

**Profit Investment Management, LLC
7500 Old Georgetown Road, Suite 700
Bethesda MD, 20814**

(301) 650-0059

Fax (301) 650-0608

www.profitfunds.com

This brochure provides information about the qualification and business practices of Profit Investment Management, LLC ("Profit Investments" "Advisor" or "PIM"). If you have any questions about the contents of this brochure, please contact Michelle Profit at (301) 650-0059, or by email at mpprofit@profitfunds.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Profit Investments is available on the SEC's website at www.adviserinfo.sec.gov.

March 31, 2014

Material Changes

Annual Update

Profit Investments is providing this information as part of our annual updating amendment, which contains material changes from our last annual update. This section discusses only material changes since the last annual update, which most recently occurred on March 31, 2014.

Material Changes since the Last Update

This Brochure, dated March 31, 2014, contains the following material changes: none.

Full Brochure Availability

The Firm Brochure for Profit Investments is available by contacting Michelle Q. Profit at (301) 650-0059 or mpprofit@profitfunds.com.

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Advisory Business

Firm Description

Profit Investments serves institutional clients investing in U.S. equities. Based in metropolitan Washington, DC, Profit Investments was founded in 1996 by Eugene Profit, who had the goal of establishing a first-class investment adviser that delivered more to its clients than benchmark-beating returns.

Principal Owners

Eugene Anthony Profit — President
Joseph A. Quash — Owner, Member
Michelle Quash Profit — Chief Compliance Officer
Thomas Pinder — Owner, Member

Types of Advisory Services

Profit Investments offers portfolio management services to state and municipal governments, banks, trusts, investment companies, estates, corporations or pensions, charitable organizations and profit sharing plans. Profit Investments management of these accounts is guided by the stated objectives and restrictions of each client.

Profit Investments may recommend to prospects or clients that they invest in the Profit Fund, which is a mutual fund affiliated with the firm. Profit Investments serves as the investment advisor for the mutual fund. This relationship is disclosed in the prospectus for the mutual fund, which is given to prospective clients before they purchase the fund, and it is given to existing clients on an annual basis thereafter.

Tailored Relationships

Every account is governed by the unique objectives of that client and monitored on a frequent basis.

Model Provider Programs

Profit Investments provides a model on a real-time, nondiscretionary basis to two institutional clients. Profit Investment includes securities in its model portfolios that are

consistent with our investment strategy. The firm conducts trade order placement and allocation for furnishing these clients with model information that are the same as our other managed accounts, as much as possible. These accounts are given information to adjust the models in rotation with our other accounts and receive the same treatment, as much as possible, given that Profit Investment does not actually trade their accounts. Trade recommendations from Profit Investments are given at the same time as the trade or as concurrently as possible to these institutional clients.

Client Assets

Profit Investments provides continuous and regular management services to discretionary securities portfolios containing \$2.2 billion as of 12/31/2013. Profit Investments provides nondiscretionary advice to portfolios containing \$20 million in assets as of 12/31/2013.

Fees and Compensation

Description

The maximum advisory fee charged will not exceed 2% of assets under management. Profit Investments will quote an exact percentage to each client based on both the nature and dollar value of that account. Fees are calculated as a percentage of assets under management. Clients are invoiced at the end of each calendar quarter, based on the value of the client's account on the last business day of the quarter or in the manner specified by contract. Profit Investments does not direct debit fees from client accounts. Compensation is not payable before service is provided. Fees for institutional clients may be negotiable, depending on the size of the account. A basic fee schedule is included below.

Fee Schedule of Large Cap Equity:

Up to \$10,000,000 - 0.65%
\$10,000,000 but less than \$25,000,000, then 0.60%
\$25,000,000 but less than \$50,000,000, then 0.50%
\$50,000,000 but less than \$100,000,000, then 0.45%
\$100,000,000 or more- 0.40%

Fee Schedule of Small Cap Equity:

Up to \$50,000,000 - 1.0%
\$50,000,000 but less than \$150,000,000 - 0.90%
\$150,000,000 but less than \$300,000,000 - 0.80%
\$300,000,000 or more - 0.75%

Fee Schedule of Mid- Cap Equity:

The fees are negotiable.

Fee Schedule of Social Equity:

Up to \$5,000,000— 1.0%

\$5,000,000 but less than \$10,000,000 - 0.75%

\$10,000,000 but less than \$25,000,000 - 0.70%

\$25,000,000 but less than \$50,000,000 - 0.60%

\$50,000,000 but less than \$100,000,000 - 0.55%

\$100,000,000 or more -0.50%

Profit Investments may negotiate investment advisory contracts that provide for performance fees based on the capital gains or capital appreciation of the funds of a client.

Other Fees

In addition to advisory fees, clients will also pay brokerage and other transaction costs and custodial fees. See Brokerage section on Page 18. Clients investing in a mutual fund will pay a share of the fund's expenses which will include advisory fees.

Performance-Based Fees & Side-by-Side Management

Sharing of Capital Gains or Capital Appreciation

Profit Investments manages accounts that follow a fee schedule, as well as performance-based fee accounts. Managing performance-based fee accounts side-by-side with accounts that do not pay a performance fee causes a potential conflict of interest, due to the higher fee that could be paid by a performance fee account. In order to address this potential conflict, all accounts in a particular strategy are treated similarly.

See Aggregation of Trades on page 19.

Types of Clients

Description

Profit Investments offers portfolio management services to investment companies, pensions and profit sharing plans, charitable organizations, corporations, state, municipal government entities, and other investment advisers. Profit Investments manages advisory accounts and monitors a client's account. Account supervision is guided by the stated objectives of each client.

Account Minimum

Profit Investments may, at its discretion, manage individual investment advisory accounts with a minimum of \$100,000 per account. The minimum for institutional clients in the Large Cap Equity is \$1 million and Social Cap Equity is \$1 million. For institutional clients in the Small Cap Equity, the minimum is \$500,000. However, these minimums may be raised or waived at the discretion of Profit Investments.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Profit Investments' methods of security analysis include fundamental, technical and cyclical analysis. The main sources of information used include: financial newspapers and magazines; research materials prepared by others; corporate rating services; annual reports, prospectuses, and filings with the Securities and Exchange Commission; and company press releases.

Process

Profit Investments initiates the research process with our in-house proprietary screening model—Profit Investment Management Style ("PIMS")—which is most similar to the GARP investment style. It is a rigorous process that blends fundamentals-based quantitative analysis, focused qualitative reviews, risk control guidelines and advanced technology to assess stocks and build portfolios.

PIMS capitalizes on the fact that, after one adjusts for market and industry group influences and temporary market effects, successful stocks share common characteristics. We combine fundamental market knowledge with technology to identify characteristics driving equity returns. This enables the investment team to systematically evaluate several thousand stocks with efficiency, objectivity and consistency. Each Profit Investments portfolio holds large capitalization stocks that have trailing P/Es lower than the benchmark, Return On Equity greater than the benchmark, P/E to Earnings Growth (PEG) below a specified level, and at least double digit five-year projected earnings growth.

Profit Investments determines the company's intrinsic value (what a rational buyer would pay for the entire company) through discounted cash flows, historical market multiples and transaction multiples. The investment team then verifies the strength of the company's financial statements by reading 10Ks, 10Qs and industry reports. They read current news to learn why the company's stock is trading at a discount to our intrinsic value calculation. This step provides us an advantage absent with many firms: avoiding overconfidence. By taking time to critically try and prove our investment thesis wrong before entering a position, we are able to determine if our thesis holds water or if the market's assessment is correct.

Investment Strategies

Profit Investments' investment philosophy is that active fundamental stock selection can provide outperformance to an index of securities over time because business values differ from stock prices at various times over the course of a market cycle. The Profit Large Cap Equity product is an Active Core Large Capitalization approach to investing that is valuation-sensitive growth investing.

The product utilizes the Profit Investment Management Style ("PIMS") and focuses on companies that have the potential to outperform a stock market average from

- (1) Rapid earnings expansion
- (2) Investor revaluation of the relationship between a company's fundamental valuation and its current market price

Our Large Cap Equity Composite portfolio is a focused, low-turnover portfolio that typically consists of 37-55 companies. We seek to generate alpha by owning securities that have been mispriced by the market (i.e., companies that trade at a significant discount to their intrinsic value as determined by our PIMS). Hence, we are valuation-sensitive growth investors.

The Profit Large Cap Equity strategy is designed to perform in all market environments over the course of the market cycle. At the core of our process is the belief that mispriced businesses can be found within the stock market at any point within the market cycle.

Buy/Sell Discipline

Profit Investments buys a security when 1) the valuation is low compared to the earnings growth of the stock and 2) a rationale for the stock market mispricing of the security can be identified and corrected. The characteristics that we consider attractive for a stock to be considered in our portfolio include:

- 1) a low P/E relative to a company's history and/or its peer group;
- 2) attractive return on equity;
- 3) strong management team;
- 4) low price to earnings growth ratio;
- 5) consistent earnings growth rates and
- 6) the value of the company should be trading at least 30% below our calculated intrinsic value.

Profit Investments sells a security when:

- 1) it becomes overvalued relative to its intrinsic value;
- 2) our price objective is attained (i.e. market price within 10% of intrinsic value);
- 3) a substantial change in the company's fundamentals occurs;
- 4) we have a loss of confidence in management's execution of business objectives;
- 5) there is a fundamental change in a competitive landscape;
- 6) the price becomes overvalued relative to other investment opportunities;
- 7) there is a material decline from initial purchase price or;
- 8) the company suffers from substantial underperformance relative to its sector.

Mr. Eugene Profit makes all the key decisions at every stage in developing and managing the portfolio.

The Profit Fund

Profit Funds Investment Trust (the "Trust"), an open-end, diversified management investment company, was organized as a Massachusetts business trust in June 1996. The Trust currently offers one series of shares to investors, The Profit Fund ("Fund"). The Trust offered a second series of shares, the Profit Opportunity Fund, which was liquidated on September 28, 2012. Prior to February 1, 2004, the name of The Profit Fund was Profit Value Fund.

The Profit Fund's investment strategy is designed to participate in rising equity markets while limiting, as much as possible, the downside volatility which can accompany equity investing. Profit Investments uses a disciplined valuation process to select stocks generally having the following characteristics:

- low price/earnings ratios relative to a company's sector or historical performance;
- strong balance sheet ratios;
- high return on capital; and/or
- low price/earnings growth ratios relative to a company's sector.

In Profit Investments' opinion, these stocks typically enjoy low expectations from investors in general and are undervalued. As a result, average "earnings" performance by such companies can result in superior stock performance, and disappointing "earnings" should result in minimal negative stock performance.

After purchasing a stock, Profit Investments continues to monitor its progress in relation to the overall market and its peers. In evaluating whether to sell a stock, Profit Investments considers, among other factors, whether:

- the stock is overvalued relative to other investments;
- the stock has met the Adviser's earnings expectations;
- political, economic, or other events could affect the company's performance; or the Adviser has identified a more attractive opportunity.

The Adviser will not necessarily sell a security based on its relationship to these or other factors.

The Profit Fund may invest a portion of its assets in stocks currently paying dividends, although it may buy stocks that are not paying dividends but offer prospects for growth of capital or future income. Although the Fund invests primarily in common stocks, the Fund may also invest in securities convertible into common stock (such as convertible bonds, convertible preferred stocks and warrants). The Fund may invest in convertible preferred stocks and bonds which are rated at the time of purchase in the four highest rating categories assigned by Moody's Investors Service, Inc. (Aaa, Aa, A or Baa) or Standard & Poor's Ratings Group (AAA, AA, A, BBB) or unrated securities determined by Profit Investments to be of comparable quality.

Temporary Defensive Strategies

When Profit Investments believes substantial price risks exist for common stocks because of uncertainties in the investment outlook, or when in the judgment of the firm it is otherwise warranted in selling to manage the Fund's portfolio, the Fund may temporarily hold for defensive purposes all or a portion of its assets in short-term obligations such as bank debt instruments (certificates of deposit, bankers' acceptances and time deposits), commercial paper, shares of money market investment companies, U.S. Government obligations having a maturity of less than one year or repurchase agreements. Although the Fund primarily will invest in these securities to avoid losses, this type of investing also could prevent the Fund from achieving its investment objective. During these times, Profit Investments may make frequent securities trades that could result in increased fees, expenses, and taxes.

The Profit Fund

The Profit Fund seeks to provide investors with a high long-term total return, consistent with the preservation of capital and maintenance of liquidity. Total return represents any capital appreciation and/or income received from the Fund's investments. Dividend income is only an incidental consideration to the Fund's investment objective. The Fund's investment objective may be changed without shareholder approval, but only after shareholders have been notified.

INVESTMENT STRATEGIES

Normally, the Profit Fund will invest at least 65% of its total assets in the common stocks of established, larger capitalization companies (that is, companies having a market capitalization exceeding \$10 billion). The Fund expects to invest a portion of its assets in stocks currently paying dividends, although it may buy stocks that are not paying dividends but offer prospects for growth of capital or future income.

INVESTMENT RISKS

Investing in securities involves the risk of loss that clients should be prepared to take.

Risks Applicable to the Large Cap, Small Cap, and Social Equity Products

As with investment, there is a risk that you could lose money by investing in the Large Cap, Small Cap, and Social Equity Products. These products are not intended to be a complete investment program and there is no assurance that they will achieve their investment objectives.

Market Risk

Investments in common stock are subject to inherent market risks and fluctuations in value due to earnings, economic conditions and other factors beyond the control of Profit Investments. As a result, the return and net asset value of each equity product will fluctuate.

Style Risk

The Adviser's approach generally focuses on stocks believed to be selling at a discount relative to the market and its peers while having strong growth characteristics. If the market does not recognize these companies, their stock prices may remain stable or decrease in value. The equity products of Profit Investments may underperform other funds that employ a different investment style.

Manager Risk

Profit Investments' method of security selection may not be successful and the equity products may underperform the market as a whole.

Risks Applicable to the Large Cap Equity Product

Market Capitalization Risk

The Large Cap Equity Product invests primarily in large capitalization companies. Investing primarily in one category (i.e. large capitalization) carries the risk that due to current market conditions that category may be out of favor. Larger, more established companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes. Many larger companies also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

Credit and Interest Rate Risk

Although not a principal risk, the Profit Fund may also be subject to credit and interest rate risks. Preferred stocks and bonds rated Baa or BBB have speculative characteristics, and changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to pay principal and interest or to pay the preferred stock obligations than is the case with higher grade securities. When interest rates rise, the value of such securities can be expected to decline.

Risks Applicable to the Small Cap Equity Product

Market Capitalization Risk

The Small Cap Equity Product invests primarily in small capitalization companies. Investing primarily in one category (i.e., small capitalization) carries the risk that due to current market conditions that category may be out of favor. Small capitalization companies often involve higher risks than larger, more established companies because these companies may lack the management experience, financial resources, product diversification and competitive strengths of larger companies. In addition, in many instances, the securities of small capitalization companies are traded only over-the counter or on a regional securities exchange, and the frequency and volume of their trading is substantially less than is typical of larger companies. Therefore, the securities of small capitalization companies may be subject to greater price fluctuations. Small capitalization companies also may not be widely followed by investors, which can lower the demand for their stock.

Disciplinary Information

Legal and Disciplinary

Profit Investments and its related persons or advisory affiliates have not been involved in any legal or disciplinary event that is material to a client's (or prospective client's) evaluation of the integrity of Profit Investments or its management personnel.

Other Financial Industry Activities and Affiliations

Material Relationships or Arrangements with Financial Industry

Profit Investments has a material relationship with the Profit Fund. PIM is the investment adviser for the Profit Funds Investment Trust ("Trust"), an open-ended mutual fund established June 1996. As investment adviser to the Trust, Profit Investments provides investment advisory services to the Trust.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Profit Investments maintains a Code of Ethics ("Code") and will provide this Code of Ethics to any client or prospective client on request. The Code of Ethics is based on the principal that personnel of PIM have a fiduciary duty to place the interest of clients before their own interests, to conduct personal securities transactions consistently with this Code, and in such a manner which does not interfere with the portfolio transactions of clients, or otherwise take unfair advantage of Profit Investments' relationship to clients. The personnel covered by this Code must adhere to this general principle, comply with the specific provisions of this Code; and comply with applicable securities laws. Covered persons must promptly report any violations of the Code to the named compliance officer.

A copy of the Code is available by request by contacting us at the number located on the cover page of this brochure.

Recommend Securities with Material Financial Interest

Profit Investments' principal executive officer may have a position in securities which will also be recommended to a client. Unless deemed uniquely suited to a client's account, our firm will not recommend a purchase or sale of securities which would be inconsistent with trades undertaken on behalf of the principal executive officer. Securities directed to be purchased or sold by Profit Investments will generally be traded on the basis of the same information.

Invest in Same Securities Recommended to Clients

The Code of Ethics permits personnel to invest in securities for their own account, including securities that may be purchased or held by the firm's advisory clients, including the Funds, but only under certain circumstances. The Code imposes the following requirements that certain personnel: must obtain a pre-clearance for certain trades; cannot trade the same stock as a client within certain timeframes; cannot conduct certain trades; cannot utilize the non-public information of clients for trades; must make reports of certain securities trades and securities holdings; and must keep information on pending trades confidential.

Personal Trading Policies

All access persons shall clear in advance of execution through the applicable Compliance Officer, or in the case of a request by the Compliance Officer, through an alternative Compliance Officer, any purchase or sale, direct or indirect, of any security in which such access person has, or by reason of such transaction acquires, any direct or indirect beneficial ownership interest, including any acquisition of any direct or indirect beneficial ownership interest in any securities in an initial public offering or in a limited offering. The applicable Compliance Officer shall retain written records of such clearance requests.

The applicable Compliance Officer will not grant clearance for any purchase or sale if the security is currently being considered for purchase or sale or being purchased or sold by the firm for Profit Investments' Clients. If the security proposed to be purchased or sold by the access person is an option, clearance will not be granted if the securities subject to the option are being considered for purchase or sale as indicated above. If the Security proposed to be purchased or sold is a convertible security, clearance will not be granted if either that security or the securities into which it is convertible are being considered for purchase or sale as indicated above.

Privacy Notice:

Client privacy is extremely important to Profit Investments. The following constitutes a description of Profit Investments' policies regarding disclosure of non-public personal information that you provide to us or that Profit Investments collects from other sources.

Profit Investments may collect the following non-public information about you:

Information PIM receives from you on or in applications or other forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, assets, income and date of birth; and

Information about your transaction with Profit Investments, our affiliates, or others, including, but not limited to, your account number and balance, payment history, parties to transactions, cost basis information, and other financial information.

Profit Investments does not disclose any non-public personal information about our customers to non-affiliated third parties, except as required or permitted by law. The advisor is permitted by law to disclose all of the information we collect, as described above, to our service provider/transfer agent to process your transactions.

Profit Investments restricts access to your non-public personal information to those persons who require such information to provide products or services to you. The firm maintains physical, electronic and procedural safeguards that comply with federal standards to guard your non-public personal information.

In the event that you hold accounts through a financial intermediary, including, but not limited to, a broker-dealer, bank or trust company, the privacy policy of your financial intermediary also would govern how your non-public personal information would be shared with non-affiliated third parties.

Brokerage Practices

Selecting Brokerage Firms

Profit Investments in seeking to obtain best execution for portfolio transactions for advisory accounts, takes into account factors such as (a) price; (b) the quality of the broker and broker's execution; (c) the responsiveness of the broker to the firm; and (d) the value of the broker's research.

Research and Soft Dollars

Profit Investments uses its soft dollar policy as the guidelines for its procedures in directing client transactions to a particular broker in return for products and research services received by the firm. These services may include financial newsletters, trade journals, research and quantitative analytical software and other items that fall within the safe harbor. This policy states that in selecting brokers or dealers to execute particular transactions and in evaluating the best net price and execution available, Profit Investments is authorized to consider the "brokerage and research service" provided to the firm, so long as these services are "provided by the broker-dealer", and the Adviser determines in good faith that the commission is reasonable relative to the total value of services rendered. In return for soft dollars, the client may pay commission rates that are above market and the soft dollar research will be provided to the benefit of all of Profit Investments' clients. Last year, Profit Investments directed some client transactions to a particular broker in return for soft-dollar benefits. The firm uses the following procedures before directing all trades, including soft dollar trades, to brokers it: conducts prior due diligence on all brokers, places qualified brokers on a select list; caps broker-related commissions and reviews brokerage transactions afterwards. The products and services Profit Investments receives fall within the safe harbor and include research, data services including market and economic data

streams; corporate governance research, financial newsletters and trade journals, as well as quantitative, analytical software. The conflict of interest arises because absent the use of soft dollars, Profit Investments would have to pay for the products and services received.

Directed Brokerage

Client directed brokerage arrangements may negatively impact the trading costs and opportunity costs for clients, which in turn may negatively impact the ability of Profit Investments to obtain best execution for those clients. For example, in a directed brokerage account, the client may pay higher brokerage commission because Profit Investments may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Order Aggregation

Profit Investments will generally aggregate trades and will have brokers buy a block of the position at one time. It is standard practice to allocate trades equally on a percentage basis across the accounts in the composite when initiating, adding to, or exiting a position. Profit Investments allocates investment opportunities across the accounts on a pro rata basis as well, as long as the investment meets the client's objectives.

Review of Accounts

Periodic Reviews

Accounts in the same investment strategy will generally hold similar securities, which may vary based on client guidelines. These securities will be reviewed monthly or daily (whenever a significant corporate event requires) by the Portfolio Manager, with the help of trading personnel, in order to determine whether the account's position should be adjusted in view of the prevailing trend in the market. The number of accounts reviewed will never exceed that number which would compromise the high standard of the Advisor. The reviewers are the Portfolio Manager, Senior Vice President of Operations, two operations personnel and the Chief Compliance Officer. The Portfolio Manager, Senior Vice President and operations personnel review accounts monthly and/or quarterly for performance and/or compliance with trade restrictions. The Chief Compliance Officer reviews accounts for compliance with client investment objectives.

Monthly and/or quarterly reports may be distributed, disclosing realized and unrealized gains and losses, total assets under management, and percentage return on an annualized basis. Gains and losses will be broken down into long and short-term categories, when appropriate. Additional reports are also distributed in the manner and frequency specified by clients.

Client Referrals and Other Compensation

NA

Custody

NA

Investment Discretion

Discretionary Authority for Trading

Profit Investments receives discretionary authority in the client agreement, which may identify limitations on its investment or brokerage discretion. Limitations on this discretion may include; investment guidelines on the securities bought or sold; diversity guidelines on the amount of the securities bought or sold; and recommended minimums on the type of brokers or dealers used, such as location restrictions; as well as client directed brokerage requirements.

Voting Client Securities

Proxy Voting

Clients may obtain a copy of Profit Investments' policies and procedures for voting proxies and information regarding the manner in which the client's proxies were voted by contacting Profit Investments. The address for the advisor is 7500 Old Georgetown Road, Suite 700, Bethesda MD, 20814 and the phone is (301) 650-0059.

In general, Profit Investments will vote proxies solely in the interests of its clients. Any conflict of interest must be resolved in the way that will most benefit its clients. Resolution will depend on the particular conflict of interest, but could be resolved by having the client vote, using an independent third party, following pre-approved guidelines, etc. Since the quality and depth of management is a primary factor considered when investing in a company, PIM gives substantial weight to the recommendation of management on any issue. However, Profit Investments will consider each issue on its own merits, and the position of a company's management will not be supported in any situation where it is found not to be in the best interests of its clients. Specifically, Profit Investments usually supports the following:

election of an independent board, approval of independent auditors, shareholder voting power equal to equity interests and simple majority votes. Profit Investments has hired a proxy service and generally votes the recommendations of this service. A client may request the ability to vote its own proxies. In some cases, if a client has provided written proxy guidelines beforehand that Profit Investments has agreed to use, then Profit Investments will make an effort to inform our proxy service of this information that a client would deem relevant or specific to their guidelines.

Financial Information

Prepayment of Fees

Profit Investments does not collect fees in advance of providing services.

Financial Condition

Profit Investments is not in a precarious financial condition that would require disclosure.

Bankruptcy

Profit Investments has never been the subject of a bankruptcy petition.