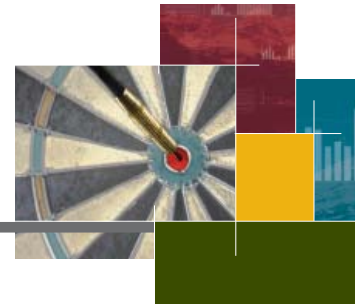


PRIMA CAPITAL TARGET RISK PORTFOLIOS

SECOND QUARTER 2009 PERFORMANCE UPDATE



ECONOMIC PERSPECTIVE

The delevering of the financial markets was both forced and abrupt, and we believe it is largely complete at this point. That's the good news, as it means a repeat of 2008 is highly improbable with systematic risk across the financial markets greatly reduced. But the delevering of consumers and corporations is just beginning (leaving the government the only member of the economic triumvirate in "levering" mode, as it piles on debt). With a surging unemployment rate expected soon to reach double digits, rapidly decelerating wage growth for those with jobs, and tighter standards for access to credit cards and other consumer loans, growth in total household credit market debt outstanding recently turned negative for the first time since such data has been collected, according to the Federal Reserve. The consumer is in the early stages of tidying up the balance sheet. Likewise, corporate America has changed its financing ways. A look at the chart below reveals that up through the end of 2007, corporations were increasingly borrowing to, among other things, buy back shares. Net equity issuance, the amount of stock sold by corporations less the amount of stock bought back, reached a nadir of over \$1 trillion on a seasonally adjusted annualized basis during the fourth quarter of 2007. This reshuffling of the capital structure was less than fortuitous going into the severe recession we find ourselves in today. Further, the tailwind that buybacks may have been to stock returns (the evidence is admittedly mixed) is likely gone for the foreseeable future.

Total U.S. Non-Financial Corporate Financing Activity

(quarterly \$ in millions, SAAR; source: Federal Reserve)



JULY 2009

PRIMA CAPITAL TARGET RISK PORTFOLIOS provide a comprehensive, professionally managed investment program for investors. A series of six portfolios are offered across the risk spectrum ranging from Conservative Income portfolio to the more aggressive Concentrated Growth portfolio.

HIGHLIGHTS

- **Open Architecture Platform**
No constraints placed on the selection of underlying funds.
- **Broad Asset Class Representation**
Beyond the basic retail mix. *Non-traditional* and *lower correlation* asset classes are considered.
- **Strategic Asset Allocation**
Five year estimates, that are *re-evaluated* every year, drive asset allocation decisions.
- **Core and Satellite Portfolio Construction**
Passive funds provide low cost, broad market exposure. Active managers pursue tactical opportunities.

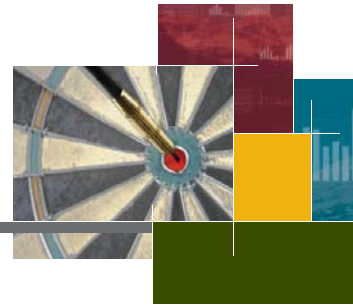


600 Seventeenth Street
Suite 2300 South
Denver, Colorado 80202

Copyright © 2008, Prima Portfolio Services, Inc. All Rights Reserved.

PRIMA CAPITAL TARGET RISK PORTFOLIOS

SECOND QUARTER 2009 PERFORMANCE UPDATE

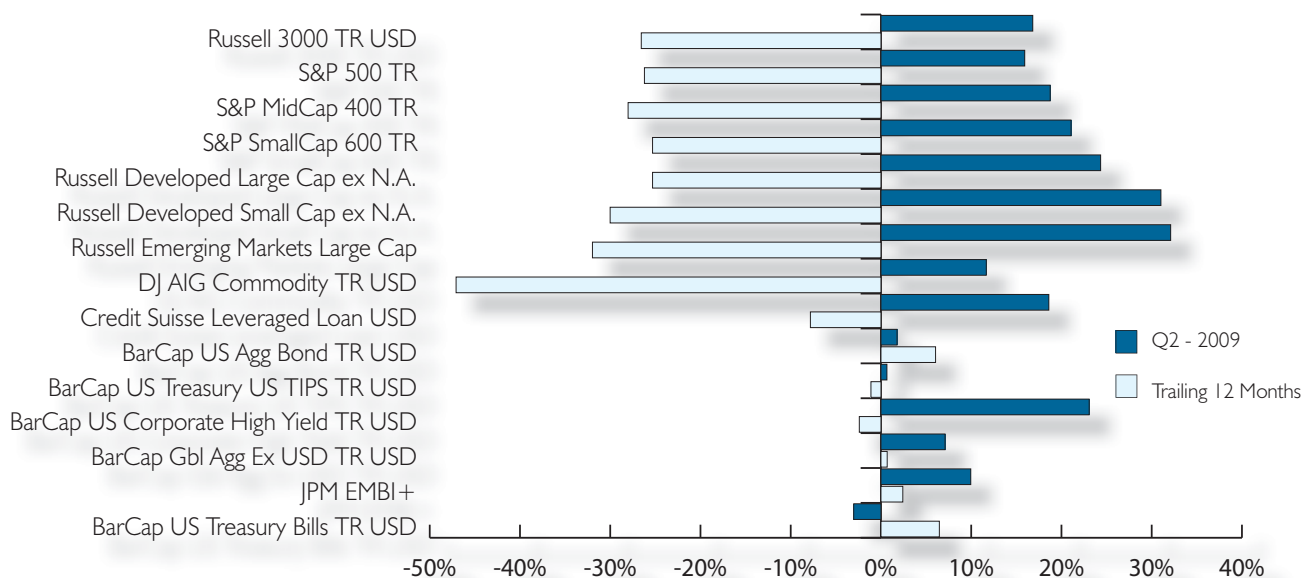


ASSET CLASS REVIEW

The U.S. equity market bottomed in the early days of March and the rally that ensued soon thereafter quickly spread across almost all asset classes. As risk aversion disapated, Treasuries posted declines during the three consecutive months from April to June, while just about every other type of asset benefited. Emerging market equities led the way, returning almost 35%, and adding to the relative outperformance witnessed during the first quarter. REITs, not only stopped hemoraging, but rallied impressively, returning 32% as represented by the Dow Jones Wilshire REIT Index. Low quality, high beta, non-earning micro and small cap names led the Russell 2000 to a return of almost 21%, its best quarter since 2003. Among the major equity categories, large cap U.S. stocks lagged behind riskier fare, with the S&P 500 returning “only” 15.9%. The disparity between growth and value was almost non-existent among large cap stocks, but among small cap stocks, growth again outperformed value by a large margin. At the sector level, financials led the way with a 35% return, followed by tech stocks, which posted a return of over 19%. Commodity markets posted respectable results, with industrial metals (e.g. tin, nickel and lead) and oil rising strongly during the quarter.

Within the fixed income markets, spreads narrowed dramatically across investment grade and high yield sectors; emerging market spreads narrowed considerably as well. With credit markets seemingly exuberant over a return to more normally functioning markets, the Barclays US Corporate High Yield Index added to its strong first quarter showing and is now up over 30% year-to-date. With such a dramatic rise at a time when default rates are not even close to the highs predicted by the rating agencies, the high yield market looks rather dangerous at this time, especially the lowest quality issues, which led during the recent rally. Bank loans also added to an impressive showing during the first quarter, driven in part by new high yield issuance, the proceeds of which were used in large part to pay off bank loans. While asset class returns during the second quarter were impressive, 1-year trailing returns for most risk assets remain strongly in negative territory, with REITs and commodities (Dow Jones UBS Commodity) bringing up the rear, with returns of -45.3% and -47.1%, respectively. Where markets go from here will increasingly be dictated by fundamentals, and “less bad” will not be good enough to drive asset prices significantly higher from here.

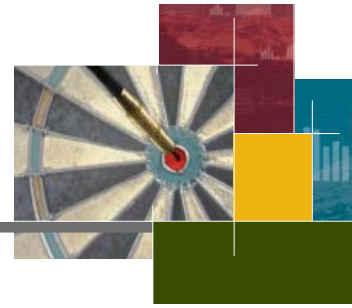
CAPITAL MARKETS RETURN



Source: Prima Portfolio Services, Inc.

PRIMA CAPITAL TARGET RISK PORTFOLIOS

SECOND QUARTER 2009 PERFORMANCE UPDATE

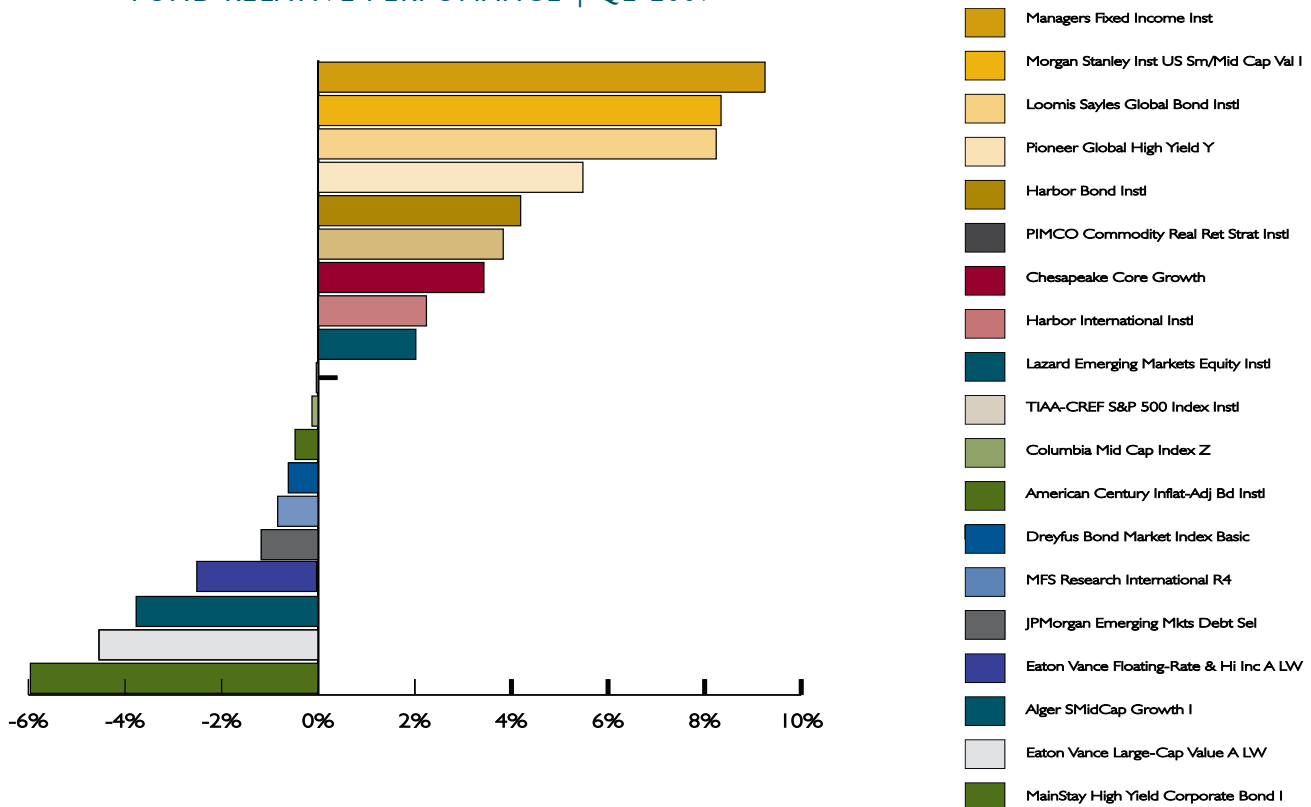


MANAGER PERFORMANCE

Active management again earned its keep during the quarter, adding to strong performance during the first quarter. All of the portfolios performed better as implemented than they would have if implemented solely with passive investment vehicles, such as ETFs and index funds. The standout performers within the portfolios were the investment grade fixed income managers, which handily outpaced the Barclays Aggregate Bond Index, weighed down by its heavy Treasury exposure in a reversal of fortunes from last year. Harbor Bond (sub-advised by PIMCO) beat the index by over 420 basis points, while Managers Fixed Income (sub-advised by Loomis Sayles) rocketed ahead by over 11% thanks to its large weighting to investment grade corporate bonds. The portfolios have benefited greatly from the shift away from passive fixed income exposure toward actively managed strategies, a move undertaken in December. Also posting solid performance was Chesapeake Core Growth, which outpaced the Russell 1000 Growth Index by over 340 basis points, in part due to a rebound in financial holdings, such as Goldman Sachs and Bank of America.

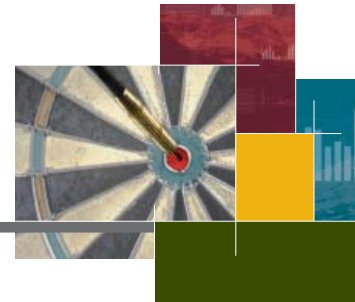
There were no manager changes made to the portfolios during the quarter, but following quarter end, the portfolios were rebalanced to reallocate assets back toward their strategic targets after this impressive rally.

FUND RELATIVE PERFORMANCE | Q2-2009



PRIMA CAPITAL TARGET RISK PORTFOLIOS

SECOND QUARTER 2009 PERFORMANCE UPDATE



PERFORMANCE SUMMARY

Performance across the portfolios was once again strong relative to the asset allocation fund universes (which are admittedly less than ideal universes), but more importantly, returns were strongly positive on both a nominal and real basis for the first time since inception 18 months ago. Further, all but one of the portfolios were able to outperform their respective naïve benchmarks (recall that the portfolios are not managed to those benchmarks, but rather, those benchmarks are shown for the purposes of providing a point of reference).

Our broadly diversified portfolios benefited not only from their U.S. assets, but even more so from exposure to non-U.S. assets of all types. Further, the increased exposure to emerging market equities and bank loans (asset classes that we added to twice in the last 10 months) positively impacted performance. In addition, as noted above, active management was additive during the quarter. Negatively impacting relative performance was exposure to commodities, which as an equity-like asset class in many respects, reduces the total equity exposure in the portfolios, and given the rather modest return of 11.7% for the quarter, that commodity exposure in place of higher equity exposure was a drag on performance. Likewise, meaningful weightings to TIPs in the more conservative portfolios hindered returns, as TIPs generated a meager return of 0.7%.

Regardless, all things considered performance thus far in 2009 has been quite good. As we mentioned last quarter during a time when many were questioning the merits of diversification, cycles of performance exist, but are difficult to time, and therefore prudently diversifying across asset classes has repeatedly proven beneficial to investors. That was certainly the case during the second quarter.

Performance Summary	Q2-2009	Inception*
Conservative Income Model Portfolio	9.46%	2.76%
Barclays Aggregate Bond (BC Agg)	1.78%	4.77%
Conservative Growth Model Portfolio	12.54%	-6.50%
20% Russell Global / 80% BC Agg	5.74%	-1.99%
Moderate Growth Model Portfolio	14.67%	-10.20%
40% Russell Global / 60% BC Agg	9.76%	-8.63%
Balanced Growth & Income Model Portfolio	17.85%	-14.07%
60% Russell Global / 40% BC Agg	13.85%	-15.12%
Aggressive Growth Model Portfolio	19.53%	-18.48%
80% Russell Global / 20% BC Agg	18.01%	-21.43%
Concentrated Growth Model Portfolio	20.88%	-22.90%
Russell Global	22.23%	-27.55%

DISCLOSURES

Not for distribution to individual investors. Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than the original cost. All returns assume reinvestment of all dividends and capital gains distributions and are net of fees. Blended benchmarks are calculated using monthly rebalancing rules. Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on the advisor's decision-making if the advisor were actually managing client money. Market indices have been provided for comparison purposes only; they are unmanaged and do not reflect the deduction of any fees or expenses. Index performance does not provide an indicator of how individual investments performed in the past or how they will perform in the future. Individuals cannot purchase or invest directly in an index. The benchmarks listed above is provided for context only; Prima does not actively manage to the benchmarks. For more information about the risks associated with each underlying fund, please request and read the prospectus from the Fund. This commentary is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. It is based upon information that Prima Capital Management, Inc. ("Prima") considers to be reliable but we do not warrant its accuracy or completeness. Assumptions, opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Neither Prima nor its affiliates are responsible for any errors or omissions or for results obtained from the use of this information.

*Inception 12/31/2007