NOTTINGHILL INVESTMENT ADVISERS, Ltd.

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ABOUT THE FIRM

Nottinghill Investment Advisers, Ltd., is an SEC-registered adviser specializing in disciplined, quantitative approaches to the management of primarily large capitalization equities. The Firm's principal equity strategies are combinations of two or more independent, frequently contrasting selection processes. The investment professionals at Nottinghill also manage balanced portfolios. Nottinghill Investment Advisers, Ltd., is a Cincinnati firm founded in May 1996 by Douglas G. McPeek and W. Russ Stewart.

THE FLAGSHIP STRATEGY Growth & Value 20

Our Core 20-stock approach. Three independent processes are used to select the portfolio's three groups of stocks. Two selection processes are value-oriented, and are applied to the Nottinghill LARGCAP Universe of 75 candidates. The third process is growth-oriented, and is applied to the entire S&P 500. During certain high-risk periods, which are determined objectively, intermediate-term Treasuries are held instead of this third group of five Growth stocks.

Investment Results

	Growth & Value 20 (%)	S&P 500 Index (%)	End of the Period: Firm Assets ($/mm)	End of the Period: Composite Portfolios (#)	End of the Period: Composite Assets ($/mm)	End of the Period: % of Firm Assets (%)	Annual Composite Dispersion (%)
1997	**26.03**	33.36	15.1	8	5.2	34	0.32
1998	**18.26**	28.58	23.4	9	6.8	29	1.42
1999	**14.97**	21.04	31.7	10	9.8	31	0.53
2000	**5.09**	-9.10	27.0	12	12.5	46	1.02
2001	**0.29**	-11.89	31.5	13	13.5	43	0.75
2002	**-17.17**	-22.10	36.1	15	17.9	50	0.46
2003	**37.22**	28.68	57.7	16	22.5	39	1.03
2004	**18.44**	10.88	70.8	20	26.7	38	0.62
2005	**11.10**	4.91	123.1	37	72.1	59	0.88
2006	**18.23**	15.80	162.3	40	97.8	60	0.79
2007	**-6.38**	5.49	162.5	64	103.3	64	0.48
2008	**-37.10**	-37.00	88.0	59	63.0	72	0.99
2009 QI	**-13.13**	-11.01	73.9	50	51.5	70	--
Annualized							
Life of the Strategy	**4.09**	2.34					
10 Years	**0.31**	-3.00					
Seven Years	**-1.56**	-3.20					
Five Years	**-4.86**	-4.76					
Three Years	**-16.42**	-13.06					

Nottinghill results are presented net-of-the management fee; all annualized returns are associated with periods ending March 31, 2009

Nottinghill Investment Advisers, Ltd., has prepared and presented this report in compliance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR-PPS™) for the period from July 1, 1996 to December 31, 2005 and the Global Investment Performance Standards (GIPS®) beginning in 2006. No regulatory or governing body has been involved in the preparation or review of this report.

1. Nottinghill 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 Nottinghill'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 Nottinghill'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 Growth & Value 20 performance composite (Composite A: all non-wrap fee accounts and those with a fixed annual broker charge less than 0.25% of assets) officially was created on January 1, 2002; however, the composite as currently defined has an effective date of compliance with the AIMR-PPS™ of January 1, 1997. Berge & Company, Ltd. and BKD, LLP, Certified Public Accountants in each case, completed Performance Examinations of the investment results presented for, respectively, the 1997-2001 and 2002-2007 periods. On March 31, 2009, accounts with a fixed annual brokerage charge less than 0.25% of assets contained 57% of total composite assets. The purpose of this fee is to cover trading costs.
3. No segments of other portfolio composites are included in the Growth & Value 20 composite.
4. The most appropriate benchmark for the Growth & Value 20 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 management fees, which were deducted from the results achieved by every account in the composite. The annual fee schedule 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.
6. Investment results calculated net of management fees 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 Nottinghill performance composites and additional information regarding the calculation and reporting of Nottinghill performance are available upon request.

Recent News

- *Up, Up, and Away? After months of pain, the stock market rebounded strongly in March-April, and our **Growth & Value 20, Index Plus** and **Growth 10** portfolios participated much more than fully. It's a fair question: Have we made the Big Turn? Impossible to say for sure, but the market leaders finally are leading, interest rates are lower than low, and expectations in general are at rock-bottom levels. All of that is encouraging.*

- *'Tis the Season. No, not the yuletide season. Instead and regrettably, it sure looks like the season for the unsavory to be taking advantage of the unwary. What can we learn from investment scandals in general and from history's largest Ponzi scheme in particular? See "Shenanigan" on the reverse side.*

- *Index Plus. The most recent addition to our family of disciplined strategies now has an actual four-month record to go along with all that background work. The operative phrase is "core-satellite approach" since 75% of an Index Plus portfolio tracks the S&P 500 Index and the remaining 25% is actively managed. The benefits: investment returns superior to those of the Index (if that background work is indicative), returns more closely correlated with those of the Index, very low transaction costs and taxes (if applicable), very low management fees. Contact us if you would like to learn more.*

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Shenanigan

"He's a well-respected man about town,
Doing the best things so conservatively."

-- "A Well-Respected Man," The Kinks (1966)

"Trust everybody, but cut the cards."

--Finley Peter Dunne

Warren Buffett famously observed once that it's only when the tide goes out that you learn who's not wearing any trunks. Well, the tide's been out for more than a year now, and the System's many stresses have revealed a number of legitimate shortcomings, as well as a number of outright shenanigans. Among the latter, one stands out, and we have a few thoughts.

On December 11, 2008, agents of the FBI showed up at the Manhattan door of one Bernard Madoff, a well-respected, well-connected money manager and doer of all the best things so conservatively. Mr. Madoff, it turns out, was being charged with running (for 17 years) a multi-billion dollar Ponzi scheme in which fictional stock market returns were used to entice and then placate an ever-expanding group of very well-heeled, private investors. The specific strategy never was explained, so it never was "understood." Yet, no one seemed to mind since Mr. Madoff supposedly was so well-respected, since so many learned intermediaries supposedly had done so much due diligence, and since those miraculous investment returns supposedly had been audited.

You know the story by now, and it's a sad one. In true Ponzi fashion, Mr. Madoff's older investors were being paid off with funds provided by newer investors; in fact, there was no investment strategy (there weren't even any trades!); many if not most of the learned, trusted intermediaries did not do their work thoroughly enough; the investment returns were being "audited" by a two-person operation with space in a strip center. Bottom line: The assets are gone (or have disappeared over the hill). Also - and this is an important part of the story - given the nature of Mr. Madoff's investors, i.e., many charitable institutions, a lot of very good work is going to be left undone. A major tragedy for Mr. Madoff's investors and their causes and life styles to be sure, and a major tragedy for the rest of us in this business...a business that depends upon trust to such a great extent. This is as bad as it gets in so many respects, and, with full knowledge that the final chapter won't be written for some time, what can we take away from this sad affair? For openers, let's take a look at how Mr. Madoff's relationship with his clients differed from, say, our clients' relationship with us. Short answer: primarily in two ways.

The first way involves the respective investment strategies employed. Ours are well-defined and easily explained, and involve securities known to just about everyone. Some of those securities work out. We tell our clients about them, and are happy to get an occasional pat on the back. Alternatively, a few of those securities don't work out. We tell our clients about them too, and sometimes take the heat. Comes with the territory, but what's important is that our clients have a good or pretty good idea of what we do and why. (And, if our clients don't have a good or pretty good idea of what we do and why, it's our fault, and they can count on us to redouble our efforts in the communications arena.)

Turning to Mr. Madoff, with few questions asked, he evidently was allowed to employ some mysterious approach with the freedom to go anywhere and do anything with his investors' assets. Partnership structure or not, miraculous record or not, this kind of latitude is not warranted in a client/manager relationship.

The second way in which Mr. Madoff's relationships differed from ours has to do with the custodial function. In our case, of course, we hold no client cash and no client securities, therefore, the services of a custodial bank or brokerage firm, which does hold client cash and securities, are required. The primary benefit to our clients (and, admittedly, the clients of most traditional investment advisers) is the independently generated portfolio/transaction review that independent, third-party custodians are able to provide. We are talking, of course, about the all-important monthly statement showing the assets held, the transactions completed, and the cash received and disbursed.

In Mr. Madoff's case, apparently no such <u>complete</u>, <u>independent</u> review ever was provided to his clients.

Transparency regarding the investment strategy being employed and independent verification of all account activity. To the best of our knowledge, neither existed in the relationship between Mr. Madoff and his clients; both exist in the relationship between Nottinghill Investment Advisers and its clients.

Okay, where does that leave us? No surprise, we have two recommendations.

1) <u>Know and understand the investment strategy being employed</u>

There's nothing wrong with discretionary authority, and becoming involved in the world of investing should not require full knowledge of Modern Portfolio Theory. But, <u>unsupervised</u> discretionary authority is risky business, and a general familiarity with what's being done and why is a good thing. In other words, give the manager the authority to do his/her job, but then, make sure that what you bought, in fact, is what's being provided.

2) <u>Verify, verify</u>

Fortunately, the miscreants out there constitute a <u>very</u> small minority within our profession. The rest of us are at our posts and giving it our best shot in good times and bad, are routinely publicizing what we do and why, and are comfortably able to look at ourselves in the mirror. Nevertheless, when the dealer passes the deck, cut the cards anyway. In other words, independent verification of what's being held and what's being done is <u>just</u> <u>good</u> <u>business</u>, even within a partnership structure.

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To repeat, the Madoff story is a sad one, and a lot of unanswered questions remain. Where are the assets? Who else is complicit? Where was the oversight? How were so many knowledgeable people deceived to such an extent for so long? Stay tuned, but a lot of the answers may never be known. In the meantime, there are lessons for all of us.