

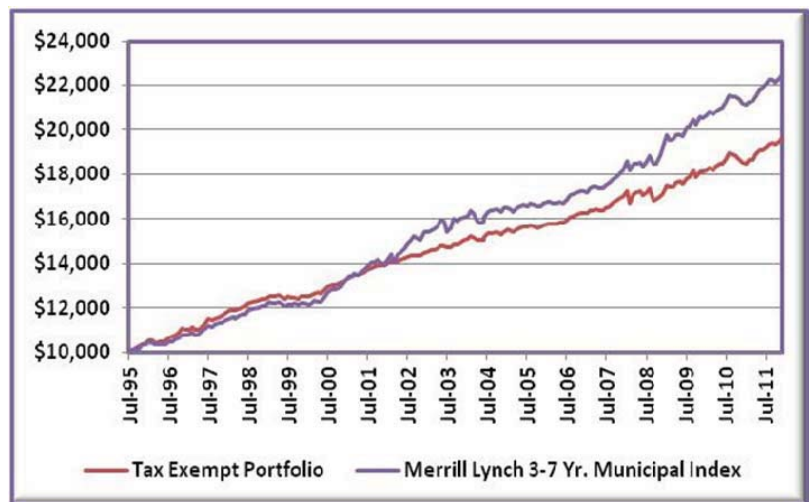
# Tax Exempt Bond Portfolio

**Investment Goal:** NAFA's Intermediate Tax Exempt Bond Portfolio seeks a high level of income that is exempt from regular federal income tax available from municipal bonds. The Portfolio invests in investment grade municipal bonds with a core holding of bonds that are insured or escrowed and thus have a AAA/Aaa rating.

**Investor Profile:** The Intermediate Tax Exempt Bond Portfolio is for the investor who is looking for greater after-tax income than is available from taxable bonds. In addition, the Portfolio will seek to purchase bonds that are exempt from state income taxes depending on the investor's state income tax rate. The Portfolio has less price risk than municipal bond funds that invest in long-term bonds.

**Advantages:**

1. *Competitive Returns* - relative to similar intermediate term investments
2. *Safety* - core holdings in insured or escrowed bonds that are rated AAA
3. *Quantitative Analysis* - less price volatility and high credit quality translate into greater liquidity
4. *Low Cost* - management fees are lower than the average intermediate tax-exempt mutual fund



**Portfolio Strategy:** NAFA's Intermediate Tax Exempt Bond Portfolio invests in investment grade municipal bonds. The portfolio manager will purchase bonds that pass a stringent test for credit quality. High after-tax total return will be the objective of NAFA's Intermediate Tax Exempt Bond Portfolio given an average maturity restriction between three and ten years.

**Management Fee:** 0.50% (one-half percent) annually of the market value of assets in the portfolio. The average municipal bond mutual fund expense ratio is 0.96%.

Performance for the Period Ending 12/31/2011		Portfolio	Last 12 Months	06/95-12/11	Annualized
Ending Values:		Tax Exempt Bonds	6.08%	96.59%	4.18%
Tax Exempt Bond Portfolio	\$ 19,659	Net of Fees	5.50%	83.82%	3.76%
Merrill Lynch 3-7 Yr. Muni Index	\$ 22,520	Merrill Lynch 3-7 Yr. Muni Index	6.32%	125.20%	5.04%

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