



41 South High Street  
Columbus, Ohio 43215

Market Update  
October 2011

During the third quarter of 2011, virtually all equity markets retreated heavily. With fears of contagious debt problems in Europe, investors abandoned equities in favor of the safe haven that bonds may offer. For the quarter, the S&P 500 dropped 13.87%, while international markets tumbled almost 19%. In an apparent contrary move, despite Standard and Poor's downgrade of Treasury securities, investors viewed bonds as the safer alternative. Rates were driven downward into levels uncharted in modern history. In fact, after taxes and inflation, Treasuries now produce negative returns under all maturities.

In policy moves, the Administration announced a jobs package designed to provide temporary employment expansion by offering incentives and spending on infrastructure plans. On the monetary front, Federal Reserve Chairman, Bernanke, initiated "The Twist" (a move that had nothing to do with Chubby Checker!) which is designed to reduce longer rates in the hopes of stimulating the housing markets. Neither policy directives were greeted by the markets with overwhelming confidence.

As always, Huntington Funds has responded to these changing market conditions. During the third quarter we launched the Huntington Disciplined Equity Fund whose investment objective is to seek capital appreciation while seeking to reduce volatility. The Fund is designed to provide portfolios with a stabilizing factor. Using a combination of large-cap dividend paying stocks from the S&P 100, covered call strategies and protective put contracts, the Disciplined Equity Fund's objective is to cut the volatility of traditional equity portfolios. The Fund carries a beta which represents a fifth of the volatility major stock benchmarks have and attempts to provide a more stable return with the ability to weather recent market pullbacks.

We at the Huntington Funds feel there is significant value in the equity markets as a result of this quarter's market action. We know that there is approximately \$2 trillion in excess cash on the balance sheets of corporate America, and we are seeing a pick-up in merger and acquisition activity. Corporations are viewing other corporations as opportunities to reduce duplicative costs and a chance to open new markets and provide more pricing power with reduced competition. We believe these factors should present a fertile opportunity for more positive market action in the fourth quarter of 2011.

As an investor, we believe it is essential to stay steadfast with your investments and remain diversified across all asset classes. We appreciate you as an investor in Huntington Funds and we look forward to assisting you with your long-term investments.

Sincerely,

A handwritten signature in black ink that reads "Randy".

Randy Bateman, CFA  
President, Huntington Asset Advisors  
Chief Investment Officer, Huntington National Bank

Views are as of (10/06/11) and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security.

Diversification does not assure a profit nor protect against loss.

The Fund intends to write (sell) covered call options which may limit the Fund's gain, if any, on the underlying securities, and the Fund continues to bear the risk of a decline in the value of the underlying

stock until the option expires or is closed out. The Fund intends to write (sell) call options and purchase put options and/or enter into put option spreads. Option spreads present risk during periods of high market volatility. The Fund may also write (sell) put options on individual stocks deemed attractive for purchase at prices at or above the exercise price of the put options written. If a counterparty is unable to honor its commitments, the value of Fund shares may decline and/or the Fund could experience delays in the return of collateral or other assets held by the counterparty. No Fund is a complete investment program and you may lose money investing in the Fund.

\*Selling covered calls will result in tax consequences that will impact and effect the overall performance of the Fund.

The S&P 100 Index is a subset of the S&P 500 Index, which is a widely recognized unmanaged index of equity prices and is representative of a broader market and range of securities than is found in the Fund's portfolio.

Individuals cannot invest directly in an Index, however, an individual can invest in exchange traded funds or other investment vehicles that attempt to track the performance of a benchmark index.

The Funds are distributed by Unified Financial Securities, Inc. (Member FINRA) a wholly owned subsidiary of Huntington Bancshares, Inc. and an affiliate of Huntington Asset Advisors, Inc. the advisor to the Huntington Funds.

*For more complete information about the Huntington Funds, call 1-800-253-0412 or view the prospectuses on [huntingtonfunds.com](http://huntingtonfunds.com). You should consider the fund's investment objectives, risks, charges, and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.*

Not A Deposit · Not FDIC Insured · Not Insured By Any Government Agency · No Bank Guarantee · May Lose Value
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