



October 27, 2009

RE: STATEMENT OF PORTFOLIO CONDITION

Dear Lodge Secretaries:

Following is an update of important information regarding our investment portfolio that we encourage you to pass on to your members. The information is also available on our website www.CSAfraternallife.org.

The financial markets are slowly regaining credibility. Our Investment Portfolio's Market Value, or what it is worth on Wall Street, has gone up by roughly 10% since the end of last year. Our society's Investment Manager, AQS, has done a great job in balancing our risk. Our portfolio is broken down into two categories, Investment Grade & Investment Yield. Investment Grade are our higher rated investments which are less volatile in the market place compared to our Investment Yield investments which are a little more risky. As of September 30th, 2009 our portfolio consisted of 94% Investment Grade & 6% Investment Yield investments.

Our surplus as of September 30th, 2009 was in excess of \$3.1 million. Surplus allows our company to weather financial upheaval. Mandated by regulators and calculated monthly in our financial statement, our surplus speaks to our ability to make good on the policies you hold. They are the promises we keep.

As of September 30, 2009, our investment in any single US corporation was less than 1.3%, the majority are well under 1%. We discuss our investment portfolio with our investment manager daily and continually look at ways to reduce our risk. Our investment philosophy is to subscribe to a broad portfolio diversification, to reduce exposure so that we can absorb market volatility.

Fraternally,

Daniel J. Wenzler, Sr., FLMI, ACS, AIAA
President