PERFORMANCE SUPPLEMENT:

COMPARATIVE RESULTS SINCE THE MARKET PEAK

For proper context, this addendum must be accompanied by the individual performance flyer for each composite portfolio being considered.

In cyclical bear markets, broad domestic equity indices such as the Dow Jones Industrial Average and the S&P 500 typically suffer price declines of 28% - 30%. In severe instances, as we have witnessed, the declines can be much greater.

The Verity Core Composite is managed with a broad absolute return objective, seeking strong progressive growth over time with an approach that endeavors to limit volatility and to avoid significant declines in value. Given this objective, it may be useful to examine the effectiveness of the strategy during the very significant disruption in the equity markets since October 2007.

During the last four months of 2008 and into 2009, an expanding worldwide credit crisis triggered devastating losses in markets of all types. The S&P 500 reached an all time closing high on October 9, 2007. From that point through June 30, 2010, despite a huge rebound, the value, on a total return basis after adjusting for dividends, had dropped 29.34%.

In this extreme environment, the Core strategy did not escape all of the damage, but it did continue to demonstrate its capacity to significantly reduce both volatility and downside risk.

In addition to its Core Composite, Verity manages several categories of composite portfolios with widely varying styles, objectives, and risk characteristics. Performance for representative accounts in the primary categories, along with total returns for several of the major domestic and foreign equity indices, is illustrated below.

October 9, 2007 through June 30, 2010			
Verity Composites	Total Return	**Major Indices**	Total Return
Moderate	1.69%	DJIA	-24.63%
Core	-12.79%	S&P 500	-29.34%
Aggressive	-16.15%	MSCI EAFE	-41.88%
Sector 2	-0.81%	NASDAQ	-22.44%

Since performance figures for the firm's composite portfolios are only available for full month periods, the performance examples above are based upon data from a representative individual account for each that was fully invested in the respective composite throughout the period. The accounts selected were at the median performance level relative to all accounts in the composite over the full period from October 1, 2007 through June 30, 2010. Other accounts in each composite, even when fully invested, may experience small differences in performance due to fractional variations in allocation percentages deriving from differences in the timing of original entry into the composite and similar factors unique to each account. However, accounts fully invested in each composite throughout the same period will not typically experience differences of such a significance as to undermine the principles illustrated using the representative accounts selected.

Each composite illustrated has its own unique objectives, employs different management strategies, and will experience significant differences in portfolio volatility. The individual performance flyers, including detailed descriptions, should be reviewed by any

* Continued on Reverse

prospective investor. Aggressive and Sector composites, in particular, will assume considerably greater risk and should be used only by investors who are prepared to experience greater volatility than the Core and Moderate composites.

There can be no guarantee that the composites will be similarly effective in protecting against major market declines in the future. Additionally, since the composites are not designed to correlate to any equity index, they may perform either well or poorly relative to an index when the index in moving up in value. In general, even in those composites where broad diversification is employed with the intent to realize opportunity while limiting volatility, there can be no assurance that securities of various types and combinations will not result in greater volatility and risk of loss should the assessment of market conditions and choice of risk management strategies prove incorrect.

Performance in declining markets is only one facet of overall performance, and different time periods will yield different results. An investor should evaluate the overall characteristics of a composite in relationship to his or her personal investment objective.

Several of the composites illustrated have closely aligned variations designed specifically for use with 403(b) retirement plan accounts. Specific descriptions and performance details may be made available for any of the firm's managed composites upon request.

The composites may be invested at various times among domestic and foreign equity and debt securities, emerging markets equity and debt, commodities, real estate, foreign currency, and short equity and debt positions. Securities may be selected from open and closed-end mutual funds, exchange-traded funds, and individual securities. The investment adviser does not use leverage or derivatives, although it may strategically invest in funds that use leverage and/or derivatives of certain types.

Given the often broadly diversified and dynamic allocation strategies employed, composites are neither designed to correlate to the performance of any benchmark index, nor can a benchmark accurately reflect the potentially changing mix of asset classes over any specific period. Thus, certain industry standard indices are provided simply as points of reference to which many investors look in assessing growth oriented investment portfolios.

Performance figures are stated in U.S. dollars using a time-weighted total rate of return. Returns for any particular account may vary due to differences in point of entry and other related factors. Composite returns are net of all expenses, including management fees, custody fees, and trading commissions, where applicable, and reflect reinvestment of dividends and other earnings. The full management fee schedule is accessible in Form ADV, Part II, Schedule F, which should be reviewed before establishing an investment advisory account with the firm.

The equity indices used for illustration purposes are unmanaged capitalization-weighted stock indices designed to represent broad segments of the market. Performance figures for these indices are inclusive of all dividends, except for the EAFE, for which dividend data was not available.