

May 20, 2011

To Our Clients:

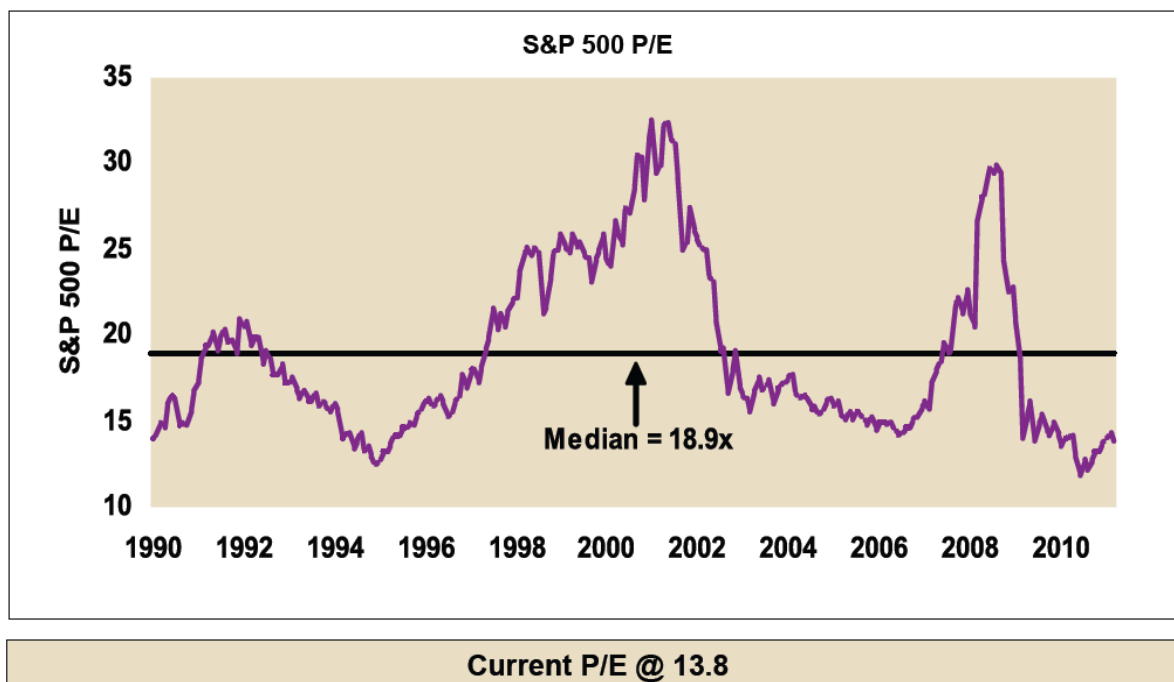
You have just had a very good Quarter and a very good Year

Yes, I know that is how I started out last quarter's letter. The first Quarter of 2011 and this last 12 month period were very good for us. Your investment returns are set out for you in our usual format immediately following this letter.

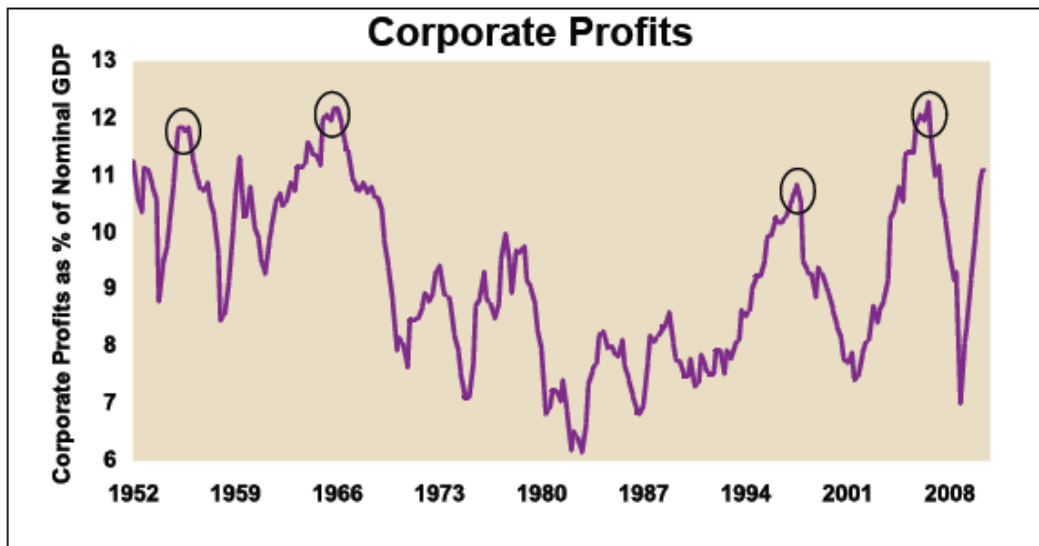
You'll note that we have stayed with the same format over the last Four quarters, but we are always interested in client suggestions on how your investment information should be presented so please feel free to call or write with any suggestions. If something comes up after business hours you can always reach me on my cell phone at 630-388-9006.

OK—you did very well in the first Quarter of 2011. Where does MVT think the markets will be headed in 2011?

We STILL are bullish on the Equity Markets, but the stock market has had a nice run and we are becoming concerned that it is quite possible that we may see a pause or correction over the next few months. The chart below gives you some idea of where we are coming from. As you know MVT looks at the Price to Earnings ratio as a way to get an idea on how "expensive" or "cheap" stocks are priced. We still see that the current P/E Ratio is below the long term P/E Ratio in the stock market. Stocks are still historically "cheap" at these levels, but you can also see that Price Earnings Ratios don't go straight up, but have periods of pausing or adjusting.



The other thing you always see us looking at is Earnings Growth and as the chart below indicates, earnings for corporations are going up and the trend appears to be for earnings to continue to grow.



Source: Charles Schwab & Co., Inc.

What happened in the Markets in the First Quarter of 2011?

US stocks out performed your international investments this quarter. Our reallocation into more domestic stocks is still helping your overall returns, but we are still optimistic that returns from several overseas markets will do well in 2011.

We continue to like dividend stocks in 2011. Dividend stocks have done well as dividend payments have increased dramatically since 2006.

Indices

The following is a list of indices and returns for the 1st quarter 2011 and twelve months ending 03/31/2011. Indices are used as a target for us when managing your money and they demonstrate how diversified segments of portfolios can be uncorrelated and perform differently.

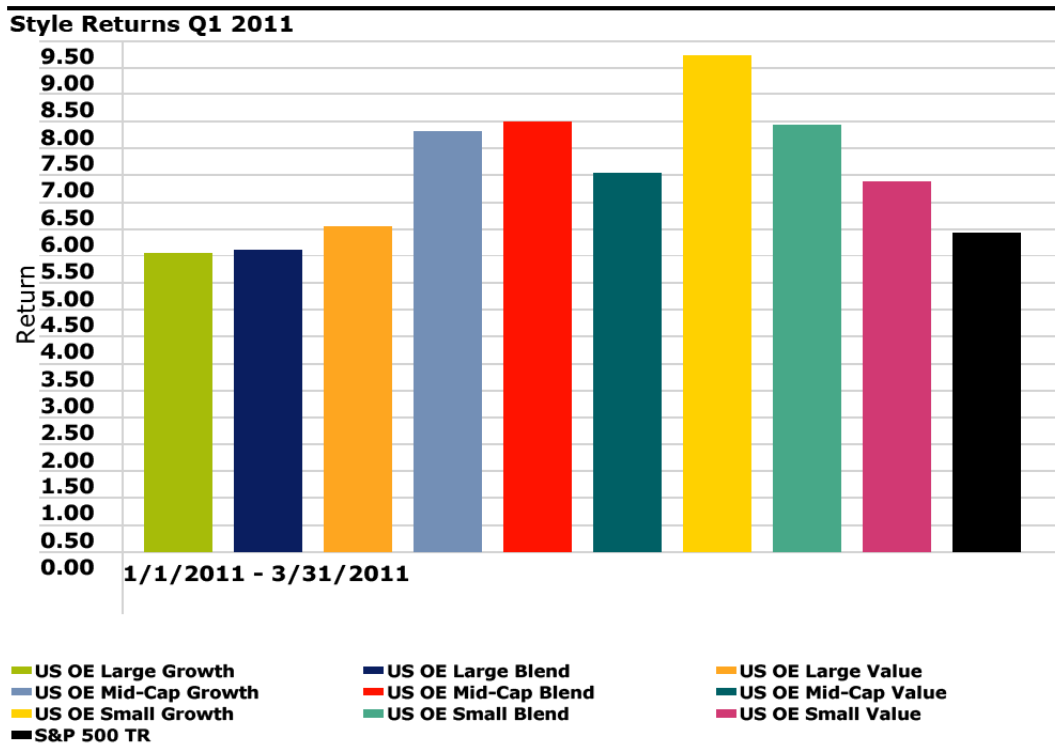
You'll notice the strong performance of the equity income markets that helped your returns in the 1st quarter.

<u>Index</u>	<u>1st Quarter Return</u>	<u>Last 12 Months Return</u>
<u>Fixed Income Indices:</u>		
Barclays Mortgage Index:	0.58	4.37
Barclays Treasury Inflation Protected Index:	2.08	7.73
Barclays U S Aggregate Bond Index:	.42	5.09
Citigroup World Dollar Bond:	0.97	8.71
<u>Equity Indices:</u>		
S&P 500 Index with Dividends	5.92	15.64
Wilshire REIT Index	6.72	24.97
MSCI All Country World	4.52	14.61
MSCI EAFE International Index (Gross)	3.44	10.89

Indices are passive investment measures, which cannot be purchased without a fee. Your account(s) may include aspects of any one or all of these indices in their allocation, and the different performance of various indices demonstrates how diversification works. We use an active approach to investing, meaning most of the equity managers in your portfolios are actively involved in the allocation and purchase and sale of securities in their respective funds. Our overall goal is not just to beat the indices but also to generate positive total returns.

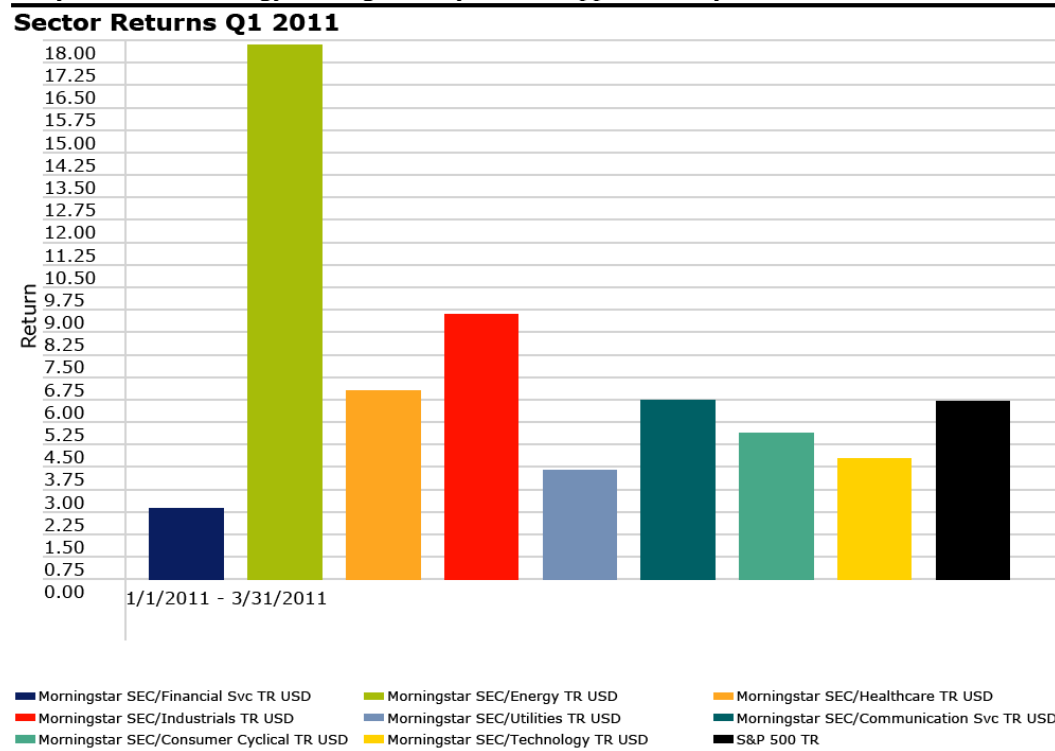
Returns in the Domestic Stock Market by Style and Sector

Equity managers usually have a certain "style" and we try to find very competent managers among Value, Growth and Core managers. As the chart below indicates every U.S. style posted positive returns in the First quarter.



Source: Morningstar

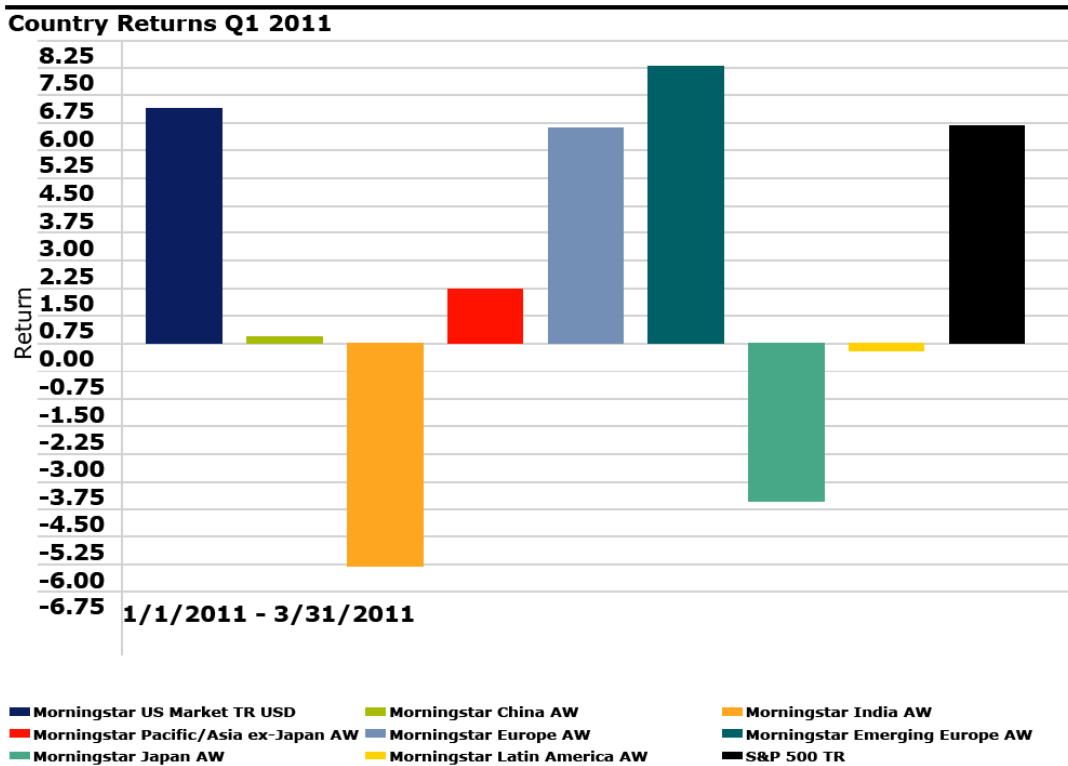
Commentators on the economy often divide the stocks of domestic companies into several sectors reflecting certain segments of the economy. During the First Quarter all sectors gained substantially. The chart below highlights stock returns by sector with Energy leading the way with an approximately 18% total return.



Source: Morningstar

International Investing

The S&P 500 returns are found at the bar chart on the right hand side of the chart. As you can see most foreign markets did not exceed the U.S. Domestic Market in returns for the 1st quarter. The chart below breaks down the investment results in various international markets for your review.



Source: Morningstar

Your Reports

Enclosed please find performance reports for your account(s) for the First Quarter 2011 (January 1st through March 31st, 2011).

You will find more information on the economy in a market review from Liz Ann Sonders, Chief Economist for Charles Schwab and Company, in your report this quarter.

Please be aware that your performance is reported to you net of all fees, including our investment management fee, trading costs, etc. Please also be aware that market conditions will have an effect on your portfolio no matter its allocation. Past performance is absolutely no guarantee of future results.

We strive to create an allocation that is appropriate for the type of account you own and the time horizon for which we have to manage it, i.e., a taxable account for a retired individual will be managed very differently from a Roth IRA for a person in their 30's. Your Portfolio Statement will list all the assets in your account, their cost basis and their market value as of March 31st, 2011. The assets are segregated by type in your statement, so you can see what type of investments you own.

Your Portfolio vs. Cumulative Net Investment is a report that emphasizes total return in dollars. There are no percentages on this report. When the blue bars are above the green bars, you are ahead in dollars. If the blue bars are disappearing behind the green bars, you have lost money. The columns below show

the actual numbers. For each quarter, it shows what you added or withdrew and then adds or subtracts this amount from your initial amount invested to show a cumulative running number of what funds you have added to your account. This is then compared to the portfolio value after all income and gains and losses through that date, with the difference being your investment gain. At the bottom of the report you see your current results and whether your account has made money or lost money in dollars since it began with us.

The Transaction Ledger shows you any trades, income, and/or withdrawals that affected your portfolio for the period. The Performance vs. Benchmarks report shows you how your portfolio performed against the various indices listed at the beginning of this letter. Any performance data that is more than one year in duration is reported as annualized.

As always, we ask that individuals keep us up-to-date on cash needs, address changes, etc. We would also remind you to check your beneficiary designations on your retirement accounts to make sure they are accurate.

In closing, please feel free to call or write if you have any questions on your report or if we can be of any further service to you.

Sincerely,

A handwritten signature in black ink that reads "John T. Mitchell". The signature is written in a cursive style with a large, stylized initial "J" and "M".

John T. Mitchell
Mitchell, Vaught & Taylor, Inc.
Investment Advisors