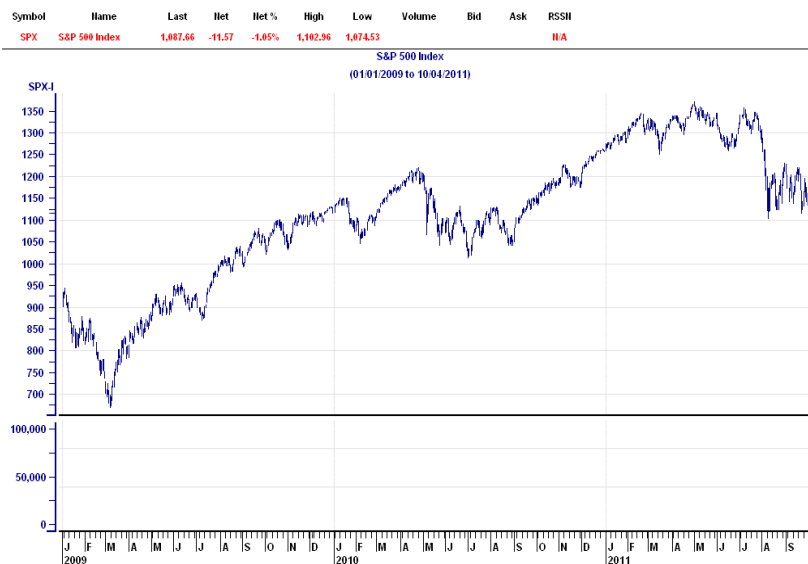


In following our investment discipline, a significant number of changes were made to the portfolio heading into the final quarter of 2011.

As you know, Cambridge Financial Group utilizes a quantitative screening process that draws on both price momentum and value disciplines in managing the large cap growth equity strategy. The process also incorporates a review of ten monthly technical indicators in order to assess stock market risk. Typically, the portfolio is fully-invested and will comprise 30 stocks, equally allocated across three models: S&P Momentum model, CFGI Momentum model, and CFGI Value model. However, should the majority of the firm's monthly composite of technical indicators suggest that the overall stock market risk is perceived to have risen; the strategy will decrease portfolio risk by liquidating the most risky portion of the portfolio, the S&P Momentum model, and essentially hold one-third of the portfolio in cash. At the end of September, the majority of the monthly composite of technical indicators moved into negative territory and as a result, all ten stocks in the S&P Momentum component of the portfolio were sold the first week of October during our routine quarterly rebalancing. The portfolio will remain essentially two-thirds invested between the CFGI Momentum and CFGI Value components of the strategy, and hold approximately one-third in cash until the majority of the monthly composite of technical indicators are positively graded.

The chart below shows the trend of the S&P 500 from the lows in March of 2009, through the present. After the onset of the bull market in 2009, the market rallied to a temporary peak in April of 2010. It was far from a smooth ride, though, as the market underwent a greater-than-average number of 5% corrections along the way. The pullback in the middle of 2010 was accompanied by expectations of a "double-dip" recession, but the majority of the CFG technical indicators remained in favorable position. Following the August 2010 bottom, another up-leg ensued carrying the market to a high in April of this year. From that peak, the market experienced another correction, and then was unable to establish a new high in the subsequent rally.



As the market faltered throughout the third quarter, the majority of the technical indicators moved into negative territory. Among these were: 1) the weekly breadth statistics, which showed deterioration in the internal strength of the market, 2) four momentum indicators shifting into negative territory by the end of the month, and 3) a negative read on the overall level of the S&P 500 Index yield. Consequently, the investment discipline required liquidating all ten of the S&P Momentum stocks during the quarterly rebalancing period. Normal upgrading of the CFGI Momentum names was also implemented. The Value names are re-evaluated on an annual basis, thus there were no changes in this list.

We appreciate your support in our business. Please do not hesitate to contact us if you have any further questions.