

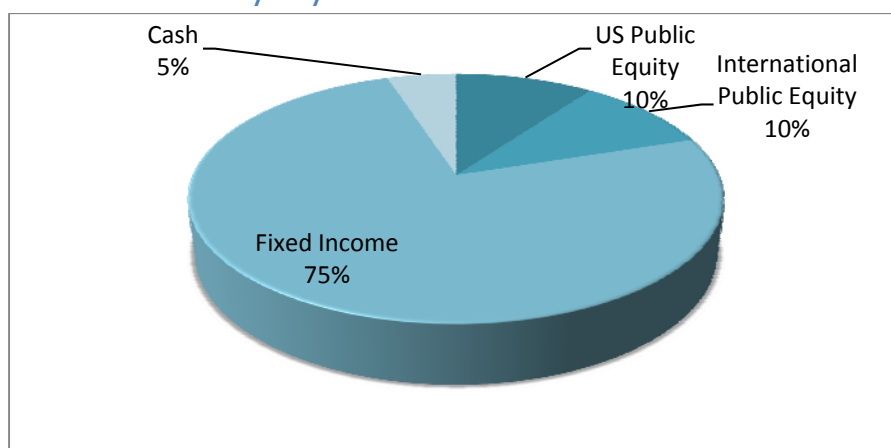
Intermediate Fund

Third Quarter, 2010 – Market Update

“Risk-on” and “risk-off” were the operative words for traders during the third quarter. Demonstrating positive sentiment in July, with the resolution of sovereign credit concerns in Europe, offset by negative sentiment in August, with the specter of a double dip of the economy into recession. This last was trumped by the inferred commitment of the Federal Reserve to another round of inflationary stimulus dubbed “quantitative easing”, the Fed having determined that deflation was a greater risk than inflation. The result was a dramatic rise of nearly 9% in the S&P 500 during the month of September.

The Intermediate Fund remains at its target asset allocation as we see risk assets as fairly valued. US Treasuries, on the other hand, appear to be over-bought, especially those with longer durations. We see this strategy being expressed by our core bond manager who is actively reducing exposure to this sector of the fixed income market. Additionally, we are overweight short duration fixed income, reducing exposure to cash, which is earning nearly zero, and core fixed income, in anticipation of rising interest rates.

Target Asset Allocation – 9/30/2010



Investment Returns

	3 rd Quarter	YTD	1 Yr.	Since Inception (11/25/2009)
Intermediate Fund	4.7	7.1	N/A	6.7
CPI + 2%	0.7	2.2	3.1	N/A
S&P 500 (20%)/Barclays Aggregate(80%)	4.3	7.1	8.6	N/A