

SLAVIC MUTUAL FUNDS
MANAGEMENT CORPORATION

Minutes of the SMF Investment Committee Meeting

The Investment Committee of the Slavic Mutual Funds Management Corporation met on January 8, 2008. Present at the meeting were the following committee members:

John Slavic

Alan Moore

Jim Schoenmaker

The chairman called the meeting to order to consider the following business of the investment committee:

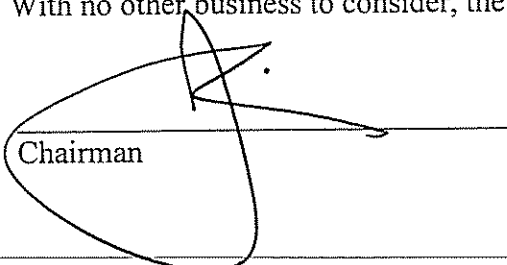
- Review the allocations of the various asset classes that make up the managed portfolios and re-allocate base upon present market conditions.

It was the consensus of the committee that the economy will likely experience a recession in 2008 and that inflation could remain high, prompting the Federal Reserve Board to keep rates unchanged for the foreseeable future. The committee also agreed that unemployment could continue to rise, commensurate with historical periods of slow or negative economic conditions, thus adversely affecting corporate earnings, particularly if the housing market continues its slump.

With this forecast as the backdrop, it was resolved that the committee reduce overall exposure to equities particularly the more volatile Asian and Commodities positions and reallocate into fixed income positions. Included in the fixed income position will be exposure to TIPS to help protect the portfolios from the likelihood of higher inflation and a slight shift toward intermediate bonds should interest rates decline. In any case, there can be no guarantee of future results and this was thought to be a logical allocation given the committee's interpretation of current market conditions. Also, due to the significant underperformance of the Fidelity Diversified International Fund arising out of its over weighting in Japan, the committee elected to replace the Diversified Fund with the Fidelity International Discovery Fund. The Discovery Fund is a 5 Star fund that has consistently outperformed the index. The allocation models are attached to these minutes.

It was further resolved that the portfolios may be re-allocated if the Dow drops below 12,000, at which time fixed income funds would be under-weighted and equities over-weighted, at the committee's discretion.

With no other business to consider, the meeting was adjourned.


Chairman

1/8/08
Date