

Dynamic Asset Allocation Strategy - Aggressive

PRESIDENTIAL BROKERAGE, INC.

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MEMBER: FINRA ■ SIPC

The Pavich DAAS Program

The Pavich Dynamic Asset Allocation Strategy was created in 2000 to assist investors in what appeared then to be the beginning of a Secular Bear Market. The program uses the Rydex Mutual Funds as a platform to allocate among a wide variety of asset classes, indices, and sectors. The strength of the program lies in its flexibility and ability to move to the sidelines if the markets become uncooperative. Since inception of the strategy the portfolios have spent nearly half the time – typically in relatively brief periods of days or occasionally weeks -- invested 100% in money market funds. This dynamic has produced comparatively strong results by effectively blending the strategy's goals of capital preservation and growth. Volatility and losses do occur, but concerted attempts are made to manage risk and keep losses at a minimum. Remember past performance is no guarantee of future results.

Benchmark 1 (S&P) - S&P 500

Benchmark 2 (NAS) - NASDAQ Composite

Portfolio - Monthly Performance													
Year	Q1	S&P	NAS	Q2	S&P	NAS	Q3	S&P	NAS	Q4	S&P	NAS	YTD
2010	(1.61%)	5.39%	5.68%										(1.61%)
2009	2.03%	(11.01%)	(3.07%)	(1.75%)	15.93%	20.05%	9.78%	15.61%	15.66%	(2.07%)	6.04%	6.91%	7.15%
2008	(3.31%)	(9.44%)	(14.07%)	(2.42%)	(2.73%)	0.61%	11.64%	(8.73%)	(8.77%)	(6.62%)	(21.94%)	(24.61%)	(4.92%)
2007	0.49%	64.00%	0.26%	17.22%	6.28%	7.50%	15.73%	2.03%	3.77%	(3.41%)	(3.33%)	(1.82%)	34.82%
2006	2.60%	4.21%	6.10%	6.57%	(1.44%)	(7.17%)	6.22%	5.67%	3.97%	6.56%	6.70%	6.95%	24.08%
2005	(0.86%)	(2.15%)	(8.10%)	5.72%	1.37%	2.89%	7.66%	3.60%	4.61%	9.32%	2.09%	2.49%	25.62%

Growth of \$100,000		Statistics - 3/31/10		Portfolio	S&P	NAS
		Last 3 Months		(1.61%)	5.39%	5.68%
		YTD		(1.61%)	5.39%	5.68%
		1-Year		0.46%	49.77%	56.87%
		3-Year		9.20%	(4.17%)	(0.33%)
		5-Year		15.52%	1.92%	3.70%
		Annual Since Inception		15.31%	1.41%	1.88%
		Growth of \$100K Since Inc.		\$211,295	\$107,595	\$110,228
		Best Quarter		17.22%	15.93%	20.05%
		Worst Quarter		(6.62%)	(22.40%)	(24.26%)

Additional Information

Performance figures shown in this report are actual results from assets managed by Matthew Pavich, a portfolio manager with Presidential Brokerage, Inc. ("PBI"). Fees incurred, including mutual fund management fees (if any), are detailed for each of the three platforms. Investors in the DAAS program may pay fees higher or lower than the fees described in this report, including investment advisory fees up to 2% which would result in a maximum total cost of 3.69%.

The performance figures shown were compiled from an individual client account believed to be representative of all accounts included in the same trading group. A trading group is comprised of multiple individual accounts that are each allocated identically by computer programs. The account was held at three different platforms during the representative period. The overall figures are composed of three separate investment platforms used at different times. Other accounts within the trading group may have experienced different results due to factors including time invested in the program and deposits or withdrawals.

¹**Rydex Mutual Funds (Class I and H shares)** traded directly at Rydex from 4/1/2008 to present. A change in platforms from Nationwide to Rydex occurred in January 2007 to take advantage of 1) the morning trading feature (for 11 eligible funds) available only at Rydex and 2) lower overall costs. Fees associated with Rydex Mutual Fund Class I and H shares were limited to management fees and other expenses of the individual funds of 0.92% to 1.69% which included a 0.25% 12b-1 fee for Class H shares. PBI does not receive 12b-1 compensation; investors incur an Investment Advisory management fee of 1.5% under this platform resulting in an approximate total annualized fee of 3.19%.

(over)

²**Rydex Mutual Funds (Class C shares)** traded directly at Rydex from 1/1/2007 to 3/31/2008. Fees associated with the Rydex Mutual Fund Class C shares were limited to management fees and other expenses of the individual funds of 1.92% to 2.66% which included a 1.00% 12b-1 fee. Investors that liquidated all or part of their Class C shares within the first 12 months may also have been subject to a 1% deferred sales charge, for a total maximum cost of 3.66%, which would have resulted in different performance. No Investment Advisory fees were charged under this platform.

³**Nationwide Marketflex** variable annuity (utilizing Rydex sector and index sub-accounts and the Nationwide Money Market) from 1/1/2004 to 12/31/2006 for the Moderate portfolio and from 1/1/2005 to 12/31/2006 for the Aggressive portfolio. Fees associated with this platform included a 1.35% Mortality and Administration ("M&A") fee and management fees and other expenses for the sub accounts of 1.00% to 1.65% for a total maximum cost of approximately 3.0%. No Investment Advisory fees were charged under this platform.

The move from Class C shares to Class I and H shares in February 2008 was a transition to an Investment Advisory fee-based structure. The move from Nationwide platform to the Rydex platform was due to the ability to use the 11 funds Rydex allows to be traded at 10:30 AM EST. Those funds provide added flexibility which Nationwide does not have access to. The reason for the move from Rydex C shares to Rydex Investor and H class shares was due to the move from a broker dealer commission based platform to a Registered Investment Advisor fee based platform. The more current performance using the Rydex Investor and H Class mutual funds could be higher or lower when compared to the performance of the Nationwide Marketflex variable annuity and the Rydex C shares due to different expenses and fees.

In addition PBI offers the program in an "advisor class" annuity through Nationwide for investors seeking a deferred tax advantage. The fees associated with this program currently include a 0.45% annual mortality and administration fee, sub account management fees ranging from 1.0-1.65% and a management fee of 1.5%. Returns under this platform may differ due to the higher costs associated with an annuity and the inability to participate in morning trading directly at Rydex. Performance numbers described in this report are net of all fees described in this disclosure for accounts having growth as an objective.

Client accounts invested in securities outside an annuity wrapper, such as mutual funds, may be subject to loads and internal expenses, or other commissions and fees, investment management and other fees which differ from the purchase charges, internal expenses and fees imposed under a variable annuity contract. Clients investing at different times, having portfolios containing securities other than those used in the managed accounts, or having portfolios subject to different objectives, restrictions, taxes, transactions, market trends or other factors would also have had higher or lower performance than that shown.

The data for this report was organized and obtained from sources deemed reliable. The figures shown were not audited but were prepared by an independent third party. Errors could have occurred in the data, in the calculations, or in the preparation of the lists. Therefore, the information contained in this report may not be precise. Some of the data for the benchmarks, including growth of \$100,000, was compiled by PBI. The results shown should not be considered indicators of future performance. There can be no assurance that future managed annuity subaccounts' or regular managed accounts' results will be favorable or that losses will not occur.

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Dynamic Asset Allocation Strategy - Moderate

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Benchmark 1 (S&P) - S&P 500

Benchmark 2 (NAS) - NASDAQ Composite

Portfolio - Quarterly Performance													
Year	Q1	S&P	NAS	Q2	S&P	NAS	Q3	S&P	NAS	Q4	S&P	NAS	YTD
2010	(1.61%)	5.39%	5.68%										(1.61%)
2009	0.91%	(11.01%)	(3.07%)	(1.88%)	15.93%	20.05%	7.98%	15.61%	15.66%	(2.43%)	6.04%	6.91%	4.32%
2008	(4.77%)	(9.44%)	(14.07%)	(2.42%)	(2.73%)	0.61%	10.42%	(8.37%)	(8.77%)	(13.56%)	(21.94%)	(24.61%)	(11.29%)
2007	0.49%	64.00%	0.26%	14.21%	6.28%	7.50%	15.66%	2.03%	3.77%	(1.11%)	(3.33%)	(1.82%)	31.28%
2006	1.87%	4.21%	6.10%	7.21%	(1.44%)	(7.17%)	5.11%	5.67%	3.97%	9.59%	6.70%	6.95%	25.78%
2005	(1.78%)	(2.15%)	(8.10%)	5.18%	1.37%	2.89%	2.35%	3.60%	4.61%	8.61%	2.09%	2.49%	14.86%
2004	1.93%	1.69%	(0.46%)	2.12%	1.72%	2.69%	(5.76%)	(1.87%)	(7.37%)	4.76%	9.23%	14.69%	2.74%

Growth of \$100,000		Statistics - 3/31/2010		Portfolio	S&P	NAS
		Last 3 Months		(1.61%)	5.39%	5.68%
		YTD		(1.61%)	5.39%	5.68%
		1-Year		1.70%	49.77%	56.87%
		3-Year		5.94%	(4.17%)	(0.33%)
		5-Year		11.93%	1.92%	3.70%
		Annual Since Inception		9.61%	2.86%	2.92%
		Growth of \$100K Since Inc.		\$177,427	\$119,301	\$119,969
Best Quarter		15.66%	15.93%	20.05%		
Worst Quarter		(13.56%)	(22.40%)	(24.26%)		

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