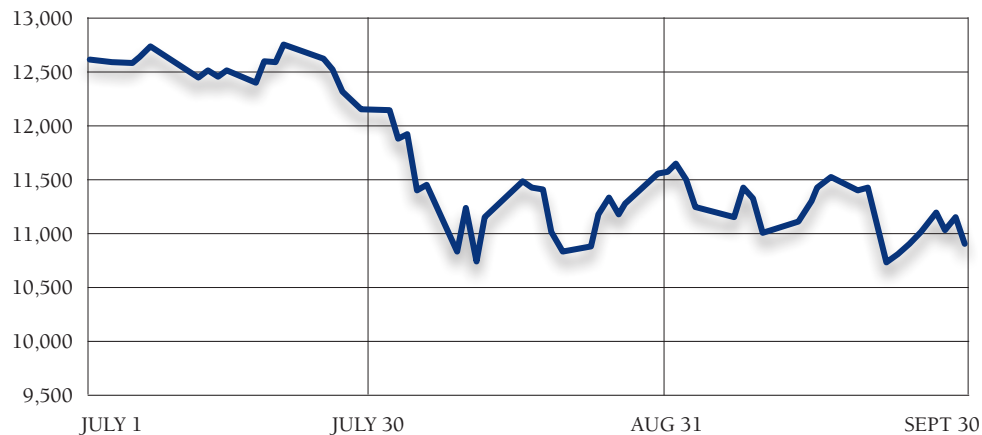


Dow Jones Industrial Average • 07/01/11 - 09/30/11



Market Comments

The stock market just finished its worst quarter since the 2008 financial crisis. European debt worries and a stagnant US economy continue to drag the market down. Prospects of a double dip weighed heavily on industrials, financials and raw materials producers. Investors flocked to high dividend stocks in a search for income as bond yields plunged to record lows. Once again, market volatility spiked with more than 100 point swings in over half the trading days and an average daily volume of 4.7 billion shares on the NYSE.

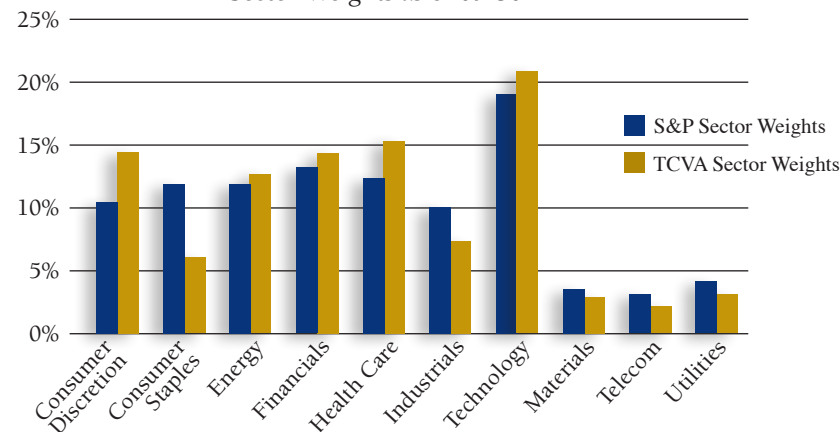
Performance Attribution

In the third quarter, we slightly outperformed our benchmark, the Lipper Global Multi-Cap Core Index, -15.17% vs. -15.44%.

Sector Weighting

Sector weighting slightly helped our performance for the quarter as we correctly positioned our portfolios in 6 of the 10 S&P 500 sectors. We were right in overweighting Consumer Discretion, Health Care and Information Technology and underweighting Industrials, Materials and Telecom. Unfortunately, we were wrong in underweighting Consumer Staples and Utilities and overweighting Energy and Financials.

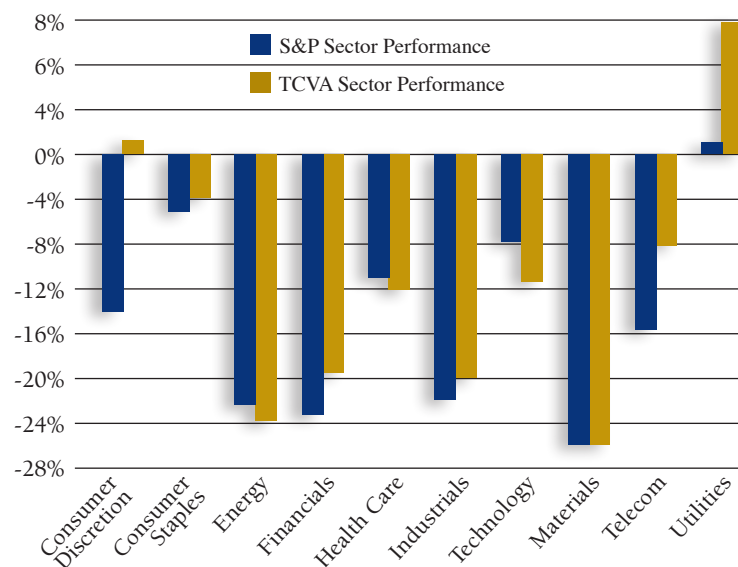
Sector Weights as of 09-30-11



Security Selection

Security selection certainly helped our performance this quarter. We outperformed in 6 of the 10 S&P 500 sectors and indexed one, Materials. As the sector performance chart shows, we did our best stock picking in Consumer Discretion, Telecom and Utilities.

Sector Performance as of 09-30-11



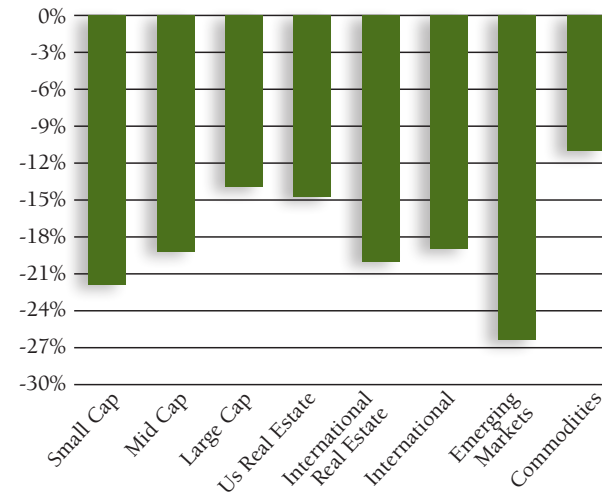
Best Performers

VF Corp	12.49%
Consolidated Edison	8.23%
McDonald's	4.87%
IBM	2.41%
Colgate Palmolive	2.14%

Worst Performers

Marathon Oil	-47.79%
Baker Hughes	-36.22%
Xerox	-32.61%
Ameriprise Financial	-31.36%
ITT	-28.31%

Quarterly Performance of Alternative Asset Classes
06/30/11 - 09/30/11



Asset Allocation

Asset allocation cut about 3.5% off our performance this quarter. Commodities were the only alternative asset class that helped our returns. The downdraft in European markets rippled through all aspects the global economy and negated most of the benefits of our security selection and sector weighting.

Summary

Once again the three disciplines that add value to our portfolios worked in an offsetting fashion to produce consistent results. While we are certainly not pleased with losing 15%, we remain convinced the best way to maximize after tax risk adjusted returns is to avoid market timing, stay fully invested, and buy high quality stocks using a conservative well diversified approach.

TCVA Equity Model Portfolio

