

THE WALL STREET TRANSCRIPT

Connecting Market Leaders with Investors

Investing in All Cap Value & Strategic Opportunities



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SECTOR – GENERAL INVESTING

(ABF506) TWST: Tell us about Olstein Capital Management and the investment philosophy of the firm?

Mr. Heyman: In terms of our investment approach, we look for good, financially-strong companies whose prices and stocks have been, in our opinion, unfairly punished by short-term factors, example of which include missed earnings estimates, over-reaction to financial results, poor management decisions, changes in regulation or overall negative market psychology. We look to buy companies that we believe are trading at a 30% or greater discount to our estimate of their intrinsic value. To get that discount or value we often buy into the negativity that surrounds the company. We don't define ourselves as contrarian investors, or buy a company's stock just because it is out of favor; we buy a company because we believe the market does not recognize the value of the company based on its ability to generate future free cash flow.

We follow a rigorous investment process for each and every one of our portfolio holdings since we believe that error avoidance is the best way to achieve above-average investment returns over time. We undertake a forensic analysis of each company's financial statements to determine the quality of its earnings, the success of its business strategy, the sustainability of its performance and impact of management decisions on

future cash flow. Our analysis focuses on how a company's operations generate sustainable free cash flow, what is the on-going level of investment required to maintain or grow free cash flow and how much of the company's free cash flow is used to enhance shareholder value.

TWST: What are the funds that you manage?

Mr. Heyman: Well actually both of our funds – the Olstein All Cap Value Fund and the Strategic Opportunities Fund are run in the same manner, and let me continue with two things. The most important thing is, we look for companies with unique business models, with clean accounting, and rock solid balance sheets so we have a high degree of confidence in projecting or modeling future cash flows. For us, excess cash flow, is the lifeblood of a business and is the primary determinant of a company's intrinsic value. Companies that generate excess cash flow have the ability to increase dividend payments, repurchase shares, reduce outstanding debt, engage in strategic acquisitions, and can also withstand economic downturns without adopting short-term harmful strategies.

As I mentioned before, an integral part of our investment process is the forensic analysis of a company's financial statements and public filings. Through our forensic analysis we really understand how a company generates free cash flow, what elements are core to the company's business model. We not only

develop our conviction in a company's ability to generate cash flow, we also develop a deeper understanding of why a company is down, how they are performing, what they've done wrong, and what needs to be done for the company to improve or close the valuation gap that created our buying opportunity. We review all public filings -- the 10-Ks, 10-Qs, proxies; we dig into the footnotes looking for changes in accounting policies, revenue recognition practices, and further details on accounts receivables, inventories and other line items in the financial statements. These public documents really paint a very clear picture as to how a company is doing and what a company needs to do in order to benefit its shareholders.

We feel by studying a business and understanding the accounting, we can assess the quality of the earnings and make adjustments that reflect the economic reality of that business. For us, understanding the economic reality of a company is one of the most important elements to determining a reliable valuation for that company. As our forensic analysis reveals deviations between reported or GAAP-based earnings versus economic reality, it provides us with real insight into management's reporting biases and ultimately the impact of management decisions on future cash flows. We rarely talk to management unless we believe that we can make a meaningful strategic recommendation to improve the profitability of the business -- which is core to the approach of the Strategic Opportunities Fund. So our analysis gives us a clear understanding of what management is really doing -- not what management is saying -- and it allows us to assess management's

Highlights

Eric B. Heyman looks to buy companies that are trading at a 30% or greater discount to his estimate of their intrinsic value. To get that value, he often buys into the negativity that surrounds the company. He buys a company because he believes the market is not recognizing the value of the business, based on its ability to generate future free cash flow. He says that excess cash flow is the lifeblood of a business because it gives the company the ability to increase dividend payments, repurchase shares, reduce outstanding debt, engage in strategic acquisitions, and to withstand economic downturns without adopting short-term harmful strategies. His analysis of free cash flow modeling and understanding accounting issues and the quality of a company's earnings, he believes his analytical process makes it very clear how a company's strategic choices can close the valuation gap between the current stock price and its intrinsic value.

Companies include: Jo-Ann Stores (JAS); Ruby Tuesday (RT); Macy's (M); Teleflex (TFX); CareFusion (CFN); Stryker (SYK); The Cheesecake Factory (CAKE).

TWST: Does the forensic analysis of a company's financial statement lead you toward investing in an operating turnaround at companies?

Mr. Heyman: Yes. Usually through the forensic analysis, we make a determination as to what a company needs to do to increase shareholder value. For the small- to mid-sized companies in the Strategic Opportunities Fund portfolio the things we usually ask are "Has the company outgrown the skill set of the existing management team? Are management's growth projections realistic or is management trying to satisfy Wall Street's demand for constant growth? Should the company sell off underperforming or underutilized assets?" Our forensic analysis is what helps us frame these questions and often leads us to investing in turnaround situations. We did have companies in the past-- for example at the beginning of 2006 we approached the CEO of **Jo-Ann Stores (JAS)**-- where we went in and said "This company has outgrown the management team's skill set, and we need to make changes." We recommended splitting the Chairman and CEO roles and for the company to use this change in corporate governance to hire an independent outside CEO with extensive merchandising and operations experience. The CEO -- a descendant of the company's founding family had stepped down, and the company hired an experienced CEO who continued to repair the company's financial performance and institutionalize the company functions necessary to drive improved operating margins. The company's stock did very well after the company implemented many of our suggestions, but most importantly we saw the new CEO through the team he

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performance and make key strategic suggestions on how to fix the business. Once we finally make a decision to purchase a stock after our rigorous analysis, we set high benchmarks for management's performance and what steps we believe management needs to take in order to close the valuation gap.

hired bring in a level of professional management and new skills that led to sustainable improvements in operating and financial performance. The stock of **Jo-Ann Stores** was somewhere in the \$13 range when we first engaged management at the beginning of 2006 and now it trades around \$43.

I think that when we approach management as an activist or regarding a turnaround, and we go in with a very clear, concise plan that we present in a non-adversarial way, management is more than willing to listen to our suggestions.

1-Year Daily Chart of Jo-Ann Stores



Chart provided by www.BigCharts.com

TWST: This activist investment approach, does that lead you toward small or mid-cap companies rather than the large-cap?

Mr. Heyman: I think that there are opportunities that present themselves across all market capitalization ranges but it is a little easier with smaller companies because they tend to have less complicated business models and they usually have a single owner or founding family that has a large percent of their net worth tied up in the company and are therefore more apt to listen, especially when the company's stock is under a tremendous amount of pressure. It's also easier to accumulate a significant minority position in a small- to mid-sized company and communicate with management in a clear decisive way. Many of our recommendations can be acted upon more quickly by small- to mid-sized companies which tend to close the valuation gap more quickly.

TWST: How many stocks do you have in your funds generally, and does the number fluctuate according to opportunities that arise?

Mr. Heyman: Absolutely. We buy a company after it has met our strict criteria. We buy stocks based on discounts, and that's how we build the portfolio, we build it on a stock-by-stock basis. We don't buy things and set a criteria and say, "Hey this is what we want to own." It's more along the lines of what values we're finding. We control the weightings in the portfolio according to the discounts. The All Cap Value Fund currently has about 75 names. The Strategic Opportunities Fund currently has about 40 names in it. The number of holdings will go up or down depending on what kind of opportunities, values and discounts we're finding. But we let the discounts and the values in our research dictate how the portfolio is positioned; as opposed to starting with a top-down approach ... it is a very much a bottom-up approach.

TWST: How have you performed over the last 12 to 18 months. Did you find a lot of strategic opportunities in the lows of 12 months ago, for example?

Mr. Heyman: Absolutely. This is where our forensic analysis really kicked in coming off the market lows of year-end 2008 and into the beginning of 2009 and I'll give you some examples, but when the market was coming down, that's when we sowed the seeds of our performance in 2009 and over the past 12 months. The All Cap was up approximately 63% for the twelve months ended March 31, 2010 and the Strategic Opportunities Fund was up almost 89% over that same time period. Those returns were the result of the decisions that were made in previous years. The forensic analysis that we undertook allowed us to buy many of our current holdings even during the bleakest hour, based on their cash flows, their balance sheets, their staying power and unique business models. I'll talk about some specific names whenever you would like.

TWST: Yes, it's a good time to bring some up.

Mr. Heyman: I pulled out five names. The first one, I'll give you as an example, is **Ruby Tuesday's (RT)**. This is a smaller market capitalization company that pursued a growth strategy for many years – aggressively opening restaurants across the US. We've analyzed and followed this company over the last couple of years reading the shareholder letters and other shareholder communications and we noted a shift away from the company's aggressive growth strategy. We've remained focused on

The performance data quoted represents past performance and does not guarantee future results. The Olstein All Cap Value Fund's Class C average annual return for the ten-year, five-year, and one-year periods ended 06/30/11, assuming reinvestment of dividends and capital gain distributions and deduction of the Olstein All Cap Value Fund's maximum CDSC during the one-year period, was 2.27%, 0.48%, and 25.61%, respectively. As of 10/31/10, the expense ratio for the Olstein All Cap Value Fund Class C was 2.32%. The Olstein Strategic Opportunities Class A return as of 06/30/11 for the three-year period, one-year period and since inception date of 11/01/06 assuming deduction of the Olstein Strategic Opportunities Class A maximum sales charge of 5.50% was 10.24%, 29.99%, and 2.47% respectively. As of 10/31/10, the gross expense ratio for the Olstein Strategic Opportunities Fund Class A Share was 2.31% and the net expense ratio was 1.60% after contractual expense waiver and/or reimbursement. Expense ratios for other share classes will vary. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than performance quoted. To obtain performance data current to the most recent month end please go to our website at www.olsteinfunds.com. Performance for other share classes will vary due to differences in sales charge structure and class expenses.

what management is doing and then review the company's financial results, financial statements and balance sheet each quarter to substantiate the strategic shift. The stock is down considerably from the \$30 range it traded at in 2007 providing us with a buying opportunity at \$11 per share. While many investors sold the stock questioning the company's business model during tough economic times, we believe the shift away from growing the restaurant base to focus on the quality of menu offerings, to improve the quality of the customer experience and the appearance of existing restaurants will benefit shareholders in the longer term. We think management has made great strides in making the company more relevant so that when the economy turns the company will be positioned correctly.

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1-Year Daily Chart of Ruby Tuesday



Chart provided by www.BigCharts.com

term ten-year Treasury and get 3% or 4%, or you could invest in an equity. So right now, that 11% free cash flow yield on a company that we believe we can buy at a significant discount to its intrinsic value versus a risk-free rate of 4% or less. We feel all the negativity is currently factored into the price of that stock at \$11. We're willing to let them keep generating cash. With that cash, they could then start buying back stock, paying down debt; they could do a number of things. We feel that the valuation gap will eventually be closed once the market realizes that this company is generating significant free cash flow and the stock is worth somewhere in the \$18 to \$20 range. The free cash flow yield is too compelling at this level compared to the return on a risk-free investment.

Another one of our examples is **Macy's** (M). Now, **Macy's** has done a terrific job, re-merchandizing, they're at a normal level of maintenance CAPEX and there is excess depreciation. Again, **Macy's**, at the \$24 level, the free cash flow yield right now is around 12%. We're making a bet that the market will eventually realize that if this company goes back to what they should do normally in their operations, their cash flow yield at these levels makes this a superior investment to a risk-free treasury. At the same time **Macy's** has done a great job. Their same-store sales are starting to turn, they've re-strategized to customer tastes in different regions, and they've done a remarkable job of controlling their inventories and gross margin. If you control your inventories, you have to do less discounting on merchandise which increases your gross margin, and will increase your earnings. They've also done a terrific job of paying down debt. Right

"Macy's has done a great job. They've also done a terrific job of paying down debt. Right now the company looks like they're only doing \$1.60 to \$1.65 of earnings per share but there is excess depreciation in there -- depreciation over capital spending, which is a non-cash charge of over \$1 per share right now. So you're buying Macy's at a 12% free cash flow yield, which is a very compelling investment."

As the company moves in a different strategic direction the stock is trading at around \$11 or \$12 per share and has a free cash flow yield somewhere around 11% or 12%. The way we look at cash flow yields is this: you could put your money into a US Treasury and get 1% or 2% or maybe a long-

now the company looks like they're only doing \$1.60 to \$1.65 of earnings per share but there is excess depreciation in there -- depreciation over capital spending, which is a non-cash charge of over \$1 per share right now. So you're buying **Macy's** at a 12% free cash flow yield, which is a very compelling investment.

Another company transforming itself is **Teleflex** (TFX). Here is a company that after you study it, you can see what they're doing through their financial statements. They went from an industrial model a couple of years ago to a medical model. People are still questioning whether they are going to be successful. We believe they are -- they are starting to grow their single-use medical supplies business. Single-use medical supplies is a more stable business. They are selling off or have sold off non-core assets, which are more cyclical. They are using their free cash flow to pay down debt. Again, there's excess depreciation, so they're under-reporting their earnings. The company's real earnings are much better than what they're actually reporting. We believe that this is a \$90 stock and it's currently trading at around \$65. Again, with the acquisition they made a couple of years ago, with their pristine balance sheet, they were able to enter a medical business with solid recurring and growing revenues. We think the demographics -- the aging baby-boomers will increase demand for single-use medical products, which should help the company's stock command a higher multiple from the market.

1-Year Daily Chart of Teleflex



Chart provided by www.BigCharts.com

The next one is **Stryker Corporation** (SYK). Here's another one that we picked up as a result of market negativity, in this case negativity around a specific sector. There has been a lot of negativity around healthcare companies as a result of the ongoing healthcare debate and pending legislation to overhaul the

healthcare system. We've owned it for about a year. They're in the orthopedic implants and Medical/Surgical equipment businesses, which are hospital beds, operating room devices, etc. We look for companies that have negativity surrounding the industry.

In this situation, hospital budgets have been cut, healthcare costs have been the #1 issue in Washington providing an opportunity to buy a company with over \$7 a share in cash and no debt at a significant discount to its intrinsic value. The company had FDA issues with some of their manufacturing facilities which they are working to resolve, but more importantly there are favorable demographics, which should lead to more procedures combined with over \$4 a share in free cash flow, putting our intrinsic value around the \$75 range; and the stock is trading in the \$50 range.

1-Year Daily Chart of Stryker



Chart provided by www.BigCharts.com

The last one that I'll talk about is a company called **CareFusion** (CFN) which was recently spun out from **Cardinal Health** (CAH) in the last 12 months. The company's core business is consumable products. There still is an overhang because **Cardinal Health**, which was a much larger company, continues to sell its stake in CareFusion. We saw this with **Hospira** (HSP) when it was spun out of **Abbott Labs** (ABT), also with **Covidien** (COV), which was spun out of **Tyco** (TYC). Sometimes when you have a larger company that spins out a smaller division, the bureaucratic roadblocks usually found within the larger company no longer hamper the opportunities of the newly spun-out smaller company. When you have a company that's spun-out that nobody is paying attention to and nobody knows -- if you could find that opportunity, it's usually something that after thorough analysis, you realize you have a significantly discounted stock.

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CareFusion is expected to have multiple new product offerings. They are in the critical care and infection protection market. Infections caught while in the hospital are not covered right now in the hospital industry, and that makes them a hot

topic. Hospitals do not want people to catch infections from the hospital themselves, because the hospital has to pay for it. That's core to their business. They have over \$2 a share potential in free cash flow and the stock is selling right now at 12 - 13 times earnings like it's a cyclical business, not a growth business. We think it's worth north of \$35 and it's just going to take a little time for the market to uncover that here is this great medical company with number one and number two market-leading positions that nobody is really following.

1-Year Daily Chart of CareFusion



Chart provided by www.BigCharts.com

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TWST: What shifts in emphasis have you been making over the last year or so to your portfolio, and what are your weightings on exposure to industries or sectors been shifting?

Mr. Heyman: We look for the situations where we see potential turnarounds along with good balance sheets. Situations where we really understand the business model, because that is the key to understanding if the company represents a good value opportunity or a value trap. I think that the biggest bet we made over the past 12 to 18 months was in the Consumer Discretionary sector because we were finding a lot of people were writing off the consumer, saying the consumer is no longer going to spend. That was true to a certain extent and Consumer Discretionary companies were taken down to an extremely depressed level -- we were finding a lot of opportunities in Consumer Discretionary companies. I think what you are seeing with some of these consumer stocks that were beaten down so much is that once these companies right-sized their operations, they were still very profitable businesses even in the weak economic environment. While the prospects for many Consumer Discretionary companies were dominated by extreme negative sentiment which drove their stock

prices way down, the company values needed to be readjusted to a lesser extent. I think that's the key.

I also think we found a lot of opportunities in the Health Care sector. People were saying "I don't know what's going on with health care legislation, so I am going avoid the sector," without regard to what these companies were earning, or if they had leading market positions -- it seemed that nobody wanted to own them. For us, it was not a contrarian bet, but an educated bet based on our forensic analysis that said these companies are inexpensive when viewed under more normal conditions. For those reasons we over-weighted both the consumer discretionary and health care sectors. I don't look at these over-weights as contrarian positions; they were very calculated decisions made on a stock-by-stock basis after very extensive analysis.

TWST: What about the financial sector, talking about being contrarian, have you made any bets in that area?

Mr. Heyman: The financial sector presented many opportunities too. I think the way we chose to invest, because we are balance sheet guys and we are accounting guys, was that we really went in there and looked at the type of companies that hit our radar. What we were finding through our screening and analysis weren't the highly levered banks, but the asset managers. We looked at the asset managers and said assets are at an all-time low

but these companies are free cash flow generators; they have right-sized their cost structure based on their asset levels, and we believed that the market was going to improve, and as market conditions improved these companies assets would increase.

There were a lot of financial companies out there that were undervalued but we invested in the asset management space and in some of the insurance companies that we thought had outstanding business models. That's how we invested in the financial sector without getting involved with the levered banks.

TWST: What about the sell process, can you tell us what triggers an exit from your portfolio?

Mr. Heyman: First I think we should discuss a few things regarding our approach to portfolio risk management. Number one is our ongoing due diligence -- we constantly monitor our portfolio, focusing on the cash flows, financial statements and intrinsic values. The numbers in the financial reports tell us what management is doing and we care much less about what management is saying. While we seek to avoid financial risk by monitoring the company's capital structure and debt levels we also limit our exposure to companies with business models that rely on leverage to generate greater revenues. We also consider

the concentration within the portfolio that we are willing to take. We manage risk through the size of the position that we take based on the discount.

I think that the key is that every stock we buy has a valuation and if we feel that is approaching our value we will decrease our position accordingly. Unless something changes or we see different prospects going forward that should cause us to re-value the company higher we manage our positions in this manner. If we don't like what management is doing and feel that the company is on the wrong track or that we made a mistake in our investment thesis we will also exit a position. I think that's why it's important to follow the balance sheets and the cash flows to make sure that your thesis is being supported by the financial results each quarter – that our expectations of the company's strategic execution and financial performance are being met. We grade our companies and company management on a quarter-by-quarter basis; A, B, C, D, E and F as to how they are managing their strategic objectives and are they executing that strategy effectively.

TWST: Do you look for special situations that you feel have the potential for turnarounds?

Mr. Heyman: Yes, absolutely, and I think that, as I was saying before, through understanding the balance sheet, the business model, the competitive strengths, whether a problem or an issue in a company is temporary or is there a structural problem, we have been able to identify the factors that the company needs to address in order to close the valuation gap in a turnaround situation. Once we complete our analysis, very clear strategies of what needs to be done rise to the surface.

TWST: I'm interested in your activism and investing in companies that turn around, but how long do you give a company to turn around?

Mr. Heyman: We may have to ride out intermittent periods of frustration as our strategic recommendations are implemented since, in most cases, it can be 12 to 24 months or longer before a turnaround produces concrete positive results. Some turnarounds take a little bit longer, but I think the key to making a good activist investment is to get management to embrace, in great part, the essence of our recommendations and act on them fairly quickly. We need to see things happening; we need to see the company moving in the right direction, we need to see the change in tone from management, because that change is what the market will begin to recognize and that is what begins to close the valuation gap.

A good example of a company that we started to see move in the right direction was **The Cheesecake Factory (CAKE)**. The company had been pursuing an aggressive growth strategy paying top dollar to open new restaurants at an accelerated pace, many of which weren't in the premium locations where the company had historically located its new restaurants. In the process, we believe the company lost its focus. We approached the company and said, "You have a great concept. Don't lose that

concept through just mass expansion. You have to slow down and focus instead on revenue management strategies – including menu changes, portion control and across-the-board price increases that will maximize long-term values."

They slowed down their expansion, they changed their menu offering, they effectively marketed different portion sizes, and are generating a tremendous amount of free cash flow, and David Overton is doing a terrific job, especially in the economic environment of the past couple of years, he is doing a fantastic job, but he couldn't do that job on the growth trajectory the company was previously on -- he had to take a step back, and I commend him for doing that. The stock has done relatively well considering the environment that we have been in, and I think, despite the extremely difficult economic environment we saw a transformation unfolding within the time frame we like to see -- within the 12- to 24-month time frame that usually leads to a successful turnaround. As the company continues to improve performance – we believe they are on the right track -- there is a definite possibility that the increase in shareholder value may exceed our initial estimate of the company's intrinsic value.

TWST: You have forensic accounting, investor activism, there are a lot of features about Olstein that are certainly differentiators compared with peer firms, how could you summarize the differences between your investment approach and that of the other firms that do value investing?

Mr. Heyman: Since Bob Olstein introduced his quality of earnings approach over 40 years ago we have been refining our forensic analysis of financial statements and our valuation models to not only identify good value investing opportunities but to also understand what a company needs to do in order to achieve its valuation. I think that along with our free cash flow modeling and understanding of the accounting issues and the quality of a company's earnings, our analytical process makes it very clear how a company's strategic choices can close the valuation gap between the current stock price and its intrinsic value. The difference may lie in our definition of a value investor -- we believe a value investor must really understand the nature of a company's cash flows, its accounting practices, and determine if that company is going in the right direction. Every holding must be managed according to those factors. Our discipline lies in our investment philosophy and the process we've refined over the years.

TWST: You've said that you approach every situation opportunistically, and what is the outlook going forward, are there going to be opportunities in a market that is becoming now fairly not overvalued, and the markets continue to climb?

Mr. Heyman: What we are trying to do is, on a company-by-company basis, make an assessment whether a company is undervalued regardless of the market conditions, and if we believe that that company can close its valuation gap by doing certain thing -- by changing their cost structure, by paying down debt, by buying back stock – that we believe will effectively help

the company reach its intrinsic value, then we are going to make that investment regardless of what the market itself is doing. Generally, when people try to predict the market, usually they are predicting it to go down and go lower, or go up and go higher, and we find that we are not market predictors, we are better stock pickers, and that's where we bring an edge. We don't pretend to be able predict the market, we are much better about getting behind the numbers, understanding what the numbers mean, analyzing individual companies, and then making an assessment as to whether that company is a better investment than an investment in a risk free security.

TWST: Thank you. (PS)

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An investment in a portfolio containing small- and mid-cap companies is subject to additional risks, as the share prices of small- and mid-cap companies are often more volatile than those of larger companies due to several factors, including limited trading volumes, products, financial resources, management inexperience and less publicly available information. Investing in a non-diversified, narrowly focused fund may entail greater risks than is normally associated with more widely diversified funds.

There is no assurance that the Olstein Funds will achieve their investment objective. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The activist strategy invests in stocks of underperforming companies and any shareholder activism might not result in a change in performance or corporate governance. These stocks could also experience less liquidity and higher share price and trading volume volatility than stocks of other companies.

As of 06/30/11, the Olstein All Cap Value Fund maintained a position in the following securities mentioned, and is subject to change: Ruby Tuesdays (1.55%); Macy's (2.03%); Teleflex (1.52%); Stryker (1.45%); CareFusion (1.20%); Covidien (1.27%) and Tyco (1.29%) . As of 06/30/11, the Olstein All Cap Value Fund did not maintain a position in the following securities mentioned and is subject to change: Jo-Ann Stores, Cheesecake Factory, Hospira, Cardinal Health and Abbot Labs. As of 06/30/11, the Olstein Strategic Opportunities Fund maintained a position in the following securities mentions, and is subject to change: Ruby Tuesdays (4.90%), Macy's (4.56%), CareFusion (1.88%);Teleflex (4.50%) and Cheesecake Factory (1.09%). As of 06/30/11, the Olstein Strategic Opportunities Fund did not maintain a position in the following securities mentioned and is subject to change: Stryker, Cardinal Health, Hospira, Abbott Labs, Covidien and Tyco. The references to securities are not buy or sell recommendations. The references are intended to be descriptive examples of the Olstein Funds' investment philosophy. Do not make investments based on the securities referenced above.

The above represents opinion, and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. This information should be preceded or accompanied by a current prospectus, which contains more complete information, including investment objectives, risks, charges and expenses of the Olstein Funds and should be read carefully before investing. A current prospectus may be obtained by calling (800) 799-2113 or visiting the Olstein Funds' website at www.olsteinfunds.com.

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