Market Commentary U.S. Equity

As of June 30, 2010

HOLLAND CAPITAL MANAGEMENT

Portfolio Performance

For the Quarter

Due to uncertainties about the global recovery, most stock indexes ended the quarter with negative returns. In this environment, the portfolio performed better than its benchmark, the Russell 1000 Growth Index. Good stock selection was the main driver. Portfolio holdings fell in tandem with the market downturn but did not perform as poorly overall as holdings in the index.

Apple and American Tower, in technology, were positive contributors to excess return. Apple continues to perform reasonably well, after prior stellar performance, due to continued share gains, new product roll-outs, and better-than-expected operating results despite a lackluster economic environment. American Tower is also performing well based on the 4G build-out and new tower construction in New York City in particular. Bandwidth constraints remain a positive for the company over time and are gaining increased attention given the introduction of Apple's iPhone 4 and iPad, and Google's Android. Adobe, on the other hand, was hurt by concerns about its Flash platform and a perceived "fight" with Apple. An overweight in the stock magnified the impact of its poor relative performance, dampening the performance of technology in general. Yet, fundamentals for the company remain solid, growth prospects are reasonable given the economic environment, and the new upgrade cycle should be a positive for the stock.

Hospira and McKesson, in health care, made positive contributions. Hospira received approval for a second biosimilar drug from the European Commission and the company was active in its business development efforts. McKesson announced better than expected fiscal year 2011 guidance while also increasing their dividend and announcing a broader share repurchase program, putting to rest fears of a big expensive acquisition in the health care information technology space. In consumer discretionary, Wal-Mart fell and an underweight in the stock had a positive impact on relative performance. And IHS, in financial services, added value by reporting improved organic growth and reiterating its annual guidance despite foreign exchange headwinds.

An overweight in energy acted as a drag on performance as worries about the global slowdown caused weakness in the sector.

Changes in portfolio holdings include the sale of Suntech Power due to concerns that the European debt crisis could impact credit for solar projects and cause some countries to discontinue or reduce solar subsidies. AFLAC was also eliminated because of its exposure to European hybrid securities and Symantec was deleted to create funds to increase other positions. XTO Energy left the portfolio because it was taken over by Exxon Mobil.

For the Year-to-Date

The portfolio is outperforming the Russell 1000 Growth Index through the first six months of the year as our conservative strategy performed well during the 2nd quarter market downturn. Favorable stock selection has been the primary driver, with good stock selection in technology, health care, producer durables, and consumer staples. This has been partially offset by weakness in financial services and energy. Additionally, our long-standing overweight in energy has been a drag on performance given that energy has been the worst performing market sector during the first half of 2010. The portfolio's energy exposure rests primarily in high quality natural

HOLLAND CAPITAL MANAGEMENT

gas focused exploration and production companies, which have suffered, in general, due to low natural gas prices. Global growth concerns, the moratorium on drilling, and company specific issues, has resulted in additional pressure on holdings in the sector.

Market Review

The S&P 500 Index declined -11.4% in the second quarter, bringing the performance of the index to -6.7% for the first half of 2010. After climbing over +80% from its March 2009 bear-market low, the index fell over -15% from its April 2010 peak, ending June at its lowest level since September 2009. This sharp drop was due to fears that the economic recovery is at risk. Investor confidence was initially shaken by the "flash crash" when the stock market experienced a significant slide in a matter of minutes, with some stocks briefly losing most of their value. After recovering from this incident, a number of disappointing economic data points and headline events worked together to ignite concerns about the sustainability of the recovery. The European debt crisis and continuing signs of global weakness were noteworthy catalysts leading to concerns about the overall global growth. And while U.S. economic news was mixed, May and June data signaled a deceleration in domestic growth, causing investors to begin questioning whether the U.S. would slip back into recession. The anxiety produced by these results and the perception that unexpected events may be distracting U.S. leaders from focusing on the domestic economic issues at hand resulted in investor flight away from risky assets toward safety, resulting in the first stock market correction since it began its climb higher almost 16 months ago.

During the quarter, returns for the Russell stock indexes were negative across all capitalizations and styles. The large capitalization Russell 1000 Index slid -11.4%, and Russell's Midcap Index and small cap Russell 2000 Index both fell -9.9%. Large cap and mid cap value stocks fell modestly less than their growth counterparts, while growth performed better than value in the small cap arena.

While returns for the Russell stock indexes were also negative for the first half of 2010, the mid and small cap indexes performed better than large cap indexes, and value outperformed growth.

During the quarter, all of the sectors comprising the Russell 1000 Growth Index reported negative returns. In this environment utilities, consumer staples, and producer durables sectors fell the least, while energy, materials & processing, and financial services sectors fell the most. On a year-to-date basis, the sector returns are negative as well. Producer durables, consumer discretionary, and consumer staples are delivering the best returns within the index, while energy, materials & process and technology are showing the worst returns.

Market Outlook

The stock market suffered its first correction since the March 2009 market low as headline events and economic news caused concerns about the sustainability of the global and domestic economic recoveries. The S&P 500 Index fell over -15% from its April peak and is now showing a -6.7% return for the first six months of the year. Major catalysts for the decline include the European debt crisis and a slowing of growth both globally and domestically. While the problems in the Eurozone, a slowdown in China, and other sluggishness have heightened concerns about growth outside the U.S., as we have indicated over the past several quarters, a number of underlying headwinds continue to pressure the domestic growth story, including unemployment

Market Commentary
U.S. Equity

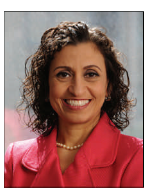
As of June 30, 2010

HOLLAND CAPITAL MANAGEMENT

and slow job creation, still weak housing, and a growing budget deficit. While these headwinds will likely persist near-term, positives like low inflation, solid investment spending, and low interest rates should help sustain domestic growth, albeit at a slow and subpar pace. We agree that the economy and the stock market remain fragile. Until the economy is clearly out of the woods, we believe that stock market action will be choppy and that investors will continue to react to uneven or negative economic and financial news and events.

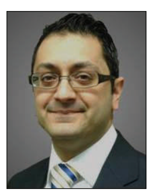
We cannot predict the direction of the stock market nor the exact path or extent of the recovery. However, we understand that corporate profitability and earnings are impacted by the pace of economic growth. Thus, we remain committed to using our thorough, high quality, bottom-up research to identify companies that best meet our fundamental investment criteria. In general, we believe that as the economy recovers and as corporate earnings growth normalizes, investors will remain cautious of lower quality stocks with lower quality or unsustainable earnings. We expect investors to shift their focus toward stocks of high quality companies with strong balance sheets and good managements, that generate high quality, sustainable earnings with achievable estimates, metrics consistent with our bottom-up fundamental investment criteria.

PORTFOLIO MANAGERS



Monica L. Walker, CPA
Chief Executive Officer
& Chief Investment Officer - Equity

Ms. Walker is a founding partner of the Holland Capital Management As Chief Executive Officer, she oversees the overall business and financial operations of the firm. With over 29 years of financial services experience, including 22 years of investment management experience, Ms. Walker also serves as Chief Investment Officer — Equity, responsible for execution of the firm's large cap growth and mid cap growth equity strategies with a team of equity research analysts. She has worked as a member of the firm's equity team and Investment Policy Committee since the firm's inception 19 years ago. Ms. Walker received a B.B.A. in accounting from the University of Texas at Arlington in 1980 and is a CPA licensed in Texas and Illinois. She serves as a board member of the YWCA Metropolitan Chicago, a member of the CEO Council of Chicago United and the International Foundation of Employee Benefit Plans. Ms. Walker is a member of the CFA Society of Chicago, the Illinois CPA Society, the Texas Society of CPAs, the American Institute of CPAs, the National Association of Securities Professionals (NASP) and the Economic Club of Chicago.



Carl R. Bhathena
Co-Portfolio Manager - Equity
& Senior Equity Analyst (Technology)

Mr. Bhathena is Co-Portfolio Manager of the firm's large cap and mid cap growth equity strategies. As a Senior Equity Analyst, Mr. Bhathena is responsible for fundamental research and valuation analysis within the technology and telecom sectors of the market. He joined Holland Capital in 1998 and has 17 years of industry experience. He began his career with EVEREN Securities Inc. (formerly Kemper Securities Inc.) as an associate analyst in the company's investment strategy group. Mr. Bhathena was promoted to Vice President – Investment Strategist and performed aggregate fundamental qualitative and quantitative analysis on global financial markets, sectors, industry groups, and specific companies as well as economic and interest rate forecasting. Mr. Bhathena holds a M.B.A. with honors from the University of Hartford's Beatrice Auerbach School with an investment finance concentration, and earned a B.A. in economics from Baldwin-Wallace College.

Holland Capital Management LLC · One North Wacker · Suite 700 · Chicago, IL 60606 · 312.553.4830 · **www.hollandcap.com**