



April 12, 2012

Mr. Richard Losch
Losch Management Company LLC
9004 Gladin Court
Orlando, FL 32819

Report of Independent Verification

Dear Richard:

We are pleased to report that we have examined whether Losch Management Company has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the period January 1, 1996 through December 31, 2011 and designed its processes and procedures to calculate and present performance results in compliance with GIPS as of December 31, 2011. Losch's management is responsible for compliance with GIPS, the design of its processes and procedures, and for the performance presentations. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with the guidelines provided by GIPS, including the *Guidance Statement for Verification*. The verification included examining, on a sampling basis, evidence about Losch's compliance with the GIPS requirements, evaluating the design of Losch's processes and procedures, and performing the procedures for a verification set forth by GIPS as well as other procedures we considered necessary. We believe that our examination provides a reasonable basis for our opinion, which is that Losch Management Company has, in all material respects:

- Complied with all composite construction requirements of the Global Investment Performance Standards on a firm-wide basis for the period January 1, 1996 through December 31, 2011, and
- Designed its processes and procedures to calculate and present performance results in compliance with the Global Investment Performance Standards as of December 31, 2011.

Richard, we appreciate having you as a client and the opportunity to conduct this verification for you.

Sincerely,

Jed Schneider, CIPM, FRM
Senior Vice President

The Spaulding Group, Inc.

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