



September 2010

Dear Advisor:

We have been working hard to continue to improve performance of our existing strategies and our proprietary portfolio, the “Chariot Absolute Return All Opportunities Portfolio” aka “The Chariot Fund”. In addition, we are developing new strategies to help you and your clients during very difficult market conditions.

We are especially pleased with Blend Plus, in which all three underlying portfolios have produced positive returns this year. On the other hand, we have been disappointed with certain other strategies involving our sector rotation sub-strategy. We are carefully monitoring our signal provider to understand why recent performance has been lack luster compared to such positive performance in the past. We will take any and all necessary action to get our sector rotation strategy back on track.

We are very excited about the rollout of “Olympus” which is an innovative Managed Account Wrap strategy that combines both a refined asset allocation sub strategy with an actively traded component. This new strategy invests not only in carefully selected mutual funds, but also in low cost, tax-efficient ETFs and will be available beginning October 1, 2010.

We have chosen to remove performance statistics from our website for a number of reasons, primarily to avoid public confusion and to limit competitor access. However, you will continue to receive performance statistics by email and by request.

We have also begun to see a better trend with our newly restructured “Chariot Fund.” Due to the change we now have many more asset classes and investment strategies to select from. The retooling and renaming of “The Chariot Fund” was filed earlier with the SEC, became effective May 1, 2010 and has shown early promise. While we are not yet in positive territory year to date we have beaten a key benchmark, the HFRX Absolute Return Index (after Fund expenses but before Variable Annuity Fees). We will attempt to take advantage of available low volatility investments and hope to see continued progress in the coming months. Please note that a recent announcement about expenses went out to policyholders. In order to cover any expenses associated with adopting additional strategies we asked for Board approval to remove the expense waiver that was only appropriate when the fund was less complicated. Rest assured we will manage expenses carefully to remain competitive and provide overall value to investors. Currently, the Chariot Absolute Return All Opportunities Portfolio is only available as a sub-account inside of Variable Annuities.

With regard to our Variable Annuity strategies, effective September 15, 2010 we will be converting the outdated Core Advantage and Blend strategies to mirror the makeup of Blend Elite. Currently those

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Strategic Investment Management

strategies are invested in the money market and we feel that Blend Elite offers a better opportunity for investors. If you want to discuss this change please contact us.

We are committed to innovative investment strategies and funds. We truly appreciate your business and if you have any questions please feel free to contact us at anytime.

Sincerely,



Dana Gower, MBA, CCP®
President

The HFRX Absolute Return Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. As a component of the optimization process, the index selects constituents which characteristically exhibit lower volatilities and lower correlations to standard directional benchmarks of equity market and hedge fund industry performance. This and other related indices can be found at <https://www.hedgefundresearch.com>. Mutual Funds involve risk including possible loss of principal. Investing in the commodities markets through commodity-linked instruments, such as ETFs, may subject the Portfolio to greater volatility than investments in traditional securities. When the Portfolio invests in foreign currency contracts, or other over-the-counter instruments it is assuming a credit risk with regard to the party with which it trades. The Fund invests in fixed income securities. When the Fund invests in fixed income securities and other debt obligations, the value of your investment in the Fund will fluctuate with changes in interest rates. Currency trading involves significant risks, including market risk, interest rate risk, credit risk and country risk. Even a small investment in derivatives (which include futures and options on futures) may give rise to leverage risk, and can have a significant impact on the Portfolio's performance. Foreign issuers may be subject to political and economic instability, unfavorable changes in exchange rates, the imposition or tightening of exchange controls or other limitations on repatriation of capital. Higher investment portfolio turnover may result in higher brokerage commissions, dealer mark-ups and other transaction costs. Positions in securities sold short and short derivative positions are often speculative and riskier than "long" positions. Investments in lesser-known, small and medium capitalization companies may be more vulnerable than larger, more established organizations. Each Underlying Fund is subject to specific risks depending on its investments. Underlying Funds are also subject to investment advisory and other expenses, which will be indirectly borne by the Portfolio. All investment strategies have the potential for profit or loss. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's portfolio. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio, and there are no assurances that it will match or outperform any particular benchmark.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the Chariot Absolute Return All Opportunities Portfolio. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 877-225-1325. The prospectus should be read carefully before investing. The Chariot Absolute Return All Opportunities Portfolio is distributed by Northern Lights Distributors, LLC member FINRA.