



GIPS® Compliance Verification Statement

Kornitzer Capital Management, Inc.

12/31/90 through 12/31/09



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GIPS[®] Compliance Verification Statement

Kornitzer Capital Management, Inc.
Issued October 15, 2010

The following report issued by Beacon Verification Services (“Beacon”) is for a firm-wide GIPS[®] Verification of Kornitzer Capital Management, Inc.’s (“Kornitzer”) claim of compliance with the Global Investment Performance Standards (GIPS[®]) for the period December 31, 1990 through December 31, 2009.

We have examined whether Kornitzer (1) complied with all the composite construction requirements of the GIPS[®] on a firm-wide basis and (2) designed its processes and procedures to calculate and present performance results in compliance with the GIPS[®] for the period December 31, 1990 through December 31, 2009. Kornitzer’s management is responsible for compliance with the GIPS[®] and the design of the processes and procedures that present the firm’s performance results in accordance with the GIPS[®]. Beacon’s responsibility is to express an opinion on Kornitzer’s compliance based on its verification procedures.

Beacon has completed this firm-wide GIPS[®] Verification in accordance with the verification procedures set forth in the GIPS[®]. It is Beacon’s opinion that Kornitzer has complied with all the composite construction requirements of the GIPS[®] on a firm-wide basis. Furthermore, it is Beacon’s opinion that Kornitzer’s processes and procedures were designed to calculate and present performance results in compliance with the GIPS[®] for the period December 31, 1990 through December 31, 2009.

In addition to the firm-wide GIPS[®] Verification, Beacon has completed Performance Examinations of the following composites maintained by Kornitzer from each composite’s respective inception date through December 31, 2009: Large Cap Equity, High Yield, Growth Equity, Small Cap Equity, Science & Technology, Mid Cap Equity, Micro Cap, and SMID Cap.

Beacon completed these examinations in accordance with the Performance Examination procedures set forth in the GIPS[®]. It is Beacon’s opinion that the performance results of these composites for the time periods referenced above are presented, in all material respects, in conformity with the GIPS[®].

This report of the referenced Performance Examinations does not relate to any particular composite presentation of Kornitzer other than the aforementioned composites.

Beacon Verification Services

Beacon Verification Services

Large Cap Equity Composite

Kornitzer Capital Management, Inc.

December 31, 1999 through December 31, 2009

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return† (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD mil)	Composite Percentage of Firm Assets (%)	Total Firm Assets (USD mil)
2000	21.70	20.51	-22.42	2	N/A	62.9	8.2	763.3
2001	-14.02	-14.88	-20.42	3	N/A	70.9	4.3	1645.6
2002	-24.20	-24.97	-27.88	3	N/A	54.9	3.3	1663.2
2003	31.18	29.91	29.75	3	N/A	77.8	2.7	2915.3
2004	8.61	7.54	6.30	4	N/A	99.8	2.4	4206.8
2005	5.43	4.39	5.26	3	N/A	123.5	2.7	4524.0
2006	11.61	10.51	9.07	3	N/A	87.7	2.0	4281.5
2007	9.10	8.02	11.81	2	N/A	69.1	1.6	4224.4
2008	-40.17	-40.79	-38.44	2	N/A	28.4	1.2	2432.6
2009	52.40	50.94	37.21	2	N/A	43.7	1.0	4434.2

Kornitzer Capital Management, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Firm and Composite Information

Kornitzer Capital Management, Inc. ("KCM") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. For GIPS purposes, the firm is defined as the institutional division of KCM. KCM manages equity and fixed income portfolios for institutions, private pooled funds and mutual funds.

KCM's institutional business is defined as pension and profit sharing plans, non-family foundations and endowments, corporations or other business entities, and state or municipal government entities.

The Large Cap Equity Composite normally invests at least 80% of its net assets in domestic common stocks and other equity securities of large capitalization companies. The firm considers a company to be a large-cap company if, at time of purchase, it has a market capitalization greater than or equal to the lesser of (1) \$10 billion, or (2) the median market capitalization of companies in the S&P 500 Index. The remaining portfolio may include cash or high-quality, short-term debt obligations or equity securities not meeting the large-cap definition.

The Large Cap Equity Composite was created in May 1995. A complete list and description of firm composites is available upon request.

Benchmark

† The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are presented before custodial fees but after management fees, all trading expenses, and withholding taxes.

The standard management fee for the Large Cap Equity strategy is 1.00% per annum on all assets, USD. Additional information regarding Large Cap Equity's fees is included in its Part II of Form ADV.

Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Large Cap Equity Composite

Verification

Kornitzer Capital Management, Inc. has received a firm-wide verification from Beacon Verification Services for the period 12/31/90 – 12/31/09. The Large Cap Equity composite has received a performance exam for the period 05/31/95 – 12/31/09. A copy of the verification report is available upon request.

Past performance does not guarantee future results.

High Yield Composite

Kornitzer Capital Management, Inc.

December 31, 1999 through December 31, 2009

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return† (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD mil)	Composite Percentage of Firm Assets (%)	Total Firm Assets (USD mil)
2000	6.03	4.98	-5.12	2	N/A	44.2	5.8	763.3
2001	11.51	10.41	4.48	2	N/A	69.3	4.2	1645.6
2002	4.96	3.92	-1.89	2	N/A	123.7	7.4	1663.2
2003	21.48	20.29	28.15	2	N/A	318.7	10.9	2915.3
2004	9.42	8.34	10.87	2	N/A	381.3	9.1	4206.8
2005	0.12	-0.88	2.77	2	N/A	264.2	5.8	4524.0
2006	9.76	8.67	11.77	2	N/A	200.6	4.7	4281.5
2007	4.93	3.89	2.19	1	N/A	176.4	4.2	4224.4
2008	-20.49	-21.05	-26.39	1	N/A	89.2	3.7	2432.6
2009	45.37	43.97	57.51	2	N/A	160.3	3.6	4434.2

Kornitzer Capital Management, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Firm and Composite Information

Kornitzer Capital Management, Inc. ("KCM") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. For GIPS purposes, the firm is defined as the institutional division of KCM. KCM manages equity and fixed income portfolios for institutions, private pooled funds and mutual funds.

KCM's institutional business is defined as pension and profit sharing plans, non-family foundations and endowments, corporations or other business entities, and state or municipal government entities.

The High Yield Composite normally invests at least 80% of its net assets in higher-yielding, higher-risk debt securities rated below investment grade by the major rating agencies. This product may also include preferred stocks, convertible preferred stocks and convertible debt securities. The investment objectives are the generation of current income, with long-term growth of capital as a secondary objective.

The High Yield Composite was created in May 1995. A complete list and description of firm composites is available upon request.

Benchmark

† The Merrill Lynch US High Yield Master II Index (H0A0) is a commonly used benchmark index for high yield corporate bonds. It is administered by Merrill Lynch. The Master II is a measure of the broad high yield market, unlike the Merrill Lynch BB/B Index, which excludes lower-rated securities.

Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are presented before custodial fees but after management fees, all trading expenses, and withholding taxes.

The standard management fee for the High Yield strategy is 1.00% per annum on all assets, USD. Additional information regarding High Yield's fees is included in its Part II of Form ADV.

Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Verification

High Yield Composite

Kornitzer Capital Management, Inc. has received a firm-wide verification from Beacon Verification Services for the period 12/31/90 – 12/31/09. The High Yield composite has received a performance exam for the period 05/31/95 – 12/31/09. A copy of the verification report is available upon request.

Past performance does not guarantee future results.

Growth Equity Composite

Kornitzer Capital Management, Inc.

December 31, 1999 through December 31, 2009

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return† (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD mil)	Composite Percentage of Firm Assets (%)	Total Firm Assets (USD mil)
2000	9.41	8.33	-22.42	4	N/A	135.7	17.8	763.3
2001	-9.69	-10.60	-20.42	4	N/A	147.0	8.9	1645.6
2002	-25.06	-25.82	-27.88	4	N/A	140.3	8.4	1663.2
2003	36.65	35.32	29.75	4	N/A	199.5	6.8	2915.3
2004	7.76	6.69	6.30	4	N/A	241.5	5.7	4206.8
2005	5.31	4.26	5.26	4	N/A	260.8	5.8	4524.0
2006	13.46	12.34	9.07	4	N/A	148.7	3.5	4281.5
2007	9.93	8.85	11.81	3	N/A	179.2	4.2	4224.4
2008	-32.05	-32.75	-38.44	3	N/A	106.6	4.4	2432.6
2009	35.48	34.16	37.21	3	N/A	133.1	3.0	4434.2

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Firm and Composite Information

Kornitzer Capital Management, Inc. ("KCM") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. For GIPS purposes, the firm is defined as the institutional division of KCM. KCM manages equity and fixed income portfolios for institutions, private pooled funds and mutual funds.

KCM's institutional business is defined as pension and profit sharing plans, non-family foundations and endowments, corporations or other business entities, and state or municipal government entities.

The Growth Equity Composite normally invests in domestic common stocks and other U.S. equity securities of companies of any size and across many industries that are expected to benefit from long-term global and domestic trends. The investment objective is long-term growth of capital.

The Growth Equity Composite was created in April 1995. A complete list and description of firm composites is available upon request.

Benchmark

† The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are presented before custodial fees but after management fees, all trading expenses, and withholding taxes.

The standard management fee for the Growth Equity strategy is 1.00% per annum on all assets, USD. Additional information regarding Growth Equity's fees is included in its Part II of Form ADV.

Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Verification

Growth Equity Composite

Kornitzer Capital Management, Inc. has received a firm-wide verification from Beacon Verification Services for the period 12/31/90 – 12/31/09. The Growth Equity composite has received a performance exam for the period 04/30/95 – 12/31/09. A copy of the verification report is available upon request.

Past performance does not guarantee future results.

Small Cap Equity Composite

Kornitzer Capital Management, Inc.

December 31, 1999 through December 31, 2009

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return† (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD mil)	Composite Percentage of Firm Assets (%)	Total Firm Assets (USD mil)
2000	30.11	28.84	-22.43	3	N/A	100.1	13.1	763.3
2001	29.58	28.32	-9.23	4	N/A	908.7	55.2	1645.6
2002	-25.12	-25.89	-30.26	15	0.57	868.3	52.2	1663.2
2003	53.00	51.53	48.54	13	0.75	1565.1	53.7	2915.3
2004	29.93	28.67	14.31	13	0.69	2270.1	54.0	4206.8
2005	4.11	3.08	4.15	18	0.39	2295.4	50.7	4524.0
2006	14.94	13.80	13.35	24	0.37	2430.5	56.8	4281.5
2007	1.62	0.61	7.05	28	0.17	2232.6	52.9	4224.4
2008	-29.18	-29.91	-38.54	30	0.26	1348.4	55.4	2432.6
2009	39.19	37.84	34.47	33	1.30	2766.0	62.4	4434.2

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Firm and Composite Information

Kornitzer Capital Management, Inc. ("KCM") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. For GIPS purposes, the firm is defined as the institutional division of KCM. KCM manages equity and fixed income portfolios for institutions, private pooled funds and mutual funds.

KCM's institutional business is defined as pension and profit sharing plans, non-family foundations and endowments, corporations or other business entities, and state or municipal government entities.

The Small Cap Equity Composite normally invests at least 80% of its net assets in domestic common stocks and equity securities of small-cap companies. The firm considers a company to be a small-cap company if, at time of purchase, it has a market capitalization of \$2.5 billion or less. The remaining portfolio may include cash or high-quality, short-term debt obligations or equity securities not meeting the small-cap definition. The investment objective is long-term growth of capital.

The Small Cap Equity Composite was created in August 1994. A complete list and description of firm composites is available upon request.

Benchmark

† The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are presented before custodial fees but after management fees, all trading expenses, and withholding taxes.

The standard management fee for the Small Cap Equity strategy is 1.00% per annum on the first \$50 million USD and 0.80% per annum on additional assets. Additional information regarding the Small Cap Equity's fees is included in its Part II of Form ADV.

Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year.

Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Small Cap Equity Composite

Verification

Kornitzer Capital Management, Inc. has received a firm-wide verification from Beacon Verification Services for the period 12/31/90 – 12/31/09. The Small Cap Equity composite has received a performance exam for the period 08/31/94 – 12/31/09. A copy of the verification report is available upon request.

Past performance does not guarantee future results.

Science & Technology Composite

Kornitzer Capital Management, Inc.

December 31, 1999 through December 31, 2009

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return† (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD mil)	Composite Percentage of Firm Assets (%)	Total Firm Assets (USD mil)
2000	1.54	0.52	-30.27	2	N/A	41.9	5.5	763.3
2001	-12.63	-13.51	-34.72	4	N/A	63.6	3.9	1645.6
2002	-38.19	-38.83	-41.38	4	N/A	52.7	3.2	1663.2
2003	65.93	64.34	51.31	4	N/A	100.4	3.4	2915.3
2004	14.87	13.73	4.11	4	N/A	156.4	3.7	4206.8
2005	8.55	7.48	5.37	4	N/A	195.6	4.3	4524.0
2006	13.11	11.99	6.73	4	N/A	185.1	4.3	4281.5
2007	9.32	8.24	16.76	3	N/A	230.6	5.5	4224.4
2008	-36.13	-36.79	-36.87	3	N/A	115.7	4.8	2432.6
2009	53.63	52.15	57.90	3	N/A	216.0	4.9	4434.2

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Firm and Composite Information

Kornitzer Capital Management, Inc. ("KCM") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. For GIPS purposes, the firm is defined as the institutional division of KCM. KCM manages equity and fixed income portfolios for institutions, private pooled funds and mutual funds.

KCM's institutional business is defined as pension and profit sharing plans, non-family foundations and endowments, corporations or other business entities, and state or municipal government entities.

The Science & Technology Composite normally invests at least 80% of its net assets in domestic common stocks of companies whose securities may increase in value due to the development, advancement or use of science and technology. The investment objective is long-term growth of capital.

The Science & Technology Composite was created in December 1997. A complete list and description of firm composites is available upon request.

Benchmark

†The benchmark is the Lipper Science & Technology Fund that invests 65% of its equity portfolio in science and technology stocks.

Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are presented before custodial fees but after management fees, all trading expenses, and withholding taxes.

The standard management fee for the Science & Technology strategy is 1.00% per annum on all assets, USD. Additional information regarding Science & Technology's fees is included in its Part II of Form ADV.

Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Verification

Kornitzer Capital Management, Inc. has received a firm-wide verification from Beacon Verification Services for the period 12/31/90 – 12/31/09. The Science & Technology composite has received a performance exam for the period 12/31/97 – 12/31/09. A copy of the verification report is available upon request.

Past performance does not guarantee future results.

Mid Cap Equity Composite

Kornitzer Capital Management, Inc.

December 31, 2001 through December 31, 2009

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return† (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD mil)	Composite Percentage of Firm Assets (%)	Total Firm Assets (USD mil)
2002	-54.67	-55.16	-27.41	4	N/A	73.4	4.4	1663.2
2003	43.78	42.39	42.71	4	N/A	142.7	4.9	2915.3
2004	17.53	16.37	15.48	4	N/A	280.9	6.7	4206.8
2005	15.39	14.26	12.10	4	N/A	443.1	9.8	4524.0
2006	6.83	5.77	10.66	4	N/A	467.7	10.9	4281.5
2007	11.08	9.98	11.43	4	N/A	547.6	13.0	4224.4
2008	-38.79	-39.42	-44.32	4	N/A	235.0	9.7	2432.6
2009	50.54	49.09	46.29	3	N/A	436.6	9.8	4434.2

Kornitzer Capital Management, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Firm and Composite Information

Kornitzer Capital Management, Inc. ("KCM") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. For GIPS purposes, the firm is defined as the institutional division of KCM. KCM manages equity and fixed income portfolios for institutions, private pooled funds and mutual funds.

KCM's institutional business is defined as pension and profit sharing plans, non-family foundations and endowments, corporations or other business entities, and state or municipal government entities.

The Mid Cap Equity Composite product normally invests at least 80% of its net assets in domestic common stocks and other equity securities of mid-cap companies. The firm considers a company to be a mid-cap company if, at time of purchase, it has a market capitalization between \$1.5 billion and \$10 billion. The remaining portfolio may include cash or high-quality, short-term debt obligations or equity securities not meeting the mid-cap definition. The investment objective is long-term growth of capital.

The Mid Cap Equity Composite was created in December 2001. A complete list and description of firm composites is available upon request.

Benchmark

†The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.

Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are presented before custodial fees but after management fees, all trading expenses, and withholding taxes.

The standard management fee for the Mid Cap Equity strategy is 1.00% per annum on the first \$1 million USD, 0.75% on the next \$19 million USD and 0.70% per annum on additional assets. Additional information regarding Mid Cap Equity's fees is included in its Part II of Form ADV.

Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Verification

Kornitzer Capital Management, Inc. has received a firm-wide verification from Beacon Verification Services for the period 12/31/90 – 12/31/09. The Mid Cap Equity composite has received a performance exam for the period 12/31/01 – 12/31/09. A copy of the verification report is available upon request.

Past performance does not guarantee future results.

Micro Cap Composite

Kornitzer Capital Management, Inc.

December 31, 2004 through December 31, 2009

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return† (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD mil)	Composite Percentage of Firm Assets (%)	Total Firm Assets (USD mil)
2005	11.09	9.51	2.38	2	N/A	58.7	1.3	4524.0
2006	14.13	12.50	11.39	2	N/A	59.3	1.4	4281.5
2007	-10.60	-11.90	-2.74	4	N/A	42.7	1.0	4224.4
2008	-47.57	-48.37	-44.72	1	N/A	15.9	0.7	2432.6
2009	50.55	48.84	38.98	1	N/A	19.7	0.4	4434.2

Kornitzer Capital Management, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Firm and Composite Information

Kornitzer Capital Management, Inc. ("KCM") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. For GIPS purposes, the firm is defined as the institutional division of KCM. KCM manages equity and fixed income portfolios for institutions, private pooled funds and mutual funds.

KCM's institutional business is defined as pension and profit sharing plans, non-family foundations and endowments, corporations or other business entities, and state or municipal government entities.

This product normally invests at least 80% of its net assets in domestic common stocks of micro-cap companies. The firm considers a company to be micro-cap if, at time of purchase, it has a market capitalization less than or equal to the greater of (1) \$600 million, or (2) the median capitalization of companies in the Russell 2000 index. The remaining portfolio may include cash or high-quality, short-term debt obligations or equity securities not meeting the micro-cap definition. The investment objective is long-term growth of capital.

The Micro Cap Composite was created in May 2004. A complete list and description of firm composites is available upon request.

Benchmark

† The Russell Microcap Growth Index measures the performance of the microcap growth segment of the U.S. Equity market. It includes those Russell Microcap Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Microcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the microcap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the microcap growth market.

Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are presented before custodial fees but after management fees, all trading expenses, and withholding taxes.

The standard management fee for the Micro Cap strategy is 1.20% per annum on the first \$5 million USD, 1.10% on the next \$5 million and 1.00% per annum on additional assets. Additional information regarding Micro Cap's fees is included in its Part II of Form ADV.

Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Verification

Kornitzer Capital Management, Inc. has received a firm-wide verification from Beacon Verification Services for the period 12/31/90 – 12/31/09. The Micro Cap composite has received a performance exam for the period 05/31/04 – 12/31/09. A copy of the verification report is available upon request.

Past performance does not guarantee future results.

SMID Cap Composite

Kornitzer Capital Management, Inc.

December 31, 2007 through December 31, 2009

Year	Gross-of-Fees Return (%)	Net-of-Fees Return (%)	Benchmark Return† (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets (USD mil)	Composite Percentage of Firm Assets (%)	Total Firm Assets (USD mil)
2008	-35.65	-36.31	-41.50	1	N/A	1.9	0.08	2432.6
2009	48.64	47.18	41.66	1	N/A	2.8	0.06	4434.2

Kornitzer Capital Management, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Firm and Composite Information

Kornitzer Capital Management, Inc. ("KCM") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. For GIPS purposes, the firm is defined as the institutional division of KCM. KCM manages equity and fixed income portfolios for institutions, private pooled funds and mutual funds.

KCM's institutional business is defined as pension and profit sharing plans, non-family foundations and endowments, corporations or other business entities, and state or municipal government entities.

The SMID Cap Composite normally invests at least 80% of its net assets in domestic common stocks and other equity securities of small and mid-cap companies. The firm considers a company to be "SMID Cap" if, at time of purchase, it has a market capitalization between \$400 million and \$10 billion. The remaining portfolio may include cash or high-quality, short-term debt obligations or equity securities not meeting the SMID Cap definition. The investment objective is long-term growth of capital. The benchmark is the Russell 2500 Growth Index.

The SMID Cap Composite was created in November 2007. A complete list and description of firm composites is available upon request.

Benchmark

† The Russell 2500 Growth Index measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

Performance Calculations

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings.

Gross-of-fees returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net-of-fees returns are presented before custodial fees but after management fees, all trading expenses, and withholding taxes.

The standard management fee for the SMID Cap strategy is 0.90% per annum on the first \$10 million USD, 0.80% on the next \$40 million and 0.75% per annum on additional assets. Additional information regarding SMID Cap's fees is included in its Part II of Form ADV.

Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request.

Verification

Kornitzer Capital Management, Inc. has received a firm-wide verification from Beacon Verification Services for the period 12/31/90 – 12/31/09. The SMID Cap composite has received a performance exam for the period 11/30/07 – 12/31/09. A copy of the verification report is available upon request.

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