



◆ The key to investment success is discipline.

◆ Over time, common stocks deliver the highest rate of return; over time, the Value style of investing outperforms the Growth style, but both should be represented in the overall portfolio.



Index Plus



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Investment Objective

The primary objective of this Core-Satellite approach is to provide over the life of the Strategy and over every three-year period an investment return superior to that of the S&P 500 Index. Secondary objectives are returns that are highly correlated with those of the Index and transaction costs and management fees that are well below-average.

Investment Philosophy

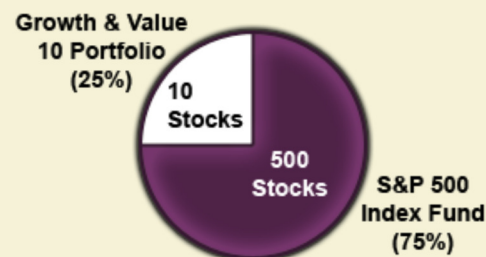
The Efficient Market Hypothesis (EMH), which questions the ability of active equity management to outperform the market indexes on a consistent basis, is largely valid; however, there are three exploitable anomalies within the EMH:

- **The Momentum Effect** - In a broad universe of candidates, the strongest performers tend to remain strong performers
- **The Yield Effect** - In a limited-candidate universe of large capitalization stocks, the highest yielding stocks tend to become superior performers
- **The Contrarian Effect** - In a limited-candidate universe of large capitalization stocks, the worst multi-year performers tend to become superior performers over the subsequent multi-year period

Combining the sets of buy/sell disciplines exploiting the Momentum Effect and the Contrarian Effect with those of an S&P 500 index fund produces consistently superior investment returns, which are highly correlated with those of the S&P 500 Index. Transaction costs and management fees are well below-average.

Investment Process

The sets of buy/sell disciplines exploiting two of the above anomalies govern two five-stock groups, the Momentum Group and the Contrarian Group. They come together to form a Growth & Value 10 sub-portfolio, which contains 25% of Index Plus assets. The remaining 75% is invested in an S&P 500 index fund.



The patterns of the Momentum and Contrarian Group returns are entirely different. The Momentum stocks are selected from the S&P 500 on the basis of superior corporate and stock-price performance. Group stocks are held only as long as they remain superior performers. The Contrarian stocks, on the other hand, are selected from the 75-candidate Nottingham LARGCAP Universe on the basis of multi-year underperformance. The Group then is held for a multi-year period of recovery. During certain periods of above-average stock market risk, which are determined objectively, intermediate-term Treasuries are held instead of the growth-oriented Momentum Group. In the portfolio's actively managed component, therefore, equity exposure can be as low as

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50%, and utilizing multiple Growth and Value disciplines to select those equities results in a more consistent pattern of superior investment returns. At the same time, the large index fund component ensures that total portfolio performance remains highly correlated with that of the S&P 500 Index and that fees and expenses are low.

Performance Summary

	Index Plus (%)	S&P 500 Index (%)	End of the Period		% of Firm Assets (%)	Annual Composite Dispersion (%)
			Firm Assets (\$/mm)	Composite Portfolios (#)		
2009	33.08	26.46	107.6	1	0.2	1

Nottingham results are presented net-of-the management fee

Nottingham Investment Advisers, Ltd., has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). No regulatory or governing body has been involved in the preparation or review of this report.

1. Nottingham Investment Advisers, Ltd., ("Firm") is an independent, SEC-registered investment adviser utilizing a number of primarily large capitalization equity investment strategies. Berge & Company, Ltd., and BKD,LLP, Certified Public Accountants in each case, completed Firm-wide Verifications of Nottingham's compliance with the AIMR-PPS™ for, respectively, the 1996-2001 and 2002-2005 periods. The Verifications associated with years after 2005 also were completed by BKD, LLP, and tested Nottingham's compliance with the aforementioned Global Investment Performance Standards (GIPS®). Verifications are conducted annually; a copy of the most recent report is available by request.

2. The Index Plus performance composite (Composite A: all non-wrap fee accounts and those with a fixed annual brokerage charge less than 0.25% of assets) was created on January 1, 2009.

3. No segments of other portfolio composites and no accounts with a fixed annual broker charge are included in the Index Plus composite.

4. The most appropriate benchmark for the Index Plus strategy is the S&P 500 Index, an unmanaged, capitalization-weighted index of primarily U.S. corporations. Index performance includes price change and income, however, the Index has no expenses. The S&P 500 Index has been the benchmark since inception.

5. Investment results have been calculated net-of-the management fee, which was deducted from the results achieved by every account in the composite. The annual fee schedule associated with the Actively Managed Equity Component is 1.0% of the first \$1 million, 0.75% of the next \$14 million, 0.65% of the next \$35 million, and 0.50% of the next \$50 million. The annual fee schedule associated with the Indexed Component is 0.25% of assets.

6. Investment results calculated net-of-the management fee are appropriate for presentation or redistribution in all settings, but must be accompanied by this disclosure language.

7. All performance calculations are based upon trade-date accounting, and, except where otherwise noted, are associated with time periods ending December 31.

8. Performance is expressed in U.S. Dollars.

9. Annual composite dispersion is the asset-weighted standard deviation of gross investment returns.

10. Exchange-Traded Fund shares may be utilized in this strategy from time to time. No other derivatives and no leverage are employed.

11. Past performance is no guarantee of future results.

12. A complete list of Nottingham performance composites and additional information regarding the calculation and reporting of Nottingham performance are available upon request.

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