

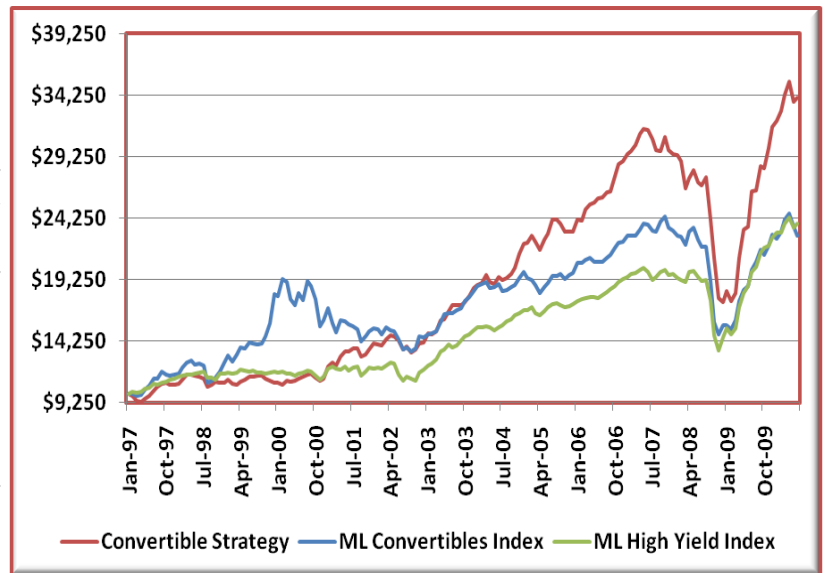
Convertible Securities Strategy

Investment Goal: NAFA's Convertible/High Yield Portfolio seeks to provide high total returns from income producing securities with the potential for capital appreciation. The Strategy invests in convertible corporate bonds and convertible preferred stocks of publicly traded companies. Convertible securities typically pay higher interest or dividends than common stocks and are exchangeable into the common stock of the issuing company. If the price of the common stock rises, the convertible security will increase in value also. If the price of the common stock falls, the convertible investor receives the higher income of a bond or preferred stock.

Investor Profile: The Convertible/High Yield Portfolio is for the investor who desires high levels of income from their portfolio with the added potential for capital appreciation. Convertible securities, as an asset class, display more risk than bonds yet less risk than stocks. The returns associated with convertible securities, when adjusted for risk (as measured by price volatility) are higher than large capitalization stocks.

Advantages:

1. *Competitive Returns* - relative to similar convertible and high yield investments.
2. *Safety* - The defined maturity of convertible bonds and the seniority of asset claims of bonds and preferred stocks make them less subject to loss of principal than common stocks.
3. *Quantitative Analysis* - a fundamental approach to lowering risk by calculating risk versus reward is used to select issues for the Strategy.
4. *Low Cost* - management fees are lower than the average convertible securities or high yield fund.



Portfolio Strategy: NAFA's Convertible/High Yield Strategy invests in a diversified portfolio of convertible securities. The portfolio manager seeks companies that are trading at a discount to book value, a low price to earnings multiple, or a low price ratio to projected cash flow. This approach lowers the risk of a diversified portfolio while retaining the potential high returns of the underlying equities.

Management Fee: 0.75% (three-quarters of one percent) annually of the market value of assets in the portfolio. The average convertible securities mutual fund expense ratio is 1.30%

Performance for the Period Ending 06/30/10		Portfolio	Last 12 Months	01/97-06/10	Annualized
Ending Values:		Convertible/High Yield	44.32%	239.97%	9.55%
Convertible/High Yield	\$ 33,997	Net of Fees	43.57%	218.16%	9.01%
Merrill Lynch Convertibles	\$ 22,822	Merrill Lynch Convertibles	21.95%	128.22%	6.35%
Merrill Lynch High Yield	\$ 23,794	Merrill Lynch High Yield	27.01%	137.94%	6.68%

Past performance is no guarantee of future results. Please see our performance disclosure statement for more information.