

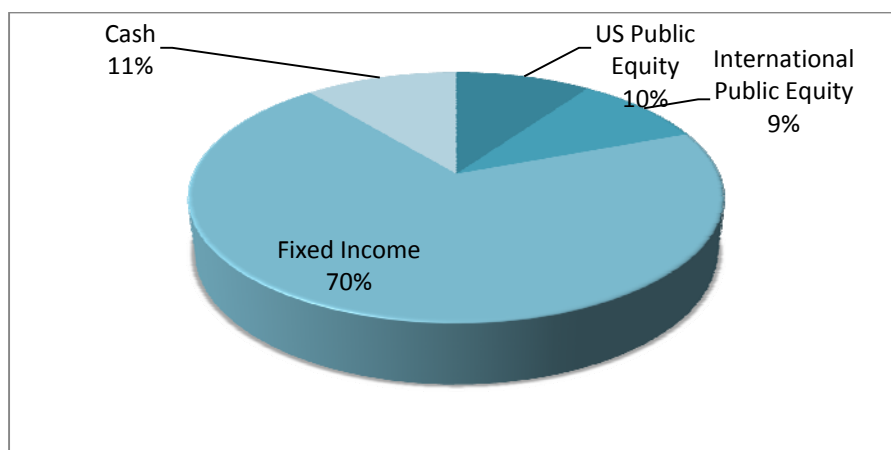
# Intermediate Fund

## Fourth Quarter, 2011 – Market Update

Markets rebounded almost on a dime from the beginning of the quarter, only to reverse partly through the month of November. Correlations remained high across assets classes as market participants sought to time the market and news flow as momentum shifted direction almost daily throughout December. It was a tough quarter for many managers who were caught out by the rapid shifts in sentiment. The S&P 500 ended the year essentially flat, the return achieved by share owners being driven by dividends. International equity markets fared much worse as both developed and emerging markets sought to deal with deflationary headwinds and the unwinding of leverage throughout financial systems.

During the fourth quarter the Fund fell in line with benchmarks, as befits its passive equity strategy. Our primary fixed income manager (PIMCO) recovered some of the earlier ground given up to the benchmark earlier in the year. The annual relative underperformance to the traditional benchmark is attributable primarily to the Fund's allocation to international equity. The strategy for the Fund remains in place. Of note was the allocation to cash, which was unusually high as a result of late contributions to the fund.

## Asset Allocation – 12/31/2011



## Investment Returns

	4 <sup>th</sup> Quarter	YTD	1 Yr.	Annualized Since Inception (11/25/2009)
<b>Intermediate Fund</b>	3.3	2.9	2.9	4.9
<b>CPI + 2%</b>	-0.4	5.0	5.0	N/A
<b>S&amp;P 500 (20%)/Barclays Aggregate(80%)</b>	3.3	6.7	6.7	N/A