



# Knightsbridge Asset Management, LLC

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Knightsbridge Asset Management, LLC is an independent, 100% employee owned, Registered Investment Advisor. The firm offers clients a relationship with a team of fourteen professionals, averaging over ten years of investment experience. Knightsbridge personnel commit personal and retirement capital to the same stocks as clients. Knightsbridge provides a disciplined investment process with the goal of creating and preserving wealth in all market and economic conditions.

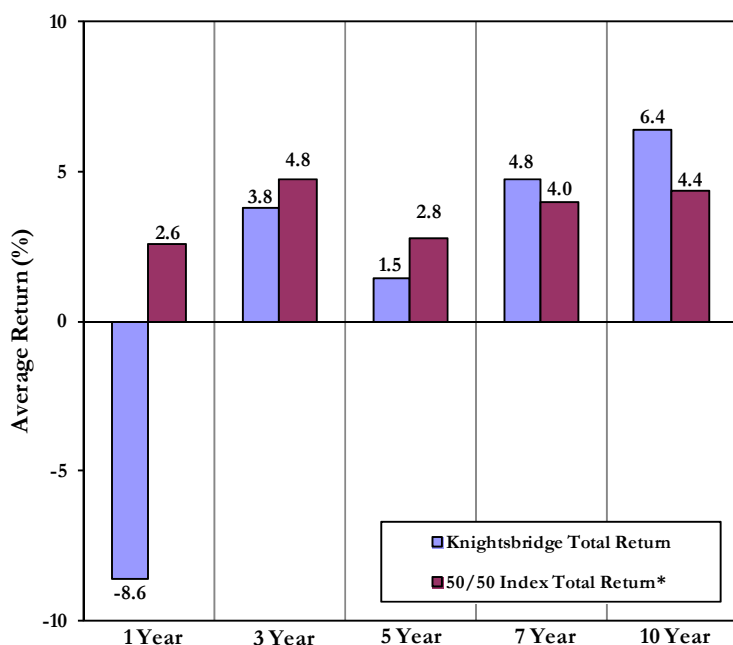
Extensive research of ‘investment anomalies’ is the driver of the Knightsbridge investment process. Knightsbridge believes that misunderstood opportunities may lead to superior risk-adjusted returns. The firm avoids popular or market-based convention and seeks to capitalize on market inefficiencies and irrational behavior. In seeking ‘absolute return’, portfolios are invested across market capitalization without regard to index characteristics. Absent compelling reasons to be fully invested, cash may be used as a defensive tool. Focusing on best ideas, portfolios are invested among 15-25 stocks with sector representation the residual of stock selection. Historical portfolio turnover has averaged less than 40%. Significant emphasis is placed on tax efficiency.

The firm offers equity, balanced, and fixed income management of personal, retirement, trust, corporate and charitable portfolios. Call (949) 644-4444 to discuss your investment needs and the role Knightsbridge Asset Management, LLC can play in the preservation and enhancement of your wealth.

## Recent Purchases

We purchased Motorola Solutions, Inc. in client accounts in August. Motorola Solutions designs, manufactures, and services two way radios, wireless LANs, security products, and iDEN infrastructure. Our purchase came amidst concerns about the company’s prospects should the worldwide economy dip into further recession, despite recent company announcements regarding dividend increases and the future stock buybacks. We believe the company’s strong cash position, ability to generate additional cash, and globally diverse customer base should enable the company to successfully navigate a challenging worldwide economic climate. *Anomaly: Spin Off*

## Long Term Performance Net of Fees as of September 30<sup>th</sup>, 2011



## Opportunistic Value Balanced Performance Net of Fees as of September 30<sup>th</sup>, 2011

Year	Knightsbridge Total Return	50/50 Index Total Return*
2011 YTD	-14.5%	-2.0%
2010	9.0%	11.0%
2009	33.7%	16.0%
2008	-19.2%	-17.9%
2007	1.2%	6.6%
2006	12.3%	9.9%
2005	9.4%	3.3%
2004	17.9%	7.0%
2003	29.1%	16.2%
2002	-5.3%	-6.9%
2001	0.7%	-1.4%
2000	9.8%	0.4%
1999	14.7%	10.5%
1998	25.6%	18.9%
1997	18.9%	20.3%
1996	20.6%	13.3%

Annualized **11.1%**  
Inception (1/1/96) through 12/31/10

A complete list of all recommendations made by Knightsbridge within the past year is available upon request.

\*50% S&P 500 Total Return/50% Citigroup Govt/Corp 1-10 Yr

Please See Reverse For Important Disclosure

**KNIGHTSBRIDGE ASSET MANAGEMENT, LLC  
OPPORTUNISTIC VALUE BALANCED COMPOSITE  
ANNUAL DISCLOSURE PRESENTATION**

Year End	Firm Assets (millions)	Composite Assets (millions)	Number of Accounts	% Non- Fee Paying	50/50* Index	Composite Performance		Composite Dispersion
						Gross	Net	
2010	1,708.7	35.4	47	4	11.0	10.0	9.0	2.5
2009	1,068.8	34.2	49	4	16.0	34.9	33.7	7.6
2008	573.9	22.7	44	5	-17.9	-18.5	-19.2	4.7
2007	727.8	22.2	39	5	6.6	2.2	1.2	2.3
2006	442.1	21.8	37	4	9.9	13.4	12.3	3.2
2005	288.7	12.8	28	6	3.3	10.4	9.4	13.7
2004	198.2	6.4	12	10	7.0	19.1	17.9	6.0
2003	126.6	3.5	13	17	16.2	30.6	29.1	4.4
2002	85.1	3.7	13	0	-6.9	-4.1	-5.3	4.0
2001	100.1	4.3	12	0	-1.4	1.9	0.7	3.4
2000	92.9	3.9	7	0	0.4	11.1	9.8	N/A
1999	76.8	1.4	3	0	10.5	16.1	14.7	N/A
1998	59.9	0.5	2	0	18.9	27.0	25.6	N/A
1997		0.1	1	0	20.3	19.4	18.9	N/A
1996		0.1	1	0	13.3	22.0	20.6	N/A

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

\*Over 95% of firm assets are managed under the Knightsbridge Opportunistic Value strategy.

\*\*50% S&P 500 Total Return/ 50% Citigroup Govt/Corp 1-10 Yr

**Opportunistic Value Balanced Composite** contains fully discretionary balanced accounts with varying fixed income allocations and for comparison purposes is measured against a 50% S&P 500 Total Return/50% Citigroup Govt/Corp Index rebalanced monthly. The S&P 500 Total Return Index is a free-float market-capitalization weighted index of 500 of the largest companies in leading industries of the U.S. economy. The Citigroup Government/Corporate Index is comprised of investment grade domestic debt maturing between 1 to 10 years. The indices are calculated on a total return basis. Indices are not available for direct investment. The Opportunistic Value Balanced Composite differs from the blended index in that the equity component of the composite represents an average lower market capitalization, narrower diversification in terms of number of securities, and more focused sector representation. The fixed income component for individual portfolios underlying the composite has specific allocations tailored specifically for that account, and varies between 15% and 70%, whereas the blended index is 50%, and may be tax sensitive.

Knightsbridge Asset Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Knightsbridge Asset Management, LLC is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request.

Knightsbridge Asset Management, LLC's Opportunistic Value strategy is an all market capitalization value strategy, generally invested in 15-25 equity holdings, with manager discretion to hold significant cash in lieu of equities from time to time. Portfolio concentration has become more diversified over the years while maintaining the same investment strategy. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign withholding taxes on dividends and interest income. Withholding taxes may vary according to the investor's domicile. Composite returns represent investors domiciled primarily in the United States. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Non fee/commission paying accounts are represented in the composite and their respective weights shown in the table above. Gross performance results are net of actual transaction costs for those accounts. Per client direction only, margin balance has/may be utilized, but is not part of the investment strategy. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 1.2% up to \$0.5 million, 1.1% from \$0.5 to \$1 million, and 1.0% above \$1 million. Actual investment advisory fees incurred by clients may vary.

The Opportunistic Value Balanced Composite was created January 2008. Knightsbridge Asset Management LLC's compliance with the GIPS standards has been verified for the period July 1998 through December 2010 by Ashland Partners & Company LLP. Performance presented prior to July 1998 occurred while the portfolio management team operated as a division of Canterbury Capital Services, Inc and were the only individuals responsible for selecting the securities bought and sold. While at Canterbury Capital Services, Inc, this composite was not maintained. Composite performance prior to July 1998 is calculated from all portfolios representative of the investment strategy. A copy of the verification report is available upon request.