

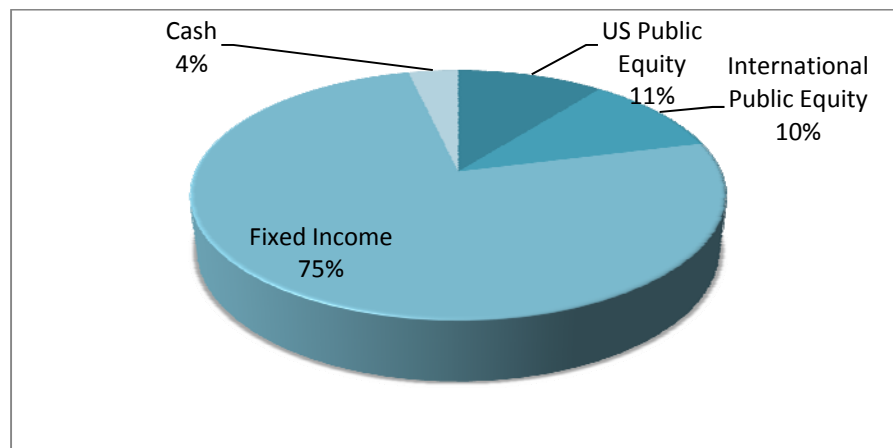
# Intermediate Fund

## Second Quarter, 2011 – Market Update

The second quarter of 2011 proved a difficult one for market participants as the specter of potential sovereign debt downgrades and defaults in the developed world overwhelmed continuing positive economic and corporate profitability news. Already on edge from disruptions in the Middle East and Japan, selling pressure took hold the first week in May and continued until the final week of June when bullish investors, feeling the market had been oversold, began to enter the market in force. Notably trading volume was relatively thin which led to a few names driving the pricing whether positive or negative.

The Intermediate Fund remains close to its target asset allocation as we see most risk assets as fairly, if not overly, valued. Following our belief in a coming rising interest rate environment, we have maintained our underweight to our core bond manager and maintained the overweight to short duration fixed income. Although we have kept our overweight to public equities we have increased our cash holdings to manage cash flows, as well as risk.

## Target Asset Allocation – 6/30/2011



## Investment Returns

	2 <sup>nd</sup> Quarter	YTD	1 Yr.	Since Inception (11/25/2009)
<b>Intermediate Fund</b>	1.7	3.4	9.3	6.8
<b>CPI + 2%</b>	1.0	1.1	4.7	N/A
<b>S&amp;P 500 (20%)/Barclays Aggregate(80%)</b>	1.53	1.53	7.2	N/A