Market Commentary
U.S. Equity

As of September 30, 2010

HOLLAND
CAPITAL MANAGEMENT

Portfolio Performance

For the Quarter

Due to an extremely strong September, stocks ended the third quarter with double-digit returns, the best quarterly performance since the third quarter of 2009. Despite this tremendous move higher, our conservative growth strategy slightly trailed its benchmark, the Russell 1000 Growth Index. This performance was due to unfavorable sector allocation which was principally driven by an overweight in energy, one of the weakest performing market sectors. Stock selection was favorable overall with solid selection in technology, consumer discretionary, and health care partially offset by weak selection in energy, financial services, and consumer staples.

Citrix Systems, QUALCOMM, and American Tower, in technology, were positive contributors to excess return. Citrix reported solid earnings results and guidance aided shares; an overweighted position materially benefitted portfolio returns. With QUALCOMM, news from the handset front and an ongoing high-speed upgrade cycle are helping shares. The discontinuation of FloTV was also greeted positively. American Tower is benefiting from the upgrade cycle and continued concerns about the need to expand bandwidth in the U.S.

Yum! Brands, Amazon, and NIKE, in consumer discretionary, made positive contributions. Yum! Brands reported Q2 results that were solid. International business continues to chug along with strong growth in emerging markets although growth in developed markets, including the U.S., was tepid. Amazon rallied strongly despite missing Q2 EPS expectations. Their revenues continue to impress and demonstrate sustained share gains in electronics vs. brick and mortar competitors such as Best Buy. In addition, Kindle sales have been strong. NIKE reported solid Q1 results driven by strong gross margins. In addition, orders were very strong and inventory levels remain constrained. NIKE remains on the path toward $5 in EPS during FYE May 2012.

In health care, Genzyme added value. The stock moved higher based on news that Sanofi Aventis is bidding for the company. And, an overweight in the name also had a positive impact.

An overweight in energy continues to act as an overall drag on performance as lingering worries about the global slowdown caused weakness in the sector. Southwestern Energy, Range Resources, and Exxon Mobil also negatively impacted performance. With the U.S. economic outlook looking weaker on the margin, Southwestern investors determined that the natural gas recovery was pushed out even further. Range Resources was similarly impacted and also took a hit when after announcing plans to accelerate the development of their Marcellus project investors became worried that this could lead to an increase in both their funding gap and equity dilution. Exxon investors are starting to worry whether Exxon can maintain its low cost position and high ROIC model. In addition, oil prices have started to come under a little pressure as inventories keep rising and the global economic outlook makes investors a little nervous about future demand.

Changes in portfolio holdings include the Questar spinoff of QEP. The QEP position was retained since it fits our criteria of being a low cost producer with a deep inventory of products. Questar was sold due to its reduced market cap as a result of the spinoff. McKesson was eliminated based on concerns about the management team. Their compensation is high relative to peers in the drug distribution business and their capital allocation decisions have been spotty in recent years.

For the Year-to-Date

The portfolio is outperforming the Russell 1000 Growth Index through the first nine months of the year, benefiting from participation in the 1Q and 3Q uptrends and protection during the 2Q downtrend. Stock selection has been the primary driver, with good stock selection in technology, health care, and consumer discretionary. This has been partially offset by weakness in financial services and energy. Our long-standing overweight in energy has been a drag on performance given that energy has been the worst performing market sector during 2010. The portfolio's energy exposure rests primarily in high quality natural 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, have resulted in additional pressure on holdings in the sector.

Market Review

After an abysmal second quarter, stocks rebounded sharply. The S&P 500 Index returned over +11% during the third quarter, its best quarterly performance since the third quarter of 2009. Yet, despite this double-digit move higher, the index is up only +3.9% so far during 2010. Concerns about the economy have been a major source of anxiety among investors throughout the year and this has translated into volatile returns month-to-month and quarter-to-quarter as investors digest and react to economic, political, and corporate news as it is released. As it turns out, the recession, which was the longest since the 1930's, officially ended in the second quarter of 2009. While this is good news, given the lackluster recovery consumers still feel like we are in recession. And, some economic indicators remain weak. Nonetheless, stocks rallied during the quarter, mainly in September, partially due to expectations that the Federal Reserve could initiate another round of quantitative easing to stimulate the economy, namely by purchasing Treasuries. This safety net not only eased stock investors' fears somewhat, it also lifted Treasury and gold prices. But it did little to stop the flow of money into bonds.

During the quarter, stock indexes across all capitalization ranges and styles turned in remarkable returns. Mid cap stocks did better then large and small caps, with the Russell Midcap Index returning +13.3% as compared to the +11.6% and +11.3% returns of the large cap Russell 1000 Index and small cap Russell 2000 Index, respectively. In addition, growth performed better than value.

Year to date, mid and small cap indexes are maintaining a lead over large cap indexes. Value is winning in the large and mid cap spaces, while growth is beating value when it comes to small caps.

Market Outlook

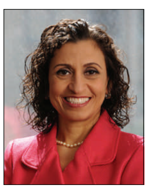
Stocks rose sharply during the third quarter of 2010, recovering from a steep second quarter slide that was precipitated by the European debt crisis and continued uncertainty about the global economic recovery and a possible double-dip recession. Concerns about the debt crisis have somewhat stabilized and it is has now been determined that the recession, the longest since the Great Depression, officially ended in June 2009. Yet, most consumers still feel like we are in recession and uncertainty lingers on a number of fronts. Consumer spending currently represents approximately 70% of economic growth. But, unemployment remains high, job creation is slow, and consumer spending is likely to remain challenged. Consumer net worth has declined precipitously due to the lower value of homes and other financial assets, and debt balances are still high. The Federal Reserve stands ready to embark, if needed, on another round of quantitative easing to push more cash into the system to keep the economy going. However, the jury is out as to whether this scenario is already reflected in stock prices and whether it will have the desired impact on economic growth. Recent behavior suggests that corporations remain cautious about future demand, preferring to use cash strategically in ways that generally benefit shareholders, as contrasted to hiring, which would benefit consumers and their spending. In addition, financial institutions are hoarding cash due to regulatory and reserve concerns and consumers are deleveraging and increasing savings.

Overall, we believe that the headwinds of stubbornly high unemployment, slow job creation, consumer and business deleveraging, and weak housing will continue to pressure the domestic growth story, resulting in sub par economic growth in the near-to-intermediate term. Further, given the high level of uncertainty, stock market action will likely remain choppy and investors will continue to react to economic and financial news and events until data signals an economy that is more solidly out of the woods.

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 long-term fundamental investment criteria. In this difficult economic environment, we have focused on companies that can effectively manage their top and bottom line growth. We currently like companies with exposure to faster-growing markets including emerging and developing economies, those that are market share gainers, and those whose bottom lines are leveraged to increased demand as the economy recovers. In this environment, we continue to focus on companies with strong financial positions; those with solid balance sheets and strong free cash flow. We are also favorable toward companies that are using this time to take advantage of strategic opportunities that strengthen their competitive positions and that create shareholder value longer-term, including returning capital to shareholders by instituting or increasing dividends and/or buying back shares.

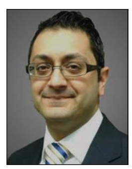
In general, we believe that as the economy recovers and as corporate earnings growth normalizes, investors will remain cautious of lower quality stocks with lower quality or unsustainable earnings. Rather, we expect investors to shift their focus toward stocks of high quality companies with strong balance sheets and good managements, with the ability to 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.