

## Performance Review and Commentary

4th Quarter 2012 (September 30, 2012 through December 31, 2012)

### Performance

Wallick Investments' Portfolio Composites			Annualized Since Inception	Index	This Qtr.	YTD	Annualized Since Inception
WI Core Growth	↑ 1.30%	↑ 16.20%	↑ 0.88%	Custom*	↑ 2.04%	↑ 17.04%	↑ 4.63%
WI Core Value	↓ 0.26	↑ 13.41	↑ 4.32	Custom*	↑ 1.04	↑ 16.40	↑ 3.24
WI Fidelis	↑ 0.47	↑ 3.20	n/a	Custom*	↑ 2.04	↑ 3.75	n/a
WI Hedge	↓ 3.90	↓ 0.56	↑ 0.05	AIG Commodity Index	↓ 6.47	↓ 11.14	↓ 8.41
WI Preferred Stock	↓ 0.57	↑ 2.03	n/a	Baclay's CB Index	↑ 1.59	↑ 6.20	n/a
WI Absolute Return	↑ 2.83	↓ 0.52	n/a	30% Wilshire 5000	↓ 0.10	↑ 0.38	n/a
WI Bonds	↑ 0.57	↑ 7.22	↑ 5.93	Barclays Aggregate bond	↓ 0.02	↑ 3.76	↑ 6.2

  

Wallick Investments' Portfolio Models			Since Inception	Index	This Qtr.	YTD	Since Inception
WI Core Growth	↑ 1.35%	↑ 16.20%	↑ 75%	Wilshire 5000	↓ 0.33%	↑ 13.69%	↑ 23%
WI Core Value	↓ 0.39	↑ 11.29	↑ 35	S&P 500	↓ 1.01	↑ 13.41	↑ 8
WI Large-Cap	↑ 3.98	↑ 13.03	↑ 74	S&P 500	↓ 1.01	↑ 13.41	↑ 16
WI Mid-Cap	↑ 7.95	↑ 15.56	↑ 42	Russell Midcap® Index	↑ 2.06	↑ 14.87	↑ 26
WI Small-Cap	↑ 4.70	↑ 14.12	↑ 64	S&P SmallCap 600	↑ 1.83	↑ 13.05	↑ 32
WI International	↑ 6.75	↑ 12.81	↑ 53	MSCI EAFE Index	↑ 8.46	↑ 18.69	↑ 22
WI Socially Responsible	↑ 5.71	↑ 10.48	↑ 15	S&P 500	↓ 1.01	↑ 13.41	↑ 8

### Modern Portfolio Theory Statistics

01/01/2012 - 12/31/2012

Wallick Investments' Equity Composites		Beta	Index Return	Actual Return	Total Over/Under	Over/Under Due to Beta	Over/Under Due to Alpha	R-Squared
WI Core Growth		0.94	16.02	16.20	0.18	0.96	-0.78	96.22
WI Core Value		0.98	16.07	13.41	-2.66	-0.32	-2.34	98.51

Portfolio performance is reported excluding fees.

Index performance for models excludes dividends. The model portfolios are developed and managed by Wallick Investments, LLC. They do not represent an actual account or a composite of accounts. Each client's portfolio holdings and weightings vary based on individual time frames and risk tolerances. The portfolio models display performance data to illustrate past performance and do not guarantee future results. Year-to-date totals may not be equivalent to each of the last four quarters totaled due to rounding and end-of-quarter dividends.

Beta: A measure of a portfolio's sensitivity to its benchmark's movement. The benchmark's beta is 1.00. Accordingly, if a portfolio has a beta of .85, it would be expected to outperform its benchmark by 15% in a down market and underperform by 15% in an up market. Note: a low beta does not equate to low volatility.

The betas used in this presentation are those calculated by Morningstar® based on a 3-year weighted-average of each of the individual securities' betas. They are also the average for the last four quarters.

Alpha: A measure of the difference between a portfolio's actual return and its expected performance, given its level of risk as measured by beta. Alpha can be used to directly measure the value added or subtracted by a portfolio manager.

R-Squared: Reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark index.

**Top 5 Percentage Gainers (Qtr.)**

(Only securities within models)

Teradyne  
 Coinstar  
 Eaton  
 Standex  
 Cardinal Financial

**Bottom 5 Percentage Losers (Qtr.)**

(Only securities within models)

OSIS  
 Devon Energy  
 Ross Stores  
 Blucora  
 Hibbett Sports

**Overall Equity Environment = 2**

1 - Favorable

2 - Neutral

3 - Unfavorable

Leading Economic Indicators were down .5% in the last month (December) and up 1.3% over the last 6 months. Positive numbers indicate improving economic conditions.

Chicago Federal Reserve's National Activity index was at .02 last month (December) and the three month average was at -.11. A three month average reading of 0 indicates a normal level of economic activity. A reading below -.70 suggests a recession. A reading above .70 after two or more years of expansion suggests potential inflation. Although economic activity is below normal it is not low enough to suggest a recession.

From a valuation standpoint, the S&P 500's Price-to-Earnings (P/E) Ratio was 15.02 at the end of the quarter vs. 13.47 at the end of 2011, 15.45 at the end of 2010, 18.57 at the end of 2009, 10.91 at the end of 2008, 16.63 at the end of 2007, 16.95 at the end of 2006, 16.42 at the end of December 2005 and 17.9 at the end of December 2004. A P/E of 20 is considered overvalued and a P/E of 10 is considered undervalued.

In reviewing the 2013 forecasts of 10 large money management firms, estimated GDP growth for 2013 ranges from 1.4% to 2.5% and the estimated change in the S&P 500 ranges from 0% to 16%.

In conclusion, stocks appear to be fairly-valued based on historical trends, valuation criteria and forecasts. Economic conditions appear to be stable.

**Performance Commentary**

From a performance standpoint, the fourth quarter of 2012 was a "mixed" quarter for the Wallick Investment models and "mixed" for the indexes. The Wilshire 5000 was down .33% and the S&P 500 was down 1.04%. The following Wallick Investments equity portfolios outperformed their benchmarks for the quarter. WI Core Growth model outperformed by 1.68%. WI Core Value model outperformed by .62%. WI Large-Cap outperformed by 4.99%. WI Mid-Cap outperformed by 5.89%. WI Small-Cap outperformed by 1.67% and the WI Socially Responsible outperformed by 6.72%. The outperformance of these portfolios can be attributed to our security selection (alpha). The following composites and model underperformed their benchmarks. WI Fidelis composite underperformed by 1.57%. WI Core Growth composite underperformed by .74%. WI Core Value composite underperformed by 1.3% and WI International model underperformed by 1.71%. The underperformance of these composites and model was due to risk exposure (beta) and our security selection (alpha).

The WI Bond portfolio was up .57% vs. the Ishares Lehman Aggregate's -.02%. Our commodities portfolio was down 3.9% vs. the Commodities Index's -6.47% return. The WI Absolute Return portfolio was up 2.83% vs. its index return of -.33%. The WI Preferred Stock portfolio was down .57% vs. its benchmark return of 1.59%.

1. WI Core Growth Composite Benchmark: 40% Vanguard 500 Index / 10% Vanguard Mid Cap Index / 30% Vanguard Small Cap Index / 20% Vanguard FSTE All World ex-US Index
2. WI Core Value Composite Benchmark: 80% Vanguard 500 Index / 20% Vanguard FSTE All World ex-US Index
3. WI Fidelis Composite Benchmark: 40% Vanguard 500 Index / 10% Vanguard Mid Cap Index / 30% Vanguard Small Cap Index / 20% Vanguard FSTE All World ex-US Index