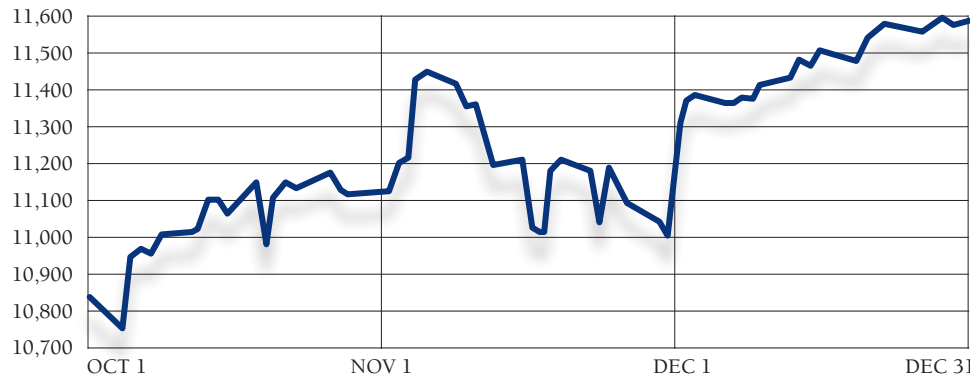


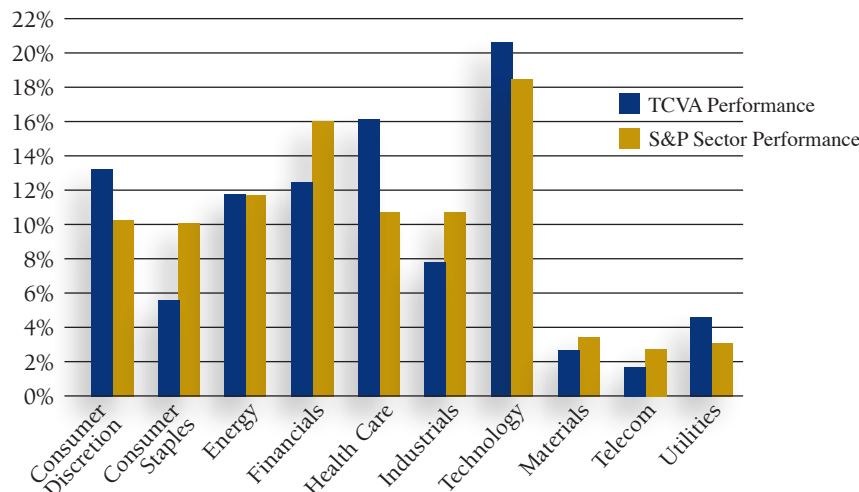
Dow Jones Industrial Average • 10/01/10 - 12/31/10



Market Comments

The fourth quarter's volatility caused most money managers to underperform their benchmarks. 2011 ended up the worst year for large cap managers on record, with only 20% beating the Russell 1000. The preponderance of outside influences, such as quantitative easing, Health Care reform and tax cut extensions made the market very difficult to read. Commodities rallies and low interest rates have sparked inflation fears, while most companies lack the pricing power to pass along their increased input costs as consumers are still cutting back or delaying purchases.

Quarterly Performance of S&P 500 Sector Weights as of 12-31-10



Performance Attribution

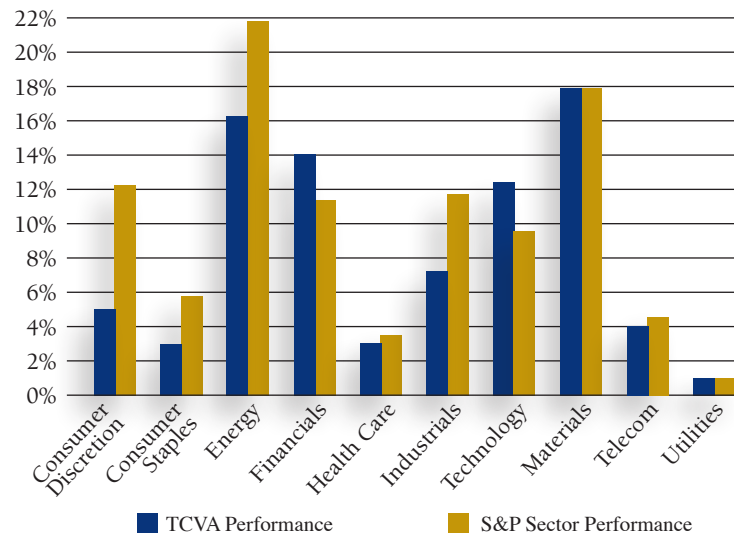
In the fourth quarter, we underperformed our benchmark, the Lipper Global Multi-Cap Core Index, 8.83% vs 9.51%.

Sector Weighting

Sector weighting hurt our performance slightly this quarter. We underweighted three sectors that outperformed, Financials, Industrials, and Materials and overweighted three sectors that underperformed, Health Care, Info Tech and Utilities. In the case of Financials and Materials, we thought the stocks were fully priced from their prior gains, and missed some of their continued rally. Industrials fooled us by producing double digit returns, when we had concerns about the speed of the economic recovery. Health Care continues to be undervalued as the uncertainty of reform has not abated. Info Tech companies are still trading like value stocks, while Utilities proved to be a source of funds for the optimistic rotation into more cyclical stocks.

Fortunately, we were correct in overweighting Consumer Discretion and Energy during the rally and underweighting Staples and Telecom. All in all, sector weighting cost us about .40% in performance this quarter.

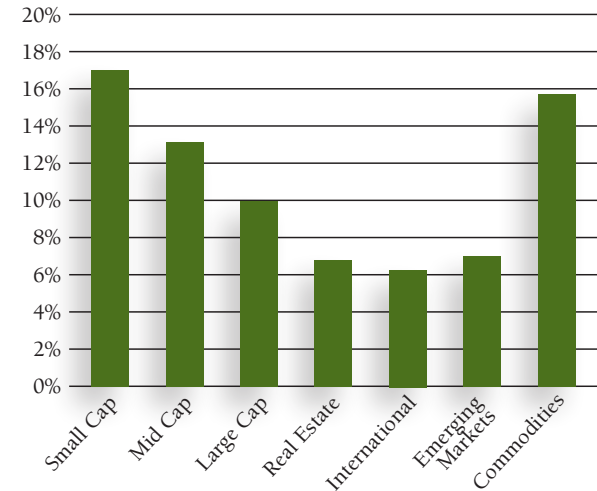
Quarterly Performance of S&P 500 Sectors as of 12-31-10



Security Selection

As the chart above shows, stock picking also detracted slightly from our returns for the quarter. Most of the damage came in the Consumer Discretionary and Energy sectors, where we were too conservative in our sector construction. It was not so much what we bought as what we didn't. Fortunately, we did a good job of picking winners in both Financials and Info Tech and since they are two of the largest sectors, the net effect of our missed opportunities was only about .30%.

Quarterly Performance of Alternative Asset Classes
09/30/10 - 12/31/10



Best Performers

Baker Hughes	34.62%
US Bancorp	24.97%
Wells Fargo	23.62%
Exxon Mobil	19.06%
Materials SPDR	18.10%

Worst Performers

Abbott Labs	-7.45%
Campbell Soup	-1.24%
Pepsico	-0.95%
Progressive	0.02%
GlaxoSmithKline	0.47%

Asset Allocation

Asset allocation had little to no effect on our returns this quarter. Commodities, Small Cap and Mid Cap all outperformed by healthy margins, but our International holdings wiped out those gains with their more modest returns.

Although we failed to beat our benchmark for the quarter, we finished 2010 slightly ahead of it for the year. As we enter 2011, we remain unchanged in our philosophy of avoiding market timing, buying high quality stocks and employing a conservative approach based on diversification and risk management.

TCVA Equity Model Portfolio

