



July 25, 2011

We are pleased to say that the cumulative performance (net of fees) of Curran's Core Equity, Mid Cap, Small Cap, Balanced, and Growth & Income Composites all posted new highs in the second quarter.

Curran is optimistic about this bull market in equities lasting. We advise investors to be fully invested in common stocks based on their asset allocation strategy. Our reasoning is that corporate profits are healthy, market prices for many companies are reasonable, and history has shown that periods of above average returns follow severe bear markets.

In the second quarter of 2011, the stock market was buffeted by concerns over the U.S. government debt ceiling and budget deficit; sluggish economic growth; high unemployment; sovereign debt and fiscal challenges in the European Community; and unrest in the Middle East.

In spite of these challenges, the S&P 500 Total Return Index (which includes reinvested dividends) ended the quarter slightly above the end of the first quarter, and 105% above its trough on March 9, 2009.

We anticipate U.S. corporate earnings will grow at a solid pace and nonfinancial corporate balance sheets will remain under control. Profit growth has been driven by several factors, which we expect to continue this year: higher productivity; fewer workers producing goods and services; low borrowing costs; less borrowing; and overseas sales by U.S. multinationals, aided by the weak dollar.

Our view is that the pace of economic activity will pick up later this year and next, and companies will expand hiring to keep up with demand.

For fixed-income investors, we advise maintaining short to medium-term securities and exchange-traded funds, and strongly recommend selling long-term bonds.

Since interest rates have been on a declining trend for 30 years, we are watchful of a major shift in the direction of long-term rates, such as the yield on the 10-year or 30-year Treasury bond exceeding 5.5%. Holding long-term bonds in a rising interest rate environment would have the potential to cause significant losses.

This reversal in the interest rate trend has not yet begun because of the sluggish economic recovery, which has been hampered by a lack of recovery in housing and high unemployment. At the end of the second quarter, short-term interest rates were near zero; the 10-year Treasury bond yield was just over 3%.

As the pace of economic activity picks up, unemployment improves, and inflationary pressures build, interest rates will rise. In anticipation, Curran is investing in fixed-income exchange-traded funds very selectively, with a preference for portfolios with securities maturing in 5 years or less.

Like many of you, we have concerns about the government debt situation. The August deadline for increasing the federal government debt limit* is fast approaching, and the threat by rating agencies to lower ratings on U.S. Government debt obligations is more than troubling.

This situation creates uncertainty about future government policies, the timing and magnitude of the ultimate policy changes, and the impact on us.

Given the debt and long-term budget deficit challenges of the federal and state governments, it would be prudent for each sector of the economy to improve their efficiency, innovate, and anticipate the need for more savings.

Households have been deleveraging and keeping spending down, which we believe will benefit the economy. Our view is “slow and steady” increases in the economy are preferable to spend and borrow now.

As we have discussed many times over the past year, it is our view mature economies, like the U.S., are entering an investment cycle after many years of enjoying a spending and consumption cycle.

*The debt limit, which was reached in the spring, is \$14.29 trillion, equivalent to about 95% of GDP. This debt figure includes debt owed to the public as well as intra-government debt, which includes debt owed to federal trust funds, such as Social Security and Medicare. Excluding intra-government debt, Federal debt was 62% of GDP in FY 2010, and the Federal budget deficit was about 9% of GDP. Sources: Congressional Budget Office, U.S. Treasury

INDEX	2nd QUARTER 2011	YEAR TO DATE	LATEST 12 MONTHS
Domestic Equity			
S&P 500 Index	0.10%	6.02%	30.69%
Dow Jones	1.42%	8.59%	30.37%
Russell 1000	0.12%	6.37%	31.93%
Russell 1000 Growth	0.76%	6.83%	35.01%
Russell 1000 Value	-0.50%	5.92%	28.94%
Russell Midcap	0.42%	8.08%	38.47%
Russell Midcap Growth	1.61%	9.59%	43.25%
Russell Midcap Value	-0.69%	6.69%	34.28%
Russell 2000	-1.61%	6.21%	37.41%
Russell 2000 Growth	-0.59%	8.59%	43.50%
Russell 2000 Value	-2.65%	3.77%	31.35%
International Equity			
MSCI EAFE Index	1.56%	4.98%	30.36%
Domestic Fixed Income			
Barclays Gov/Credit Int. Bond	2.12%	2.47%	3.77%
BofA ML 0-3 Year Treasury	0.61%	0.66%	1.06%
BofA ML Muni 1-3 Year	0.89%	1.56%	1.71%
Consumer Price Index	1.01%	2.99%	3.56%
Cash Equivalents			
Citigroup 3-Mo. Treasury Bill	0.02%	0.06%	0.14%

Our philosophy at Curran Investment Management has always been that a diversified portfolio of high quality stocks provides the highest returns with the least risk.

We focus on business fundamentals, rather than buying stocks of rapidly growing companies that might not be able to sustain their high rates of growth. We believe that businesses that have demonstrated an ability to grow earnings significantly and consistently over many years are more predictable in their future performance. Businesses that can exceed our other criteria as well, e.g. relatively low debt and a history of attractive returns on equity, are more likely to continue to operate at a high level.

Curran Investment Management is grateful for your trust in us. Kevin and I welcome your opinions and invite you to call us to discuss your portfolios.

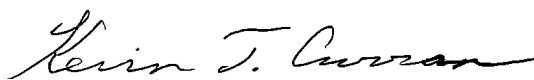
Curran Investment Management is Defining Quality.®

Sincerely,



Thomas J. Curran

President



Kevin T. Curran, CFA

Vice President

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Core Equity Portfolio	
Buy/Increase	Sell/Decrease
T Rowe Price	Financial SPDR
Growth & Income Portfolio	
Buy/Increase	Sell/Decrease
Chevron Corporation	Financial SPDR
WW Grainger	
Mid Cap Portfolio	
No Changes	
Small Cap Portfolio	
No Changes	
International Portfolio	
No Changes	
All-Tech Portfolio	
No Changes	
Fixed Income	
No Changes	
PFI (Portfolio for Income)	
Buy/Increase	Sell/Decrease
Powershares Senior Loan Portfolio	i-Shares Barclays MBS Bond