



February 16, 2011

To Our Clients:

You have just had a very good Quarter and Year

Your investment returns are set out for in our usual format immediately following this letter.

What is the disk in our envelope? We've enclosed an audio disk from Chris Davis of Selected American Funds for you to listen to as you are stuck in our terrible weather and traffic. I think you will like his insights on investing. Various members of the firm have visited with Chris both at conferences and several times at his office in New York. The firm has been doing business with the Davis Family for nearly a decade and a half. Chris Davis is the third generation in his family to manage money in the investment business. We have a few copies of a book that was written on his family a few years ago and we can forward you a copy if you are interested in learning more about the history of the family and their approach to investing.

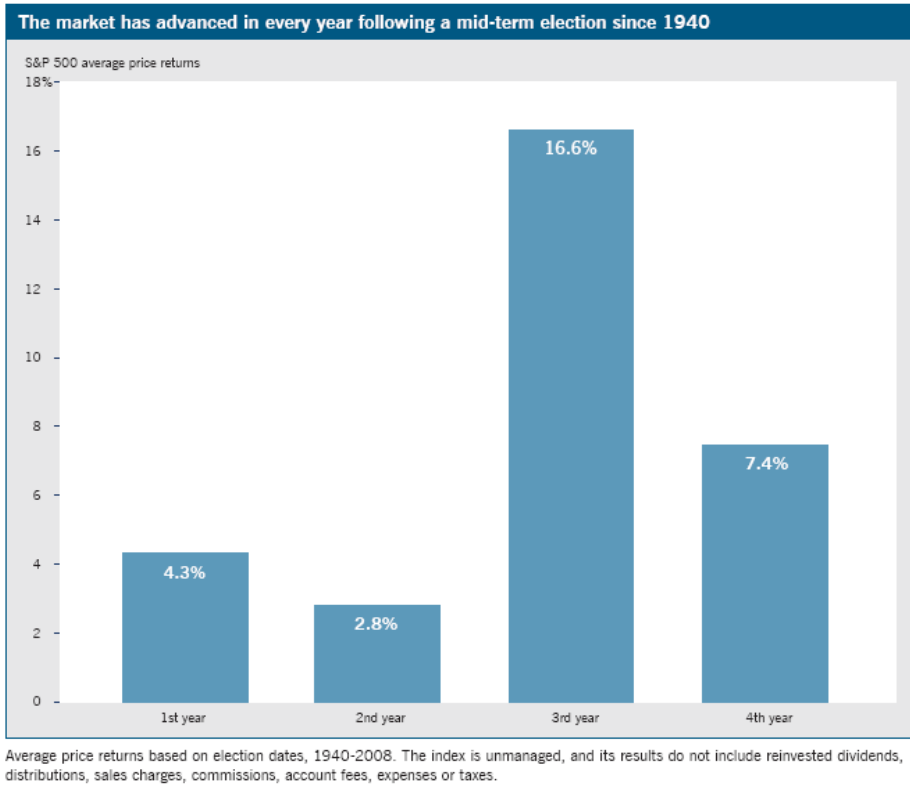
You'll note that we have stayed with the same format over the last three quarters, but we are always interested in client suggestions on how your investment information should be presented so please feel free to call or write with any suggestions. If something comes up after business hours you can always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

OK—you did very well in 2010. Where does MVT think the markets will be headed in 2011?

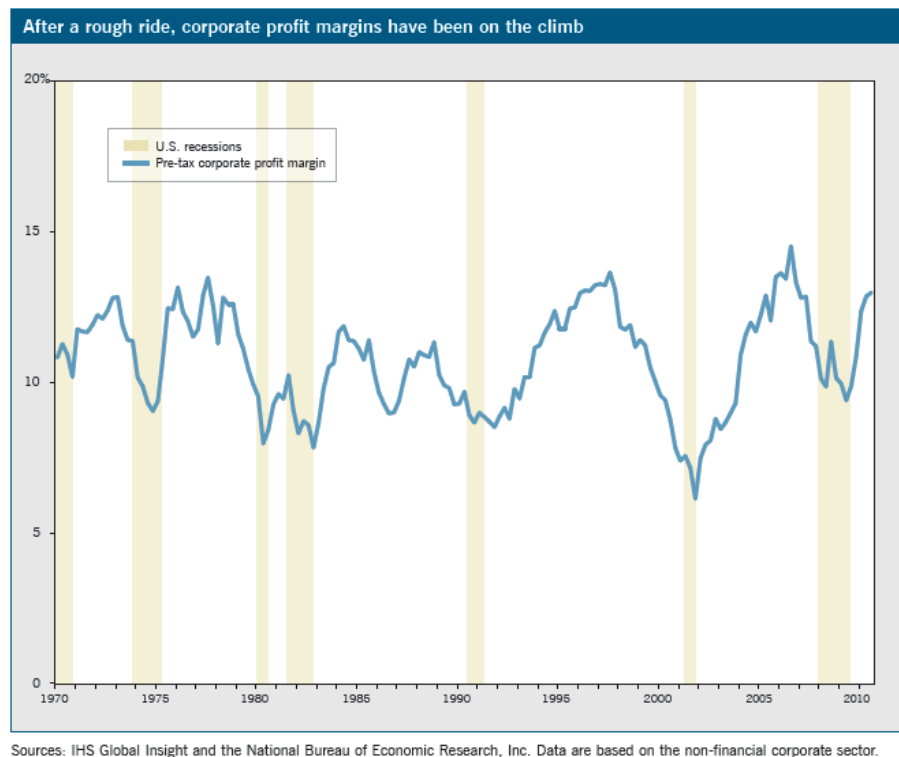
We're bullish on the Equity Markets.

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

Several clients have asked questions about how the markets do after midterm elections. As you can see from the chart below, right after the mid-term elections, which would be the 3rd year in office for our presidents, seems to be a good one for the markets.

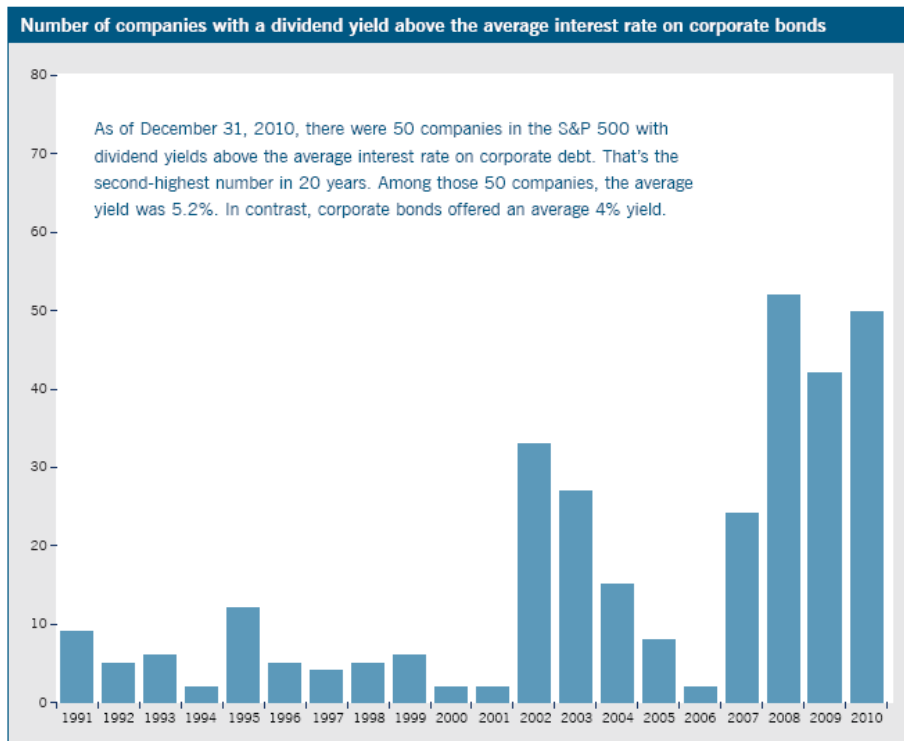


Corporate revenues usually have a very important impact on stock prices. The chart below gives a 40 year history indicating that the norm is that corporate profit margins increase steadily in the years immediately following a recession.



Dividends

Yes we still like dividend stocks in 2011. Dividend stocks have done well as dividend payments have increased dramatically since 2006. The chart below gives you more specific information.



Source: FactSet. The data are based on the constituents of the S&P 500 index for each year ended December 31. The dividend yields of the S&P 500 companies were compared with the yield on corporate bonds, as represented by the Barclays Capital U.S. Corporate Index.

Indices

The following is a list of indices and returns for the 4th quarter 2010 and twelve months ending 12/31/2010. 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.

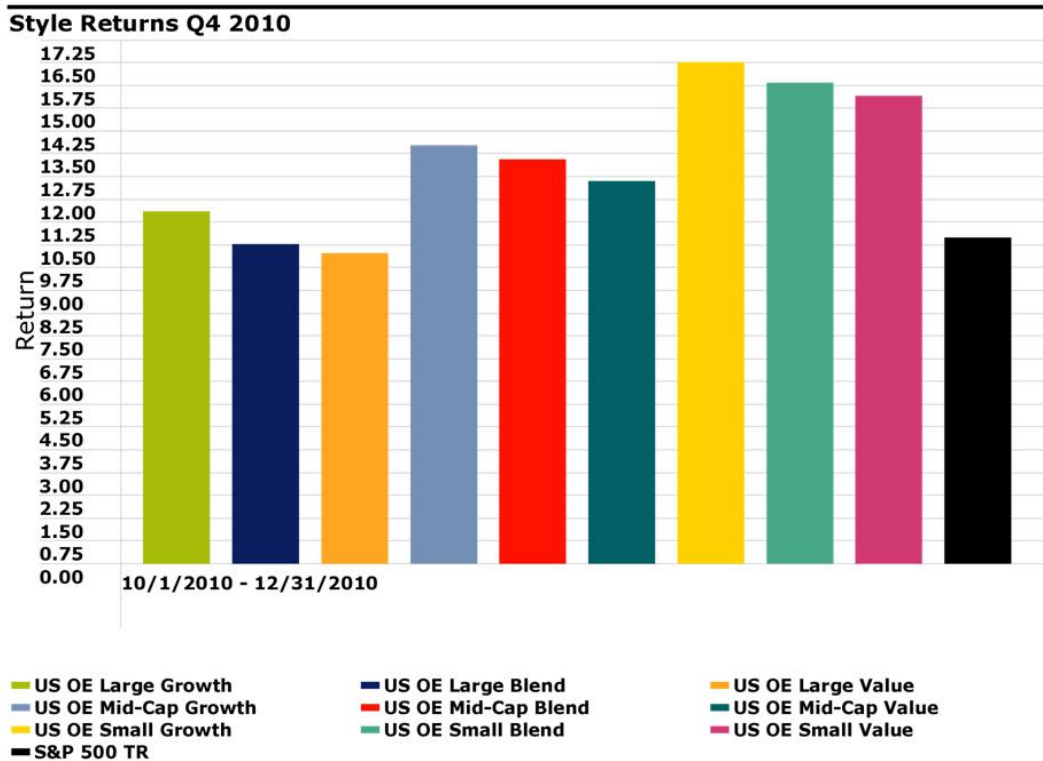
You'll notice the strong performance of the equity income markets that helped your returns in the 4th quarter.

<u>Index</u>	<u>4th Quarter Return</u>	<u>Last 12 Months Return</u>
<u>Fixed Income Indices:</u>		
Barclays Mortgage Index:	0.24	5.37
Barclays Treasury Inflation Protected Index:	-0.65	6.31
Barclays U S Government Bond Index:	-2.34	5.53
Citigroup World Dollar Bond:	-1.45	5.21
<u>Equity Indices:</u>		
S&P 500 Index with Dividends	10.74	15.06
Wilshire REIT Index	7.88	28.60
Morgan All Country World Stock	8.82	13.20
Morgan EAFE International Index (Gross)	6.66	8.21

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.

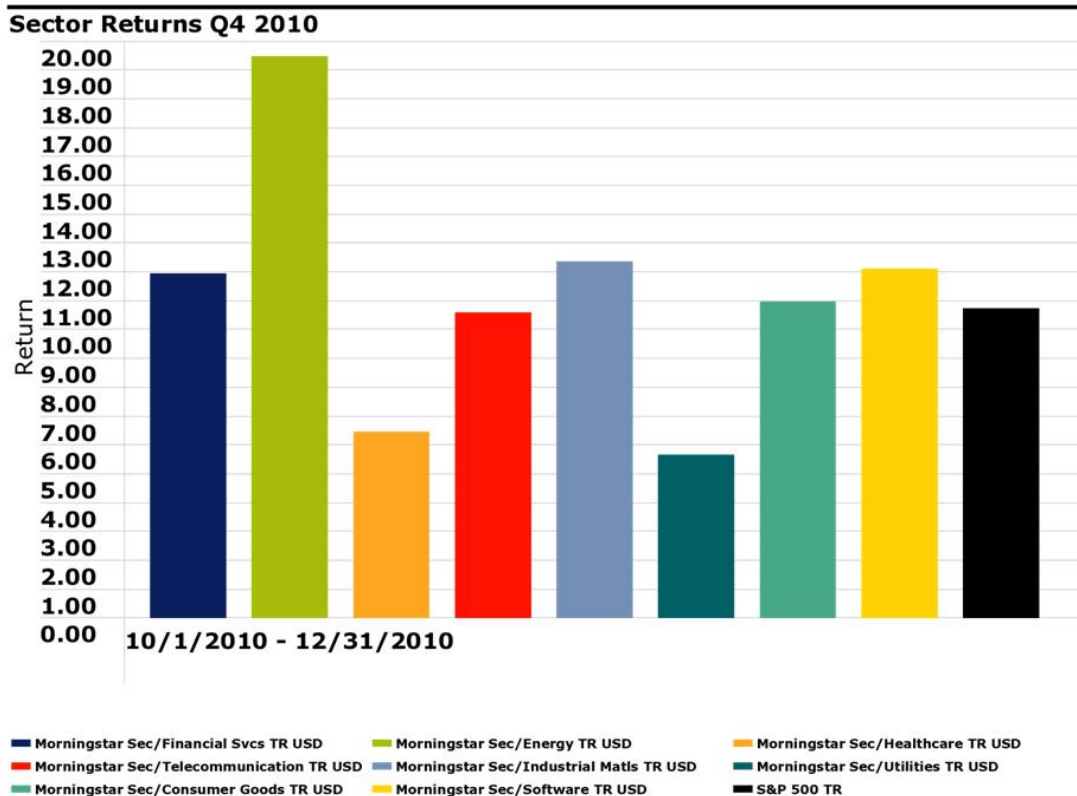
Returns in the Domestic Stock Market by Style and Sector

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 Fourth quarter.



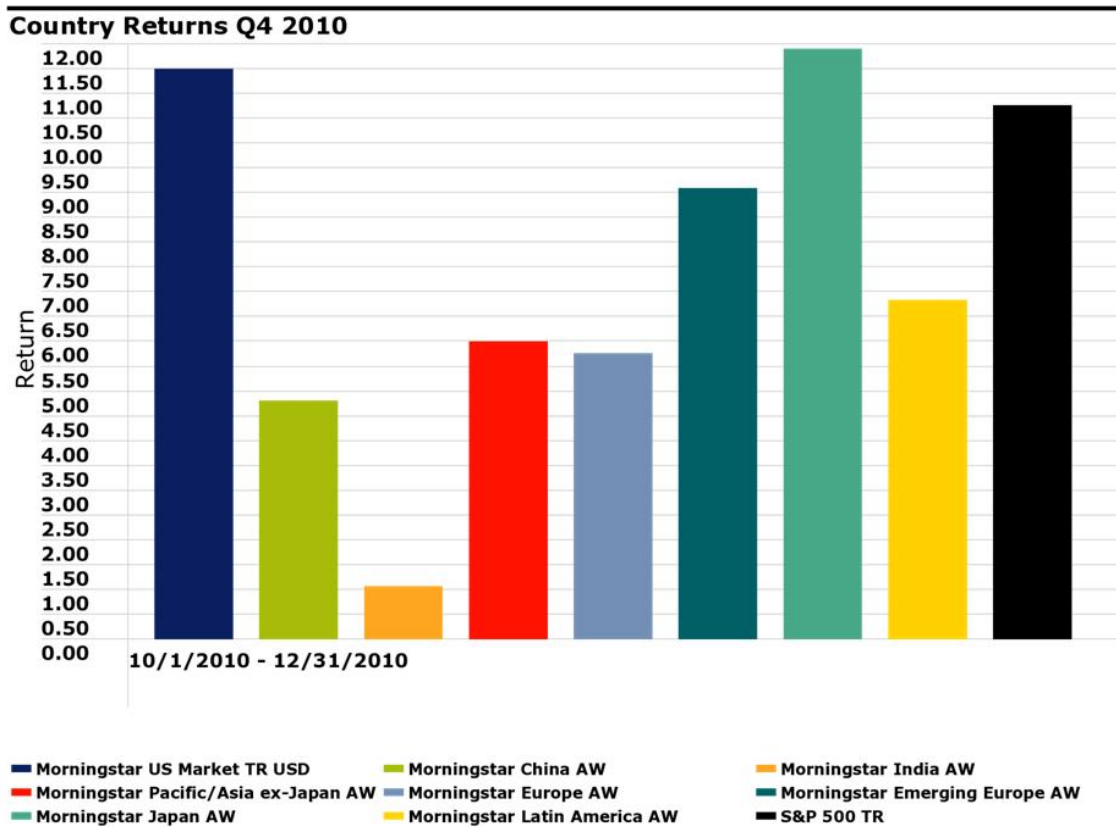
Source: Morningstar

Commentators on the economy often divide the stocks of domestic companies into several sectors reflecting certain segments of the economy. During the Fourth Quarter all sectors gained substantially. The chart below highlights stock returns by sector with Energy leading the way with an approximately 20% total return.



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 4th 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 Fourth Quarter 2010 (October 1st through December 31st, 2010).

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 December 31st, 2010. 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.

A handwritten signature in cursive script that reads "John T. Mitchell". The signature is written in black ink and is positioned above the printed name.

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