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MAAP June Review July 2, 2010

MAAP was down slightly in June as several markets weakened late in the month. While the MAAP portfolio shorted the S&P 500 at the late April price peak, this position was covered in late May, and the portfolio now effectively has a partial long position through the sale of put options, in the belief that an intermediate bottom is forming. In addition the long positions in the Australian and Canadian dollar and partial long positions in the grain and soybean complex contributed minimal losses for the month. Gains were achieved in the partial long positions in energy and metals.

In the past two weeks concerns about renewed economic weakness have emerged from multiple corners. Commodity markets have been correcting for six months and one could argue that current prices have already discounted any temporary economic softness. Similarly, while popular stock market indexes peaked in late April, many market sectors have been correcting since January or as far back as October of last year, and may have also discounted any temporary economic weakness.

While recent economic releases and commentaries have been heavily biased to the negative, many currency markets (including the euro) and commodity markets, unlike the stock market, have held above lows of several weeks ago. These divergences are noteworthy and may well be signaling an important intermediate basing process prior to a resumption of the bull market in both commodity and equity markets that commenced in March 2009.

Although everyone knows that the housing market has been a disaster for the past several years, 30 year conventional mortgage rates are now at record lows and approaching 4.5 percent. Cost and availability of money are two powerful drivers of economic activity. These low rates may well trigger a break in the housing log jam which in turn would have a powerful impact in reviving economic activity in the U.S. The U.S. and the rest of the developed world continue to face serious problems in many areas, but slow growth is more probable than a renewed recession. Likewise China and the rest of the developing world will continue to be the engine of growth in this cycle, even though they will experience hiccups as they attempt to reign in excessive speculation and accelerating inflation.

In this climate investors will continue to face greater uncertainties regarding volatility, growth rates, cross currents of deflation and inflation, excesses of certain factors of production such as labor, and shortages of other key factors of production such as basic commodities. Governments are determined to promote economic growth through deficit spending, easy central bank monetary policies, and greater intervention in the private sectors activities. While there are deflationary trends in the private sector of the economy during recessions, government's role in the economy is too large today and their policies have an inflationary bias. Therefore it is our conclusion that inflation will be the ultimate challenge that investors will face in the long-term.

It has been our basic view since mid-2001 that the world entered a long-term secular trend of a declining role for the dollar as the central reserve currency, a gradual decline in the unquestioned faith in sovereign debt, and increasing scarcity of basic commodities as developing countries enter the global economy. The financial crisis of 2008 and its aftershocks interrupted these secular trends but they are still very much the primary factors driving investment markets. Therefore we believe that MAAP continues to offer an excellent way in which to profit from these trends as they resume.

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July 7, 2010

TAAP Investment Strategy
(The Asset Allocation Portfolio)

Target Portfolio Weighting

Stocks	[redacted]%
Bonds	[redacted]%
Gold	[redacted]%
Cash	[redacted]%

Portfolio Review

As the above weightings indicate the TAAP (Tactical Asset Allocation Portfolio) strategy continues to emphasize gold as the most attractive investment asset given its current price, value, and momentum. Stocks have the second highest weighting, with no allocation to long-term bonds. For the 2nd quarter of 2010 TAAP gained 4.24% vs. negative -11.42% for the S&P500. For the 1st six months of 2010 TAAP gained 6.70% vs. negative -6.65% for the S&P500. For the last 12 months TAAP had a gain of 19.73% vs. 20.99% for the S&P500. For three years TAAP's compound annual return was positive 16.54% vs. a negative -9.81% for the S&P500, for five years TAAP's compound annual return was 18.68% vs. negative -0.79% for the S&P500, and since inception TAAP's compound annual return has been 10.45% vs. 7.38% for the S&P500. The primary objective of TAAP is conservative long-term growth of capital and preservation of purchasing power. Since inception and through several market cycles TAAP has proven its value to investors.

Investment Outlook:

In the past month, economic indicators have increasingly pointed to slower economic growth. Investors and markets are suddenly fixated on the potential of a double dip recession and remain concerned about a renewed bear market, given the fresh memories of unpleasant experiences during the second half of 2008. Concurrently, talk of deflation is resurfacing.

Interestingly both the stock and commodity markets have had significant intermediate corrections during the first half of 2010, which may have already fully discounted the coming slower growth. The U.S. stock market may be locked in a secular trading range for the next several years similar to the 1970s. Therefore that earlier period may offer clues to the current cycle. Following both the 1970 and 1974 bear market lows, the stock market subsequently advanced each time for approximately two years. In each case, the first stage of these cyclical advances lasted approximately one year. The initial advance, each time, was then followed by a significant intermediate correction. Upon completion of the intermediate correction, in each instance a second intermediate advance carried to a higher level than the first peak.

As we have stated in past commentaries, the current global cycle is one in which the developing world is the engine of growth and the developed world is the caboose being pulled out of its morass by demand from the developing world. Therefore it is important to focus on the global economic environment, not just the U.S. Economic sectors in the developed world that can export to the developing world will benefit, while other areas will struggle. The developing world is experiencing two powerful trends, one is infrastructure spending and the other is the growing size and increasing income of the middle class. These powerful growth trends will benefit capital goods manufacturers, luxury goods producers, and a broad range of commodity producers, both industrial and agricultural. Within the next year, any temporary surpluses in commodities, resulting from the recession, should disappear as rising demand strains supplies. The world is

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likely once again to experience rapidly rising commodity prices and a significant transfer of wealth to the commodity producing sectors.

Concurrent with the positive growth trends in the developing world are the strains in the developed world from high unemployment, excess capacity in many production areas, and both current deficit spending and the monstrous size of contingent liabilities of future retirement and health care programs. Citizens of the developed world countries have been promised benefits that their economies cannot support. In this climate investors will continue to face greater uncertainties regarding volatility, growth rates, cross currents of deflation and inflation, excesses of certain factors of production such as labor, and shortages of other key factors of production such as basic commodities. Governments are determined to promote economic growth through deficit spending, easy central bank monetary policies, and greater intervention in the private sector's activities. While there are deflationary trends in the private sector of the economy during recessions, government's role in the economy is too large today and their policies have an inflationary bias. Therefore it is our conclusion that inflation will be the ultimate challenge that investors will face in the long-term.

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Chart I accompanying this commentary is a price ratio chart of gold vs. the S&P500. We employ ratio charts comparing different assets as a way of identifying over or under performance. Our research has demonstrated that once relative strength or weakness develops in an asset class, it tends to continue for years, even decades. As Chart I demonstrates, gold outperformed the S&P500 from 1968 through early 1980 and then went through two decades of underperformance. Beginning in 2001 gold once again began to outperform stocks. This relative strength of gold is one of the reasons TAAP has been over weighted in gold.

Chart II is one of the fundamental valuation approaches we employ. It compares the current market value of U.S. Treasury gold holdings to the size of U.S. Treasury guaranteed debt held by foreigners. In the four decades from 1969 – 2009 U.S. Treasury debt held by foreigners increased by 16 percent compounded per year. The dashed band on the chart indicates the level to which the gold price would have to rise to reestablish the relationship of gold holdings to foreign held debt that existed from 1971 to 1980. We have also done a similar analysis comparing the growth of currency reserves held by all governments relative to their gold holdings. Using this approach, if the ratio of gold holdings to paper currency holdings in the 1970s were to return, the price of gold would also have to rise to similar levels indicated in Chart II. Readers may refer to our January 6, 2010 How Should Gold Be Valued, for a further discussion of this topic.

In addition to price ratio charts and various fundamental valuation models, we also employ proprietary quantitative models to assist us in identifying significant long-term buy and sell points. At the present time all of our approaches are bullish regarding gold and favor an over weighted position.

Another factor favoring gold appears to be its return as an alternative store of value, one of the fundamental purposes of money. As sovereign debt is no longer viewed as risk free, currency volatility increases, and real interest rates remain historically low, gold becomes a more attractive store of value. The above factors combined with psychological skepticism of the majority of investors suggest that gold is still in the early stages of its long-term bull market. In summary, TAAP's ability to invest in gold in addition to stocks and bonds provides the investor with significant opportunity in the current economic environment.

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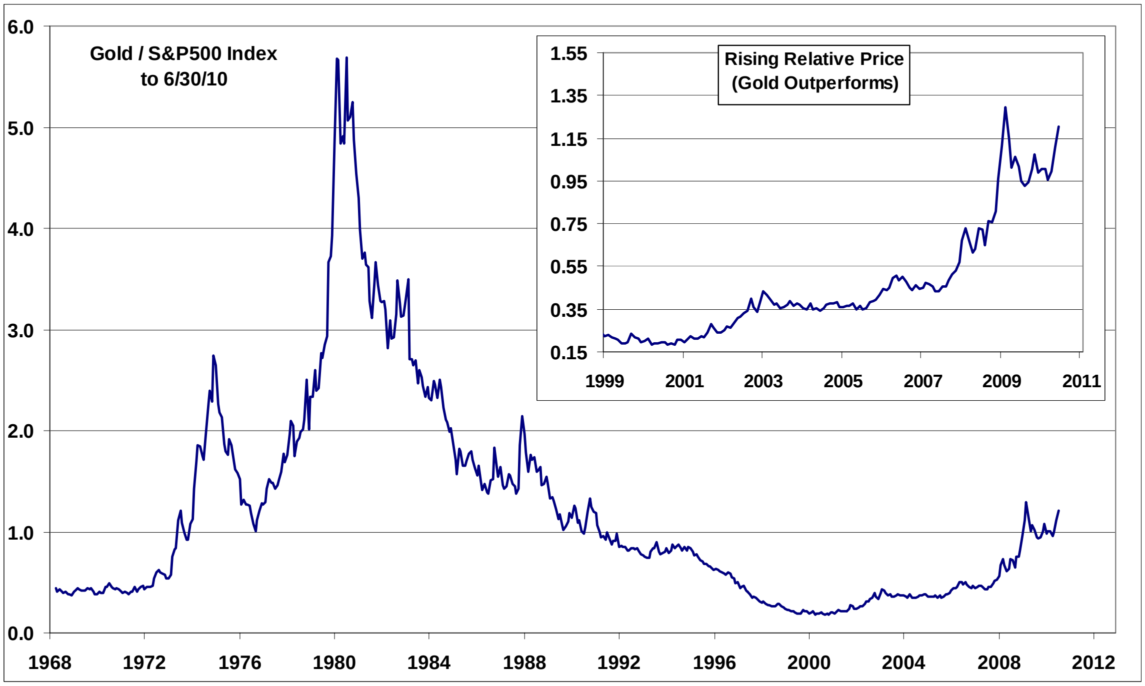
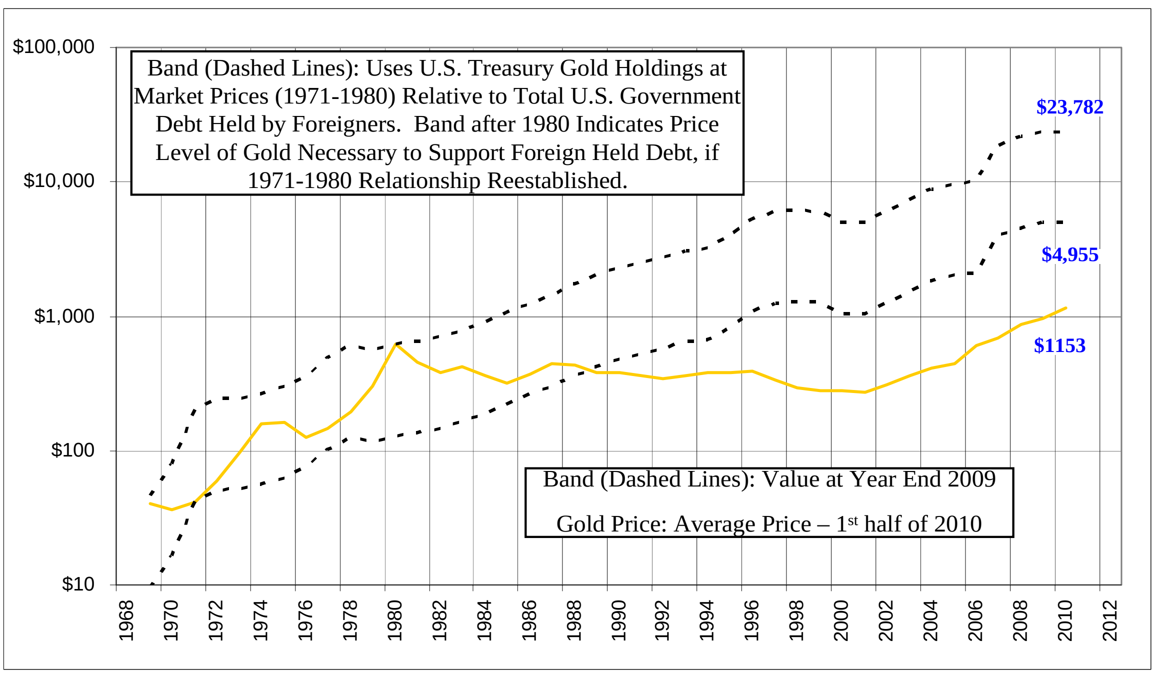
I.

Gold / S&P 500 Index
Through June 30, 2010



II.

U.S. Treasury Gold Value Relative to Foreign Held U.S. Government Debt



Past Performance is not necessarily indicative of future results. This information does not constitute an offer to sell any securities or the solicitation of an offer to purchase any securities. For further information on the AIS TAAP Program, contact John R. Hummel at 187 Danbury Road, Wilton, CT 06897 - Telephone: (203) 563-1180 - Facsimile: (203) 563-1186 - E-Mail: info@aisgroup.com.

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AIS Capital Growth Fund Quarterly Review July 6, 2010

The AIS Capital Growth Fund was down in the 2nd quarter of 2010 returning -11.84% vs. -11.42% for the S&P 500. For the six months of 2010 the Fund was down -6.01% vs. -6.65% for the S&P 500. For the latest 12 months the Fund was up 22.57% vs. 20.99% for the S&P 500. For the last three years the Fund's compound annual return was a positive 2.19 % vs. a negative -9.81% for the S&P 500, and for five years the Fund's compound annual return was a positive 8.86% vs. a negative -0.79% for the S&P 500.

From mid through late April, the Fund was short S&P 500 contracts approximately equal to the value of long positions in the Fund. These profitable short positions were closed out in mid-May. Although the Fund was hedged during this period, the declines in the individual stocks in the portfolio slightly exceeded the decline of the S&P 500. In addition, during the market's weakness in June the fund was not hedged on our belief that the market is forming an intermediate base. We continue to invest on the basis that the market weakness in the second quarter is an intermediate correction in a cyclical advance that has further upside potential.

From mid-May through late June the Fund added four companies to the portfolio and increased positions in two existing holdings. Three of the additions are small industrial metals mining concerns. [redacted] has a contract to recover copper from previously mined tailings from the Chilean state copper company. In addition two promising development stage nickel mining companies were added, [redacted] and [redacted]. Finally one technology company [redacted], was added near quarter end. Positions were increased in two existing holdings, [redacted] and [redacted]. Three stocks were eliminated from the portfolio in the first week of April, [redacted], [redacted], and [redacted].

As discussed in previous quarterly commentaries, the fund investments are heavily concentrated in sectors that we believe offer above average potential in the type of global economic environment most likely to develop in the next few years. The sectors are infrastructure/energy service, energy, basic materials, agriculture, and niche technology.

The fund's goal is to identify companies which have the potential to outperform the market on a 12 to 18 month time frame. Our global macro economic analysis is employed to identify sectors which could benefit from strong economic tailwinds. Favorable demand and pricing trends are significant factors, since no business operates in a vacuum. Next our weekly technical screens of over 2000 companies assist in identifying emerging market leadership. Finally, individual company fundamental analysis can identify important management, product and balance sheet issues that will impact a company's performance.

Within the next year, global economic growth should eliminate the temporary surpluses of energy and other key commodities. This should lead to sharp price increases for energy, basic metals, agricultural products, fertilizers, and precious metals. Therefore companies producing these products, or engaged in infrastructure/engineering projects designed to modernize or expand production of these key factors of production, should be major beneficiaries.

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AIS Gold Fund Quarterly Review July 6, 2010

The AIS Gold Fund was up in the 2nd quarter of 2010 returning 6.45% vs. a negative -11.42% for the S&P 500. For the six months of 2010 the Fund was up 6.33% vs. -6.65% for the S&P 500. For the latest 12 months the Fund was up 47.55% vs. 20.99% for the S&P 500. For the last three years the Fund’s compound annual return was a positive 12.86 % vs. a negative -9.81% for the S&P 500, and for five years the Fund’s compound annual return was a positive 29.15% vs. a negative -0.79% for the S&P 500.

At the present time the Fund has a leverage of approximately 1.75 times equity, consisting of approximately 1.0 times equity in individual mining companies, and approximately 0.75 times equity in a combination of gold and silver futures contracts, approximately equally weighted between the two. During the quarter the Fund added to its position in silver futures, based on the belief that silver is somewhat undervalued relative to gold.

In the second quarter two new names were added to the portfolio. [redacted]s is a development stage gold company (in which [redacted] owns 9.9%) with a property in Quebec. The second addition is [redacted]er, primarily a silver development stage company with a property located in Nunavut, formerly part of the Northwest Territories. Two names were eliminated from the Fund, [redacted] and [redacted]r.

Historically an individual stock or commodity, country stock market, industry group, or asset class that bottoms ahead of other markets and reaches a new high prior to other markets, tends to provide leadership over a full cycle. The price of gold has been providing market leadership versus other asset classes since early in this decade. In the fall of 2008 it experienced a three week correction as the stock market made its first selling climax low. From that point, it rebounded strongly reaching 1000 by February 2009 and a new all time high by October of last year. Recently the new highs in May and June may be further confirmation of its leadership role in this cycle. Gold appears to be once again taking on a role as an alternative store of value as fiat (paper) currencies and sovereign debt become less certain stores of value. In spite of this increasing role as a store of value, gold remains very under owned by both institutional and individual portfolios. We refer the reader back to last quarter’s commentary which included a chart indicating how far gold must climb to reach a level comparable to the relationships that existed in the 1970s.

From a market psychology standpoint, gold, at current levels, reminds us of the Dow Jones Industrials in 1983 after it had made a new all time high and hovered around the 1200 level. With the stock market then at an all time high, investors were skeptical and frightened that stocks were too high. Ultimately the Dow Jones went to 14,000 over the next two decades. We do not, nor does any other investor, know what the future will hold, but the psychology towards gold is not the euphoria that one finds at a major price top. Likewise gold stocks, especially the junior development stage companies, are extremely undervalued assuming no further price increase in gold. Therefore we continue to believe that significant opportunities for profit exist in the gold and gold mining sectors.