



October 20, 2011

The third quarter was challenging for investors. It leaves us all struggling to maintain rational investment intelligence and strategies as we face worldwide economic calamities. Many of us have lost confidence in the political process we trusted in the past to resolve crises. The mood of the people reflected anger and impatience, but mostly it was fear that drove markets lower in the quarter.

It is times like these that frequently cause investors to abandon their long-term goals. While many have, we are pleased Curran's clients stayed the course through the market turmoil and maintained confidence in us. Thank you.

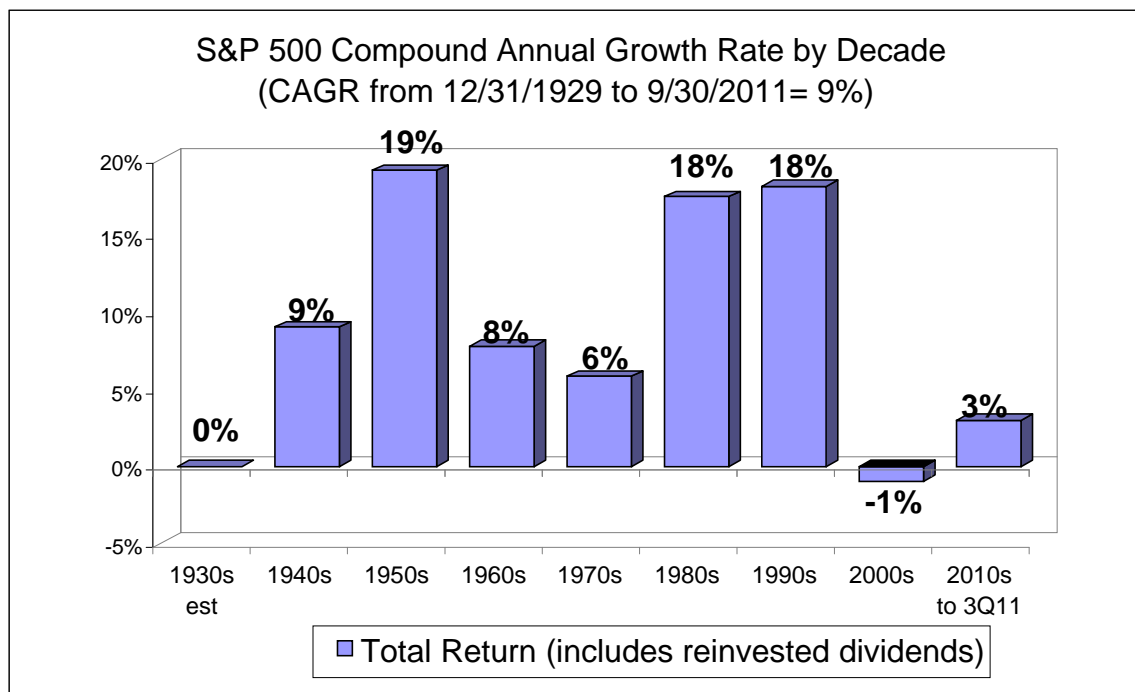
As we plan for our futures during this slow-growth period following the Great Recession, our expectations seem to be more like those associated with the Great Depression. Those expectations then and now are dominated by fear. Our history clearly demonstrates that those who lost faith and allowed fear to control their lives were not likely to ever achieve the financial security required to last a lifetime.

In today's world, when Curran Investment Management plans retirement for a couple in their 60s, one of them is likely to live to age 90. In the 1930s, life expectancy was about 66. Today, life expectancy at age 65 is 84. Many will live in retirement for nearly as many years as they worked.

Market and longevity risk/reality are combining in a "perfect storm" to alter people's vision of the "golden years." For most people, delaying retirement, and then shrinking budget outlays upon entering retirement are required.

Surrendering rational goals to fear caused by the ongoing effects of the Great Recession, is likely to have severely negative consequences for people hoarding cash, waiting for clarity that economic and government responses are clearly working.

While we expect stock market volatility as the country adjusts its structural challenges, we remain confident that the market will again post strong growth rates. The graph below depicts how weaker periods have been followed by strong bull markets.



Sources: *Capital IQ, S&P.*

We urge our clients and friends to consider these points as we all try to maintain rational and intelligent responses to the continuing challenges government and the economy must resolve.

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

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Vice President

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INDEX	3 rd QUARTER 2011	YEAR TO DATE	LATEST 12 MONTHS
Domestic Equity			
S&P 500 Index	-13.87%	-8.68%	1.14%
Dow Jones	-11.49%	-3.90%	3.83%
Russell 1000	-14.68%	-9.25%	0.91%
Russell 1000 Growth	-13.14%	-7.20%	3.78%
Russell 1000 Value	-16.20%	-11.24%	-1.89%
Russell Midcap	-18.90%	-12.34%	-0.88%
Russell Midcap Growth	-19.33%	-11.59%	0.80%
Russell Midcap Value	-18.46%	-13.01%	-2.36%
Russell 2000	-21.87%	-17.02%	-3.53%
Russell 2000 Growth	-22.25%	-15.57%	-1.12%
Russell 2000 Value	-21.47%	-18.51%	-5.99%
International Equity			
MSCI EAFE Index	-19.01%	-14.98%	-9.36%
Domestic Fixed Income			
Barclays Gov/Credit Int. Bond	2.39%	4.92%	3.40%
BofA ML 0-3 Year Treasury	0.35%	1.02%	0.92%
BofA ML Muni 1-3 Year	0.48%	2.04%	1.67%
Consumer Price Index	0.52%	3.52%	3.87%
Cash Equivalents			
Citigroup 3-Mo. Treasury Bill	0.01%	0.07%	0.11%

Core Equity Portfolio	
Buy/Increase	Sell/Decrease
Joy Global Inc.	Amazon
Occidental Petroleum	Suncor Energy
Hansen Natural Corp	Financial SPDR
Growth & Income Portfolio	
No Changes	
Mid Cap Portfolio	
Buy/Increase	Sell/Decrease
Dolby Laboratories	Coach Inc
Small Cap Portfolio	
Buy/Increase	Sell/Decrease
EBIX Inc	Balchem Corp
International Portfolio	
No Changes	
International ETF	
No Changes	
All-Tech Portfolio	
No Changes	
PFG (Portfolio for Growth)	
Buy/Increase	Sell/Decrease
I Shares Emerging Markets	I Shares MSCI EAFE
I Shares Russell 2000	
PFI (Portfolio for Income)	
No Changes	