION Salem Partners strives to create opportunities with new approaches and resources.

TECHNOLOGY

Salem Partners focuses its technology practice on emerging growth companies in the software, PC hardware, internet and communications industry segments. We have particular expertise in enterprise software, where we have completed multiple financing and M&A transactions for companies focused on supply chain management, integration and analytics, business process management, personnel and financials management and IT systems management.

Salem Partners adds value through an approach that is long term in nature, structured, carefully crafted, transparent and objective.

WEALTH MANAGEMENT SERVICES

OVERVIEW

Wealthy families seeking wealth management services confront a complex set of challenges and opportunities that call for expertise beyond strong portfolio management. Salem Partners is a leading wealth management firm that provides customized financial solutions to a limited group of high net worth clients. This enables our senior partners to be personally involved with each client and customize our services to address their exact needs as they evolve over time.

Salem Partners develops investment portfolios tailored to fit each client's unique needs. After discovery of client objectives and risk tolerance and analysis of existing assets, we design a fully customized investment portfolio and implement the transition upon client approval. Each client's portfolio is tracked, monitored and rebalanced as needed to stay on plan. Clients always have immediate access to online reports and resources.

It is our belief that the key to successful investment management is the consistent and disciplined implementation of portfolio strategies that have been tested over a long period of time in a variety of market cycles. As an active manager we add value through an approach that is long term in nature, structured, carefully crafted, transparent and objective.

TRANSPARENT & OBJECTIVE

In formulating strategies for our clients, we combine a number of factors we have identified as being indicative of superior long-term investment performance. While our process is sophisticated, our choice is to remove the “black box” approach many firms employ, opting instead to offer complete transparency with respect to our investment process and approach. In addition to being transparent, our open architecture platform allows us to be completely objective with respect to our investment choices.

Salem Partners provides value added counsel in all areas of our clients' financial lives, partnering with them to achieve their goals and objectives.

FULLY CUSTOMIZED

Each family that we work with has their own unique set of assets, goals and objectives. Salem Partners works with a select list of clientele in order to be able to devote significant time and resources to each family that we serve. This means avoiding template or cookie cutter advice, focusing instead on fully customized solutions for each and every family. By fully understanding and being involved in our clients' overall financial picture, we are better able to help them reach their financial goals.

HIGH TOUCH SERVICES

While most firms are asset gatherers, Salem Partners prides itself on being relationship builders. We enjoy a high employee to client ratio, which allows us a great deal of focus and attention on each client. Client meetings and discussions occur often throughout the year. Building strong relationships to us means offering a wide variety of services well beyond traditional portfolio management. This “family concierge” approach is considered invaluable to many of our clients, who view us not only as their key resource for financial advice but also for managing their lifestyle.

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