

# U.S. Government Securities Income 2010



## Income from U.S. Government Securities Calendar Year 2010

During the calendar year, certain funds invested in securities issued by the United States government or other federal agencies (collectively, "U.S. Government Securities"). Under federal law, the interest on these securities is exempt from state taxation. Certain states also exempt from state income tax the dividend income a mutual fund shareholder receives that is derived from the fund's investment in these U.S. Government Securities.

The table below provides the percentages of calendar year 2010 ordinary income dividends derived from investments in U.S. Government Securities. To determine the amount which may be exempt from state income tax, multiply the amount reported in box 1a of Form 1099-DIV by the percentage below.

California, Connecticut, and New York require that a mutual fund maintain certain minimum investments in U.S. Government Securities in order for the dividend income derived from these obligations to be exempt from state income tax. None of the Funds listed below met these requirements for calendar year 2010.

This notice is provided to you for informational purposes only, and should not be considered tax advice. Please consult your tax advisor for further assistance.

For any other questions, please contact the Funds at 1-800-762-7085.

Fund	Percentage of Income Derived from U.S. Government Securities During 2010
Caval Hill Cash Management Fund	8.38%
Caval Hill U.S. Treasury Fund	16.57%
Caval Hill U.S. Large Cap Equity Fund	0.00%
Caval Hill Short-Term Income Fund	3.03%
Caval Hill Bond Fund	3.19%
Caval Hill Intermediate Bond Fund	2.78%
Caval Hill Intermediate Tax-Free Bond Fund	0.00%
Caval Hill Balanced Fund	6.79%
Caval Hill Tax-Free Money Market Fund	0.00%

**Past performance is no guarantee of future results.** Investment returns and net asset value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost.

An investor should consider a fund's investment objectives, risks, charges, and expenses carefully before investing or sending money. This and other important information about an investment company can be found in the fund's prospectus. To obtain a Caval Hill Funds prospectus, please visit [www.cavalhillfunds.com](http://www.cavalhillfunds.com) or call 1-800-762-7085. Please read the prospectus carefully before investing.

Caval Hill Investment Management, Inc. is an SEC registered investment adviser and a wholly-owned subsidiary of BOKF, NA, a wholly-owned subsidiary of BOK Financial Corporation, a financial holding company ("BOKF"). SEC registration does not imply a certain level of skill or training. BOKF, NA serves as the custodian for the Caval Hill Funds. BOKF holdings also include BOSC, Inc., the distributor for the Caval Hill Funds.

**Distributor:** BOSC, Inc., a subsidiary of BOK Financial Corp.  
**Mutual Funds:** | Are Not FDIC Insured | May Lose Value | Have No Bank Guarantee