



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, 2009. Present at the meeting were the following committee members:

John Slavic

Alan Moore

Jim Schoenmaker

- The chairman called the meeting to order to review the performance and consider the 2009 allocation of mutual funds for the three managed portfolios offered as investment options to plan participants.

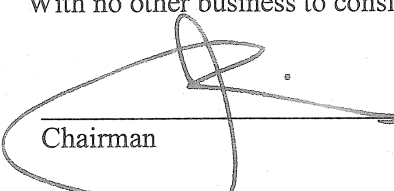
The committee discussed the present state of the economy. The consensus was that the recession will last well into 2009 or 2010 until the massive wave of government spending coupled with an extremely low Fed funds rate (0% - .25%) eventually turns the economy around. The committee anticipates more bad news throughout the year as corporate earnings will likely be disappointing and as unemployment continues to rise. However it was noted that personal bankruptcy filings have been falling for the first time in years, refinance applications are rising as the result of lower rates, existing home sales are starting to level off, and finally the dollar has improved since the summer.

The committee was pleased with the overall performance of the portfolios considering that the S&P 500 was negative 37% for the year. The Conservative Portfolio provided and investment return of - 15.82%, the Moderate Portfolio - 23.54%, and the Aggressive Portfolio - 3.5%. The portfolios also exceeded the return of the average target date fund according to the Wall Street Journal. The average target date mutual fund was down 32% for the year. (WSJ 1/8/09 page A13).

Last January, the committee forecasted that the economy would experience slower growth in 2008, which could turn into a recession that could significantly challenge the stock market. When the Dow fell below 12,000, the portfolios were reallocated with a heavier weighting into equities to take advantage of dollar cost averaging as contributions will continue to flow all through the bear market. When the bear market ends and the Dow exceeds 12,000 again, it is anticipated the portfolios will be reallocated more conservatively, further away from equities as they were the first half of 2008. This dynamic is not dramatic in that the shift only entails a 10 or 15% reallocation of assets between equities and fixed income, but it represents the committees best efforts in recognizing the economic impact of the recession on the retirement accounts being managed by Slavic.

Since stock market typically advances at least 6 months prior to the end of the recession and it was resolved to maintain the current allocation of the portfolios, even though the recession may not bottom until the summer.

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


Chairman

1/12/09
Date