

MTB Small-Cap Growth Fund

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MARKET OVERVIEW

Equity markets experienced their worst quarterly performance since the 2008/2009 downturn. During the quarter, the S&P 500 was down 13.87% and lagged behind the Dow Jones Industrial Average, which declined 11.49%. Macroeconomic and increasingly political concerns again trumped solid corporate profit performance. Turmoil in Europe intensified, driven by fear of Greek debt issues spilling over into the stronger European core countries. In the U.S., the debt ceiling debate led S&P to downgrade the US's debt rating. Investors' confidence and risk tolerance were severely tested. Despite all the uncertainty, we have yet to see macroeconomic and political concerns materialize into weakening corporate profits on a broader level.

Small-cap stocks underperformed larger cap stocks, with the Russell 2000 Index declining 21.87% for the third quarter and 3.53% for the full year. Within small-cap, the Russell 2000 Growth index underperformed the Russell 2000 Value index by 0.78% for the third quarter, but outperformed by 4.87% for the full year.

Average Annual Total Returns (%) as of 9/30/11

	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception (7/13/95)
Class A (without sales charge)	-26.42	-20.17	-4.27	-0.44	-1.72	2.97	9.47
Class A (with sales charge)	-30.47	-24.56	-9.55	-2.29	-2.83	2.39	9.08
Russell 2000 Growth Index	-22.25	-15.57	-1.12	2.07	0.96	5.45	--

Total Annual Operating Expenses as of latest prospectus: Gross: 1.67%; Net: 1.47%

Contractual expense waiver expires 8/31/12

Past performance is not indicative of future results. Investment return and value of shares will fluctuate. Upon redemption, shares may be worth more or less than their original cost. Current month-end performance may be higher or lower than the quoted performance and may be obtained by calling 800-836-2111. Performance for periods less than one year is cumulative. Class A shares performance with sales charge reflects a maximum front-end sales charge of 5.5%.

STRATEGY REVIEW

The MTB Small-Cap Growth Fund trailed its benchmark by more than 400 basis points¹ (net of fees) during the quarter. The Fund's overweight in Industrials, specifically in machinery related companies, cost us both in stock selection and in sector allocation. These holdings declined by -31.3% versus a decline in the benchmark's Industrials holdings of -22.8%.

The Materials sector, as a result of stock selection, was the largest positive contributor to performance. Our overweight in agricultural and chemical related equities - the more defensive areas within Materials - also helped drive relative outperformance within this

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Jim Thorne is the Chief Investment Officer of Equities and Senior Portfolio Manager of the MTB Small-Cap Growth Fund. He has been a Portfolio Manager with MTB Investment Advisors since April 2003, concentrating

on small-cap equity selection as well as economic forecasting. With over 15 years of investment industry experience, Dr. Thorne has also been a Portfolio Manager at Caldwell Securities Investment Management. Prior to that, Dr. Thorne was a professor at the Schulich School of Business and at Bishop's University. He received his Ph.D. in Economics in the fields of Finance and Industrial Organization from York University.

For more information about the MTB Group of Funds, please call 1-866-275-6325 or visit www.mtbfunds.com.

¹100 basis points equals 1%.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The S&P 500 Index is comprised of 500 stocks that generally represent the performance of larger companies in the U.S. The Dow Jones Industrial Average is a widely followed measurement of the stock market and is comprised of 30 stocks that represent leading companies in major industries. All indexes are unmanaged, their performance does not include fees or expenses, and it is not possible to invest directly in an index.

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sector. The Fund's Materials holdings posted a -18.3% return versus the -32.3% return for the benchmark's Materials holdings.

OUTLOOK

In times of uncertainty, it is often helpful to look back to see what the future may bring. The key to a proper diagnosis of the future is choosing the appropriate historical context for comparison. With volatility spiking and global markets plunging in the third quarter, many investors began having flashbacks to the fall of 2008. Recall, in the third quarter of 2008, Gross Domestic Product (GDP) declined at a negative 3.7% annualized rate, marking the beginning of four consecutive quarters of negative GDP growth. Talk of a "double dip" recession surfaced in third quarter, for the second time in as many years. The only problem, as we see it, is that real GDP grew at a 0.4% rate in the first quarter of 2011, accelerated to a 1.3% annualized rate in the second quarter, and is expected to accelerate from here. According to 37 panelists surveyed by the Federal Reserve Bank of Philadelphia, real GDP growth is expected to have increased again in the third quarter to a 2.2% annualized rate, albeit at a slower pace than initially predicted. So if not the fall of 2008, than what is the appropriate historical context to view the current market environment? We believe the current market environment is more reminiscent of the fall of 1998 than the fall of 2008 because GDP remains positive and the credit markets remain open.

Similar to the current market environment, financial markets were roiled during the fall of 1998 with large swings in both directions on a weekly basis. Volatility in global markets reflected the effects of the Asian currency crisis, anemic economic growth in Japan, and the failure of Long Term Capital Management. This led to a classic flight to safety as investors sold risk assets in favor of U.S. Treasury bills, causing bond prices to rise and yields to plunge. Sound familiar? The key differences between 1998 and 2008 is that GDP remained positive and the contagion caused by the Asian currency crisis did not cause credit markets to seize up like we experienced post Lehman Brothers failure in 2008. We believe that the European sovereign debt crisis will be resolved over time and, as in 1998, GDP will remain positive and the credit markets will remain open.

Using 1998 as a reference point, we conclude that the sell-off during the third quarter was overdone. During the third quarter, earnings multiples contracted to levels consistent with negative GDP growth. In our view, the market has presented us with an opportunity to buy companies with improving fundamentals levered to U.S. economic growth at attractive valuations. We favor pro-cyclical companies in the technology, industrial, and consumer discretionary space.

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Past performance is no guarantee of future results. All investments involve risks, including possible loss of principal. Small-Cap investing involves special risks. Small-Cap funds are designed for investors who can accept short-term fluctuations in principal and earnings and can assume more risk typically associated with an aggressive growth fund. Small-Cap stocks are more volatile and drop more in down markets than Large-Cap stocks. Growth stocks can perform differently from the market as a whole and can be more volatile than other types of stock.

You should consider a fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other considerations is contained in a fund's prospectus, which is available at www.mtbfunds.com or by calling 1-800-836-2211. Please read the prospectus carefully before investing.