Sierra Update

Third Quarter 2011

15 Years of Excellence
1996-2011

SIERRA INVESTMENT PARTNERS, INC.

MARKET REVIEW

The third quarter of 2011 was a remarkable period for the U.S. economic and market history. The volatility, as well as the overall market weakness, was mainly due to the overbearing influence of macroeconomic factors on stock performance. All major stock indices were negatively impacted and were down more than 12% for the quarter.

The last time we saw a market decline such as this was during the height of the 2008 financial crisis. The major concerns for U.S. investors are the European sovereign debt and bank crises, the downgrading of U.S. debt from triple "A" status by Standard and Poor's, and continuing signs of a slowing domestic economy.

Domestic Equity

Market performance disappointed investors in the third quarter with the S&P declining almost 14% and the Russell 1000 Value declining just over 16%. Our **Large Cap Intrinsic Value Equity** portfolios returned -15% for the quarter. We were surprised by the ferocity of the weakness in the equity markets during the quarter but we view the current situation as a mid-cycle slowdown, not the beginning of a recession, and believe that the markets are likely to recover over the next few quarters.

Our **Concentrated Growth** portfolios returned -6.8% for the third quarter compared to the -13.1% of the Russell 1000 Growth index. Sector allocation and security selection in the information technology and materials sectors had a very positive impact on the portfolio's benchmark-relative performance. Google was one of the portfolio's top detractors in the second quarter, but the company's shares rebounded in the third quarter as it reported better-than-expected financial results. Various portfolio holdings were trimmed and the capital was redeployed into stocks that had experienced price weakness during the quarter. We have not made any major changes to the portfolio's positioning over this quarter. We are remaining consistent with our investment philosophy and strategy, focusing on high quality businesses with superior returns on invested capital, strong competitive positions, and above average long-term growth prospects. Looking ahead towards the end of the year we continue to expect that corporate profits will grow, although at a decelerating rate, which will represent a peak in the profit growth in the current business cycle.

In the **Mid Cap Value** arena, the Russell Mid Cap index delivered -19.88% for the third quarter while the Russell Mid Cap Value index returned -18.47%. Our client portfolios slightly underperformed the Russell Mid Cap Value index mainly driven by security selection across the Financials and Information Technology sectors. Looking ahead we remain optimistic that an economic meltdown such as the one we saw in 2008 will be avoided even though we have no special insights as to the ultimate outcome in Europe.

Our **Small Value Equity** portfolios had another excellent quarter of solid relative returns. Our composite returns were -15.0% compared to -21.5% for the Russell 2000 Value and -21.9% for the Russell 2000, respectively.

International Equity

The **Global and International Value Equity** markets for the third quarter saw the worst decline since the depths of the 2008 financial crisis. Fiscal deficits in the developed world especially in the Euro zone remained the market's primary concern, thus the big sell off during the third quarter. As the underlying problem in the developed world remains leverage, an unfolding bank crisis and economic contractions in several nations around the globe, we believe that this leaves opportunities for us to add value to our portfolios by concentrating on our strategy and philosophy of having a long-term investment horizon and a focus on stock-level fundamentals.

MARKET REVIEW (cont.)

As we've noted in the past, a market that is focused on unpredictable economic and political developments can significantly disadvantage a portfolio of stocks that is selected on the basis of long-term fundamental business values.

The returns in our **International Equity** portfolios were positively impacted by stock selection as well as sector allocation. Our most defensive sectors (Consumer Staples, Health Care) performed well as one would expect in such an environment. In our view, the market has defaulted in some cases to pricing in the worst case scenario and has not been conservative enough in others.

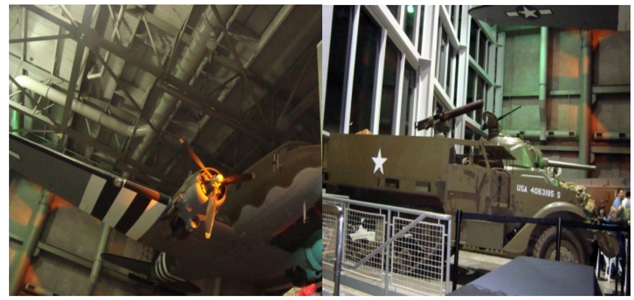
Fixed Income

Interest rates declined significantly during the third quarter. Longer term maturities outperformed and the yield curve flattened in the process. Ten-year Treasury notes fell 122 basis points ending the quarter yielding 1.93%. With Europe in crisis mode, there are few alternatives for high quality debt in the quantity needed by investors and foreign governments; therefore, U.S. treasury debt remains the preferred choice for investing reserves. **Fixed Income** markets continue to suffer due to the European crisis and inability in Washington to make tough decisions to reduce debt over the long-term, as well as the downgrading of U.S. sovereign debt by Standard and Poor's. The **High Yield** market generated its worst quarterly total return since the second calendar quarter of 2008.

SIERRA HEADLINES

As a result of our high quality bias as well as positive attribution from security selection and sector allocation, our High Yield strategy outperformed its benchmark substantially.

The National WWII Museum Event



We want to extend a sincere thank you to all of you who honored us with your presence at our annual cocktail party during the International Foundation of Employee Benefit Plans in New Orleans. **The National WWII Museum** event proved to be an outstanding venue highlighted by an amazing performance from the Victory Belles who received two heartfelt standing ovations from all of you. A big thank you to all of you for making our evening a great success.

Thank You

We would like to extend our thank you to the **Laborers' District Council & Contractors' Pension Fund of Ohio** and the **Ohio Laborers' District Council – Ohio Contractors' Association Insurance Fund** for hiring us to manage a portion of their assets in our High Yield product. We at Sierra Investment Partners, Inc. value each of our clients and are grateful for the opportunity to manage your assets.

DISCLOSURE

Sierra Investment Partners, Inc. (Sierra) is a manager of managers and uses exclusive sub-advisor relationships to manage plan assets. Sierra's sub-advisors are: Pioneer Institutional Asset Management, Inc. for Concentrated Growth Equity & Balanced and Mid Cap Value; Todd-Veredus Asset Management, LLC for Large Cap Intrinsic Value Equity & Balanced; Franklin Equity Group for International Growth Equity; Templeton for International Value and Global Equity; PMG Advisors, LLC for Fixed Income; Riazzi Asset Management, LLC for Small Value Equity; and Fort Washington Investment Advisors, Inc. for High Yield Fixed Income. Performance reflects that of our exclusive sub-advisor for each respective product. Returns are calculated and presented gross of fees. Gross of fees performance is calculated after the deduction of trading costs, but before the deduction of management fees, custodial fees or other fees. Fee schedules are described in Part II of Sierra's Form ADV. Sierra client returns would be reduced by investment management fees. For example, a five year gross annualized return of 20.10% would be reduced to 18.96% after the deduction of annualized fees of 1%. The information provided is historic in nature and should not be taken as any indication of future performance as future investments will be made under different economic conditions and may utilize different securities. The Large Cap Intrinsic Value Equity composite includes all fully discretionary, non-taxable portfolios invested in the equity strategy. The Russell 1000 Index is a market capitalization weighted index that consists of the 1,000 largest securities in the Russell 3000 Index. The S&P 500 Index is a market capitalization weighted index that contains approximately 500 industrial, transportation, utility and financial companies regarded as generally representative of the U.S. stock market. Investments are not limited to the companies in the Russell 1000 or the S&P 500. The Small Value Equity composite includes all fully discretionary, institutional portfolios over $5.0 million invested in the Small Value Equity strategy benchmarked against the Russell 2000. The Russell 2000 is a market capitalization weighted index which measures the performance of approximately 2000 companies that are between the 1000th and 3000th largest in the market. The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price/book ratios and lower forecasted growth values. Investments are not limited to the companies in the Russell 2000 or Russell 2000 Value. The indexes chosen to compare performance are not identical in structure to the composites and are provided to represent the investment environment existing during the time periods shown. Indexes are unmanaged, fully invested and do not include deduction of fees or expenses. Information contained herein should be used for one-on-one presentations only and should be accompanied by this performance disclosure. This information is only an explanation of investment philosophy and historic performance and is not meant to be an investment recommendation. For a disclosure prepared in compliance with the Global Investment Performance Standards (GIPS®) and a list of composites and performance results please call our corporate headquarters at (925) 941-6300. GIPS has not been involved with the preparation or review of this report. Past performance is no guarantee of future results.