

PARLAN FINANCIAL CORPORATION
Parlan Active Management Strategy (PAMS) Composite
January 1, 2010 through December 31, 2011

Period	Gross-of-Fee Composite TWR	Net-of-Fee Composite TWR	S&P 500 TR Benchmark Return	Number of Portfolios	Composite Dispersion	Total Composite Assets (USD)	Percentage of Firms Assets	Total Firm Assets (USD)
12/31/2010	-15.94%	-17.47%	15.06%	8	0.02%	\$ 1,728,924	3.98%	\$ 43,433,424
1/31/2011	-0.34%	-0.85%	2.37%	13	0.00%	\$ 3,098,110	7.16%	\$ 43,263,888
2/28/2011	-0.68%	-0.68%	3.43%	12	0.33%	\$ 2,967,020	6.88%	\$ 43,148,382
3/31/2011	0.35%	0.35%	0.04%	12	0.00%	\$ 2,977,425	6.66%	\$ 44,735,781
4/30/2011	-5.05%	-5.47%	2.96%	9	0.00%	\$ 2,235,806	5.22%	\$ 42,811,687
5/31/2011	0.11%	0.11%	-1.13%	4	0.01%	\$ 680,491	1.78%	\$ 38,326,611
6/30/2011	1.98%	1.98%	-1.67%	4	0.00%	\$ 693,956	2.11%	\$ 32,877,858
7/31/2011	-1.05%	-1.45%	-2.03%	4	0.00%	\$ 683,914	2.39%	\$ 28,637,969
8/31/2011	-4.22%	-4.22%	-5.43%	4	0.00%	\$ 655,084	2.35%	\$ 27,899,757
9/30/2011	2.89%	2.89%	-7.03%	4	0.00%	\$ 621,913	2.49%	\$ 24,989,946
10/31/2011	0.59%	0.18%	10.93%	4	0.00%	\$ 623,057	2.50%	\$ 24,929,343
11/30/2011	2.25%	2.25%	-0.22%	5	0.00%	\$ 802,950	3.29%	\$ 24,376,436
12/31/2011	0.68%	0.68%	1.02%	5	0.00%	\$ 808,421	3.30%	\$ 24,461,531
Year to Date	-2.77%	-4.47%	2.11%					

Composite Disclosure Notes

Compliance Statement – Parlan Financial Corporation has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). A complete list and description of Firm composites is available upon request.

Definition of the Firm - For purposes of complying with GIPS®, the firm is defined as Parlan Financial Corporation. It was established in 1988 and is an independent Registered Investment Advisor (RIA) registered with the Securities and Exchange Commission (SEC). The firm is a full service, fee-only financial planning and investment management company. The firm specializes in quantitative long/short trading of U.S. equity market indexes. Parlan Financial Corporation is located in Toledo, Ohio, is not affiliated with any parent organization and has no other offices operating under the same brand name.

Description of the Composite - The Parlan Active Management Strategy Composite includes all discretionary, fee-paying accounts above \$100,000 in which no significant contributions nor withdrawals have occurred. The composite invests in U.S. Large-Cap equity through leveraged investment products that range from -200% to +200% S&P 500 exposure. This strategy utilizes a proprietary trading algorithm that uses mutual funds and exchange traded funds (ETFs) as the underlying investment. The algorithm relies on quantitative research, technical analysis and the price movement of the S&P 500 to adjust portfolio market exposure based on internal risk and return parameters daily. Important features also include incremental buying, profit taking, and stop losses. The average holding period of the underlying investment usually results in short term gains or losses. At any point in time, accounts will be allocated between a long, short, and/or cash position. Holding both long and short positions simultaneously does not occur. As a tactical allocation and active management strategy, the portfolios may hold significant levels of cash and cash equivalents up to 100% for extended periods of time. The composite creation date is December 31, 2009

Performance Results – Results are calculated using a time-weighted total rate of return formula and are expressed in U.S. Dollars. The composite is asset-weighted; individual portfolios are valued daily on a trade-date basis and include accrued fixed income. Performance results include all discretionary portfolios under the Firm’s management that meet the Composite Definition. Returns are presented both gross and net of management fees. Gross-of-fee performance results are presented before management and custodial fees but after all trading expenses. Net-of-fee performance results are presented net of management fees, custodial fees, and all trading expenses. Net-of-fee performance is calculated using actual management fees. Past performance is not an indication of future results.

Composite Benchmark - The benchmark used for this composite is the S&P 500 Total Return (TR) Index. The S&P 500 TR Index focuses on the large market capitalization segment of the market. The Index covers over 80% of the U.S. market and is also a proxy for the total market. The S&P 500 TR Index is unmanaged and is not subject to fees and expenses typically associated with investment funds.

Composite Dispersion - The composite dispersion is measured by the gross standard deviation across asset-weighted portfolio returns presented within the composite for the full year.

Fee Schedule - Parlan Financial Corporations current fee schedule is as follows: 2.10% on the first \$500,000, 1.75% on the next \$500,000, 1.50% on the next \$3 million, 1.15% on the next \$2 million, 0.80% on the next \$4 million and 0.45% of amounts in excess of \$10 million.

Additional Disclosures – There have been no material changes in the personnel responsible for the investment management. The composite does not include carved-out portfolios. Equity dividends are recorded on the ex-date. The minimum portfolio size for composite inclusion is \$100,000 and has not changed. Parlan Financial Corporation currently does not have any wrap accounts. A complete listing and description of the firm’s composites is available upon request and additional information regarding policies for calculating and reporting returns is available upon request, which can be obtained by contacting Parlan Financial Corporation’s Chief Compliance Officer at 800-537-1103.

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Verification – Parlan Financial Corporation's compliance with GIPS has been verified for the period January 1, 2005 through June 30, 2010 by Absolute Performance Verification, LLC . A copy of the verification is available upon request.