

QUARTERLY INVESTMENT LETTER – FIRST QUARTER, 2011

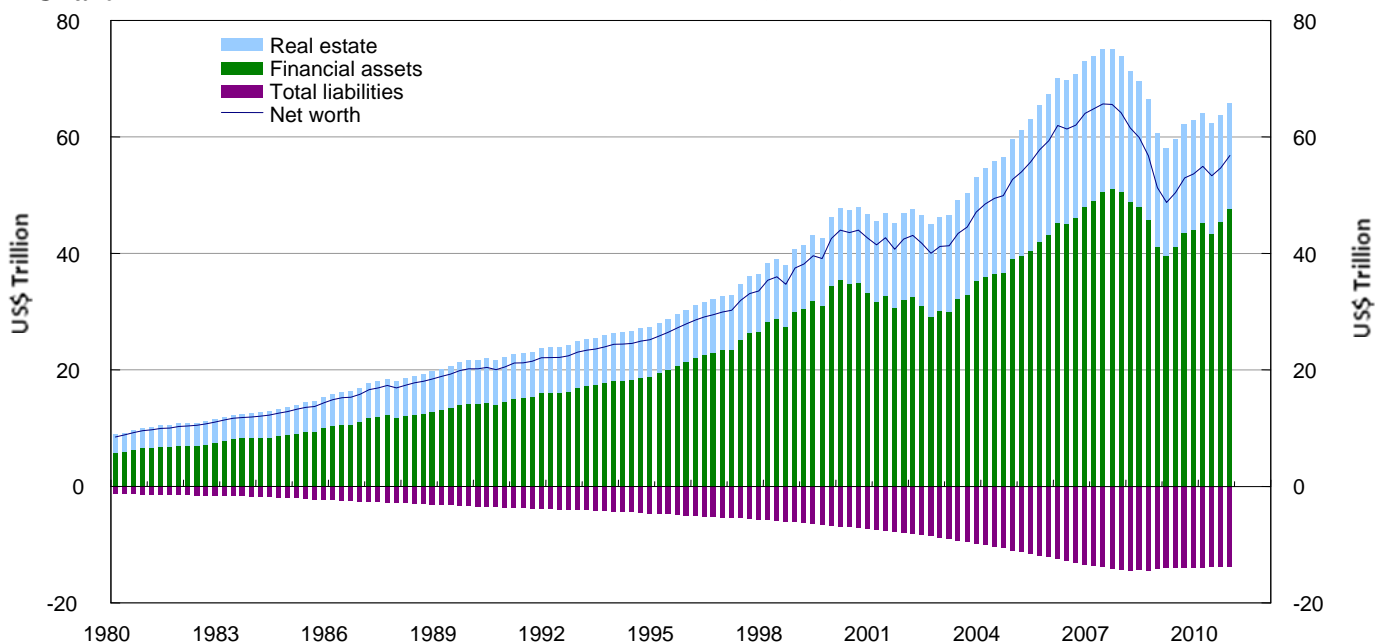
Bernanke's Stock Market Bubble (QE2's Consequences)

The disconnect separating Main Street and Washington from Wall Street persists. However, despite a steady stream of crisis-driven discouraging geopolitical news, a further deteriorating domestic housing market, the apparent inability of our political class to face the inevitable, and the perception that rising inflation expectations are stirring once again, the world's stock markets continue to maintain a certain sense of equilibrium. Investor sentiment remains bearish (fully two-thirds of U.S. consumers recently polled by Rasmussen feel the country is still mired in recession). Prices at the pump and supermarket seemingly escalate daily, confirming the impression many have that the American Dream is becoming just that and out of reach for this and later generations. Perception drives investor behavior; for the most part corporate earnings growth prospects move markets.

Meanwhile, at our central bank (The Federal Reserve, FRB, or Fed), Chairman Bernanke, through QE2 implements his stated objective of pumping up the U.S. equity markets. Seldom in the Fed's history has such an objective been so openly propounded. He is counting on heightened equity values bulking up the nation's collective personal net worth statement (i.e., "the positive wealth effect") thus motivating consumers to open their wallets. His assumption is that a growing sense of financial well-being will improve sentiment and replace investor (voter) concern in this third year of the presidential election cycle. To date, during the past two years households have reclaimed nearly \$5 trillion of the \$12 trillion in personal wealth lost during 2008 and the first quarter of 2009*. See Chart 1.

Chart 1

Households Balance Sheet - Improving



Sources: Board of Governors of the Federal Reserve System; and Decision Economics, Inc

*Decision Economics, "U.S. Markets Weekly" April 8, 2011

As usual, trade-offs accompany such a gamble. Following the November 2012 elections, the party in power today may retain effective control, but the price paid for the Fed's pump-priming and lack of political will in Washington to discipline federal spending may be severe indeed (rising inflation, escalating interest rates, loss of budgetary discretion, U.S. sovereign debt downgrade, declining international political standing, etc.). It could also have national security implications. But we digress . . .

The FRB's Next Move?

As has been suggested in past letters, the Fed's every policy shift is watched obsessively by the bond markets and portfolio strategists. Any whiff of awakening inflation expectations and the beginning of the generally expected normalization of interest rates could prompt a painful price decline in the intermediate and long-term fixed income (i.e., bond) markets. "Expert" conventional wisdom today has it that the Fed has a transition plan to ease the passage to higher rates. Rightly or wrongly, this expectation would appear to be priced into current valuations in both the bond and stock markets.

What might become a rather fractious debate over U.S. central bank monetary policy, and what to do next, is beginning to play out amongst FRB governors and regional presidents, many of whom will be voting in the coming policy discussions. An emerging concern is that an "upside shock" in the monthly job creation numbers could trigger an unanticipated wage-escalation expectation, a key ingredient in the inflation outlook equation. If such a shock in the employment numbers should materialize, then to salvage the Fed's credibility Bernanke would be faced with a need to replace his gradualist rate normalization plan with a more aggressive inflation-fighting sharper increase in rates (e.g., perhaps as much as 150-200 basis points over the next 12-18 months). Globally, other central banks (e.g., Eurozone, China, Brazil, etc.) have begun to implement such more restrictive monetary policies. Outside the U.S., the era of cheap credit has ended.

For the moment, Bernanke's monetary policy appears aimed at increased stock market valuations and improving investor and consumer sentiment, thus setting the table for November 2012. But circumstances could conspire to force a timelier and more dramatic shift in monetary policy than the markets currently anticipate. How this plays out for equity investors depends as well on how our politicians at the Federal level face the budgetary quagmire they have created for all of us. So far, the financial markets seem to be betting on a "we-will-muddle-through" scenario.

The Dow at 14,000, S&P 500 at 1,500: What If U.S. Equity Markets Move Up Into New High Territory?

In the late 1990's, a book titled *The Dow at 36,000* was high on the *New York Times* best-seller list. As fanciful as the book's title might seem in retrospect today, if Chairman Bernanke achieves his near-term goal (i.e., an augmented collective national personal balance sheet for consumers and a commensurate improvement in sentiment), what might be the backdrop the U.S. equity markets will be dealing with in the near term? Solid corporate earnings growth is a strong probability for this year and next. At current valuation levels, the companies in the S&P 500 Index (roughly 80% of total U.S. stock market capitalization) are selling at 13.0x 2011 estimated earnings per share of \$99, 12.0x 2012 projected earnings. On next year's estimates, a Dow Jones Industrial Index level of 14,000, and/or S&P 500 Index peak of 1,500 would not be beyond reasonable limits.

Should consumer sentiment improve, our political class exhibit more adult behavior, the U.S. housing market at least bottom-out, and the geopolitical climate stabilize, or any combination thereof,

investors might even be inclined to pay a higher earnings multiple. Idle speculation? Possibly, but our sense is that the full range of equity market possible outcomes should be considered. If we are fortunate enough and this sequence of events should unfold in the months ahead before the elections, one can expect on our part a call for rebalancing back to Investment Policy guidelines, and perhaps even a move to a more conservative posture.

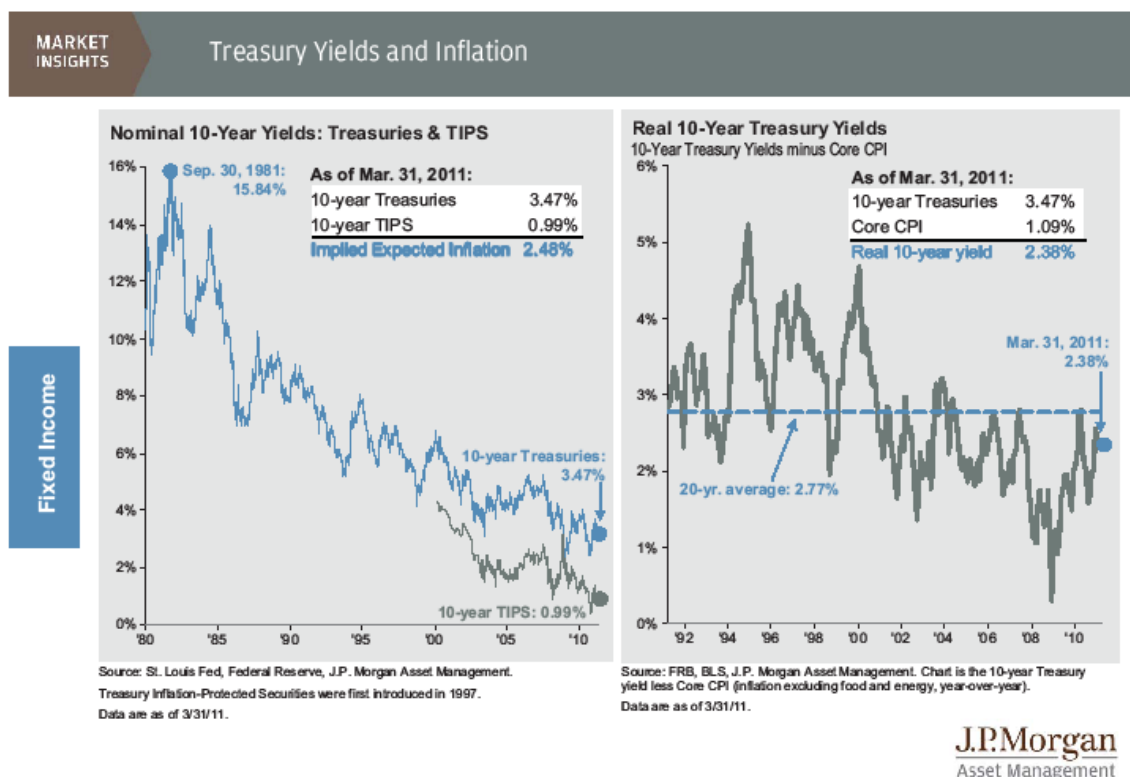
A Recap of TFC's Portfolio Strategy for First Quarter 2011

Fixed Income:

In today's low yield and low interest rate environment, it is tempting for investors particularly in the U.S. and other developed markets) to extend bond maturities and accept lower credit quality to hopefully accrue an additional percentage point or two of interest income.

But should an investor lock in 3.5% (pre-tax) yield offered by a 10 year U.S. Treasury bond today, after a 30-year decline in interest rates and yields as illustrated in Chart 2, and risk losing principal value?

Chart 2



We would advise against this, as the primary purpose of holding bonds/bond funds in balanced portfolios, in our view, is to moderate overall risk (volatility) as well as provide liquidity. Therefore, we are willing to maintain our conservative short duration, high quality, fixed income positioning for

capital preservation and accept more modest income until short- and intermediate-term interest rates normalize.

The average duration for our high quality fixed income portfolios (for taxable accounts invested in bond funds) is under 2 years; 3 years for retirement/tax-exempt accounts which include Treasury Inflation Protected Securities (TIPS).

The total return for our fixed income holdings and benchmark indices Barclays Intermediate Government/Credit (+0.3%) and Barclays Aggregate Bond (+0%) were all essentially flat for the quarter.

Equities:

Prior to the March 11th disaster in Japan, cash inflows from money market and bond funds into equity mutual funds from November 2010 to early March 2011 totaled nearly \$35B, reversing three years of net redemptions. Investors finally appear to be regaining confidence and willing to take moderate equity market risk. Since March 2009, which was the low point for global stock markets, most domestic and global equity indices have appreciated by over 100% and are within 10%-15% of the recovery to peak market values of October 2007.

In the quarter just ended, and despite the Japanese disaster and turmoil in the Middle East and North Africa, global equity markets posted positive returns. The strongest performance occurred in the U.S.; the S&P 500 Index was up 5.9%; +7.9% for the Russell 2000 Index which represents U.S. small cap stocks; +3.4% for the MSCI EAFE* (international developed markets) and +2.1% for MSCI Emerging Markets* indices in U.S. Dollar terms.

Long term, for economic, market and currency diversification, we remain committed to our global orientation, with 45% of equities invested overseas in developed, emerging and frontier markets, which also include global natural resources and real estate holdings.

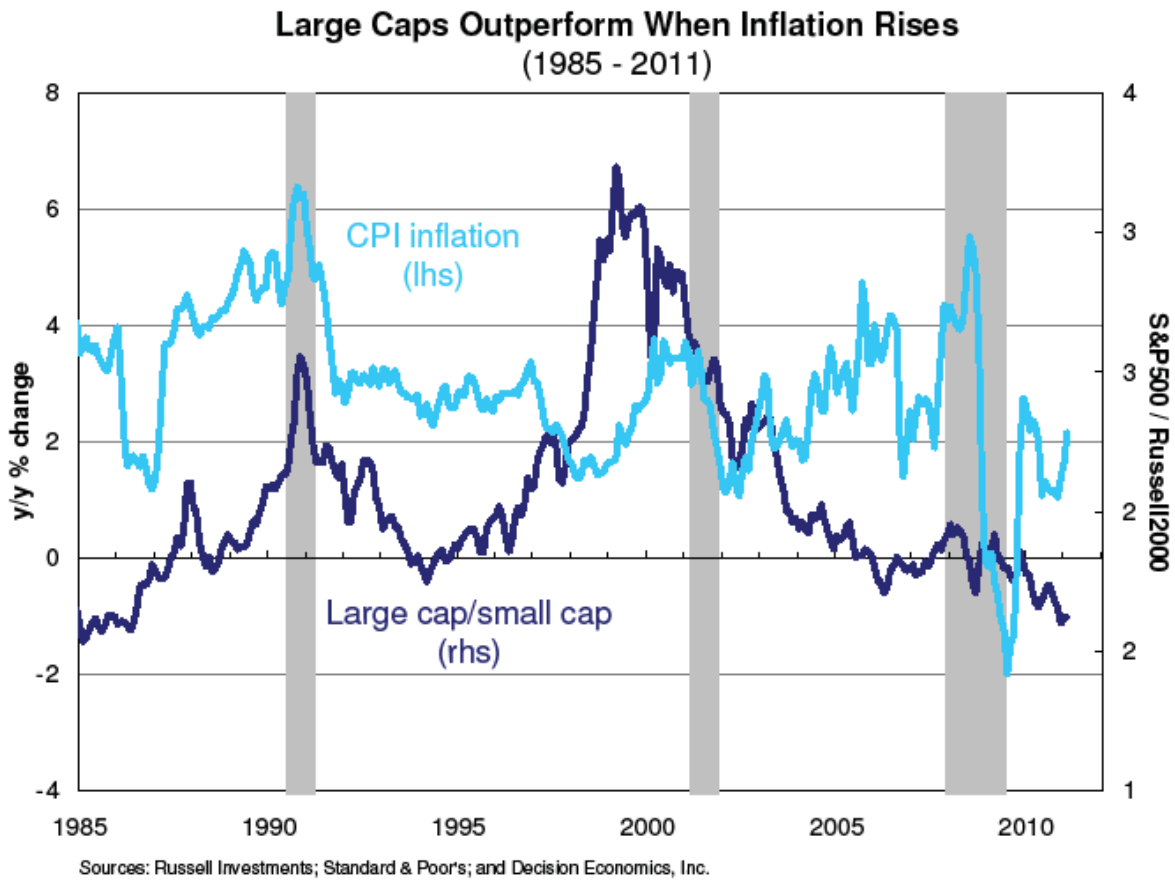
Domestically, we are considering reducing our strategic overweight in small capitalization funds by 5% from 40% presently of total U.S. equities. Small cap stocks comprise 15%-20% of the total U.S. stock market value. Over the past 10 years, small cap stocks have outperformed large cap stocks significantly; +85% for the Russell 2000 Index vs. +15% for the S&P 500 Index cumulatively through 12/31/10.

Small cap stocks have led the recovery and rebound in equity returns since 2009. As a result, relative valuations of small company stocks have become less attractive compared to large cap stocks, trading at forward price earnings multiples of 17x (for the Russell 2000) vs. 13x for the S&P 500 Index.

Historically, rising interest rates and inflation have favored large company stocks over small. Chart 3 depicts the positive correlation of changes in the CPI/inflation (left-hand scale, light blue line) with the S&P 500 Index (U.S. large companies) outperforming small caps (Russell 2000) on the right-hand scale, dark blue line. The chart also illustrates the underperformance of large cap stocks since 2000 (sharply declining dark blue line), after the dot-com bubble crash.

*The U.S. Dollar declined against most foreign currencies this quarter, boosting foreign market returns to U.S. investors somewhat.

Chart 3



Valuations of the largest capitalization and highest quality stocks in the U.S. market appear to be the most attractive presently. We are researching both active and passive fund strategies in this “mega cap” range, and are also likely to sell one of the large cap index funds which hold overlapping positions with other funds.

In the meantime, we welcome your comments and questions as always.

Sincerely,

James L. Joslin
Chairman, CEO & CCO

Renée Kwok
President

**TFC Financial Management
Equity Funds
Sorted by YTD Performance
As of 3/31/11**

Name	Fund Category	YTD	1 Yr	2 Yr	3 Yr	5 Yr	2010	2009	2008
IVY GLBL NATURAL RESOURCE-Y	Specialty-Natural Res	12.0	30.4	48.1	-1.7	6.8	17.2	75.1	-61.3
MS CMDTY RELATED EQUITY	Specialty-Natural Res	11.4	33.5	50.3	9.4	15.7	25.7	54.8	-41.2
TURNER EMERGING GROWTH FD-IV	Small Growth	11.2	31.4	42.4	6.1	4.2	29.4	26.8	-43.0
VANGUARD S/C GROWTH INDX-INS	Small Growth	10.7	32.8	50.3	11.9	6.1	31.0	42.1	-39.9
ALGER SMID CAP GROWTH FUND-A	Small Growth	10.1	24.4	40.1	6.4	6.0	23.3	44.0	-48.6
DFA US L/C VALUE PORTFOLIO	Large Value	9.3	19.6	43.3	3.1	2.2	20.2	30.2	-40.8
RUSSELL 2000 GROWTH IDX	Small Growth	9.2	31.0	44.9	10.2	4.3	29.1	34.5	-38.5
DFA TAX MNGD US MKTWIDE VAL	Large Value	8.9	20.7	44.5	3.7	1.9	21.6	31.1	-41.6
DFA TAX MNGD US SMALL CAP PO	Small Blend	8.9	28.4	44.3	6.4	1.8	28.6	26.3	-38.4
DFA US S/C VALUE PORTFOLIO	Small Value	8.8	27.3	51.8	8.5	2.6	30.9	33.6	-36.8
WALTHAUSEN SMALL CAP VALUE	Small Value	8.8	34.3	64.8	23.0	n/a	41.9	42.4	n/a
DFA US SMALL CAP PORTFOLIO	Small Blend	8.7	29.2	49.9	11.1	4.2	30.7	36.3	-36.0
DFA US TARGETED VALUE	Small Value	8.4	25.2	49.0	9.3	3.8	29.0	31.9	-33.8
VAN ECK GLOBAL HARD ASSETS-I	Specialty-Natural Res	8.4	34.4	44.3	5.7	n/a	28.9	53.2	-44.5
DFA US MICRO CAP PORTFOLIO	Small Blend	8.1	29.6	47.2	8.6	2.1	31.3	28.1	-36.7
DFA US MICRO CAP PORTFOLIO	Small Blend	8.1	29.6	47.2	8.6	2.1	31.3	28.1	-36.7
DFA TAX MGD US TARGET VAL PO	Small Value	8.1	26.4	48.8	6.2	1.4	30.4	27.6	-37.8
RUSSELL 2000 INDEX	Small Blend	7.9	25.8	43.1	8.6	3.4	26.9	27.2	-33.8
ISHARES DJ US REAL ESTATE	Specialty-Real Estate	7.1	23.8	59.0	2.0	0.4	26.6	30.5	-39.9
VANGUARD VALUE INDEX FD-INV	Large Value	7.0	15.2	32.3	1.0	1.6	14.3	19.6	-36.0
DOMINI SOCIAL EQUITY FD-INV	Large Blend	6.9	16.5	35.4	4.1	2.5	13.7	35.6	-37.9
RUSSELL 2000 VALUE IDX	Small Value	6.6	20.6	41.1	6.8	2.3	24.5	20.6	-28.9
DFA REAL ESTATE SECS PORT	Specialty-Real Estate	6.6	24.5	61.6	2.5	1.0	28.7	28.2	-37.4
RUSSELL 1000 VALUE INDEX	Large Value	6.5	15.2	33.0	0.6	1.4	15.5	19.7	-36.9
VANGUARD EUROPEAN STK IND-IS	Europe Stock	6.1	13.0	33.0	-3.8	2.3	5.1	32.1	-44.6
RUSSELL 1000 GROWTH INDX	Large Growth	6.0	18.3	33.1	5.2	4.3	16.7	37.2	-38.4
MORGAN STANLEY INS US REAL-I	Specialty-Real Estate	6.0	25.0	58.9	2.3	2.3	29.9	29.6	-38.1
VANGUARD LARGE CAP IDX-SIGNA	Large Blend	6.0	16.3	32.3	2.9	n/a	15.8	27.8	-37.0
DFA US LARGE COMPANY PORT	Large Blend	6.0	15.6	31.6	2.5	2.7	15.0	26.6	-36.8
S&P 500 INDEX	Large Blend	5.9	15.6	31.6	2.4	2.6	15.1	26.5	-37.0
VANGUARD 500 INDEX FUND-ADM	Large Blend	5.9	15.6	31.6	2.4	2.5	15.1	26.6	-37.0
DFA INTL SMALL CAP VALUE PT	Foreign Small/Mid Value	5.6	18.7	41.5	1.7	3.5	18.1	39.5	-41.7
VANGUARD GROWTH INDEX FD-ADM	Large Growth	5.0	17.2	32.3	4.8	4.2	17.1	36.4	-38.2
VANGUARD DIVIDEND GROWTH -IV	Large Blend	4.9	13.2	24.6	4.0	5.0	11.4	21.7	-25.6
DFA TAX-MANAGED INTL VALUE	Foreign Large Value	4.9	13.9	38.3	-1.1	3.1	10.2	37.8	-44.4
TIAA-CREF SOC CHOICE EQ-RTL	Large Blend	4.7	14.7	33.5	3.8	2.9	15.7	32.2	-36.2
FMI LARGE CAP FUND	Large Blend	4.7	10.4	28.6	5.4	5.2	11.4	29.7	-26.9
DFA INTERNATIONAL VALUE	Foreign Large Value	4.7	13.5	38.8	-1.9	2.7	10.6	39.5	-46.3
DFA INTERNATIONAL CORE EQTY	Foreign Large Value	4.2	15.2	38.2	-0.2	2.8	13.9	39.3	-44.0
DFA INTERNATIONAL SMALL CO	Foreign Small/Mid Value	4.1	22.5	43.3	2.7	4.1	23.9	42.0	-43.9
DFA L/C INTERNATIONAL PORTF	Foreign Large Blend	3.8	11.8	31.3	-1.9	2.2	9.3	30.6	-41.4
MSCI EAFE	Foreign Large Blend	3.5	11.1	31.3	-2.5	1.9	8.4	32.4	-43.0
GMO QUALITY FUND-III	Large Blend	3.5	7.6	19.5	2.8	2.7	5.5	19.8	-24.1
SCOUT INTERNATIONAL FUND	Foreign Large Blend	3.1	13.9	33.5	1.0	5.4	13.2	35.5	-38.1
MSCI EAFE SMALL CAP	Foreign Small/Mid Value	3.0	20.5	43.5	1.9	1.9	22.6	47.4	-46.7
EPRA/NAREIT Dev TR USD	Specialty-Real Estate	3.0	19.3	48.4	-1.7	0.8	20.4	38.3	-47.7
VANGUARD TOTAL INT ST IDX	Foreign Large Blend	3.0	12.7	34.1	-1.3	3.2	11.1	36.7	-44.1
MORGAN STANLEY INS GLBL RE-I	Specialty-Real Estate	2.5	17.7	47.9	-0.2	n/a	20.2	41.0	-45.0
DFA EMERGING MKTS PRTFOLIO	Diversified Emerging Mkts	2.0	19.9	47.0	5.9	11.5	21.8	71.8	-49.2
MSCI EM	Diversified Emerging Mkts	1.9	18.6	46.6	4.5	10.8	19.0	78.6	-53.2
T ROWE PRICE INTL DISCOVERY	Foreign Small/Mid Growth	1.9	19.0	44.1	2.1	4.5	20.5	55.7	-49.9
TEMPLETON DEVELOPING MKTS-AD	Diversified Emerging Mkts	1.6	16.6	46.5	4.4	7.6	17.7	74.4	-53.8
DFA EMERGING MRKTS VALUE	Diversified Emerging Mkts	0.7	18.9	55.6	6.4	14.0	22.1	92.3	-53.9
MORGAN STANLEY INS INTN RE-I	Specialty-Real Estate	0.3	10.8	41.0	-7.5	-2.5	9.5	46.5	-50.0
LAZARD EMERG MKT EQY PORT-IN	Diversified Emerging Mkts	-0.8	14.9	45.5	5.1	11.0	22.8	69.8	-47.9
VANGUARD PACIFIC STK IND-ADM	Japan Stock	-2.2	6.5	26.3	-0.5	-0.1	15.9	21.2	-34.3
TEMPLETON FRONTIER MARKETS-A	Diversified Emerging Mkts	-3.6	4.8	n/a	n/a	n/a	18.6	n/a	n/a

Source: Bloomberg

TFC Financial Management
Equity Asset Classes
Sorted by YTD Performance
As of 3/31/11

Name	Fund Category	YTD	1 Yr	2 Yr	3 Yr	5 Yr	2010	2009	2008
DOMINI SOCIAL EQUITY FD-INV	Large Blend	6.9	16.5	35.4	4.1	2.5	13.7	35.6	-37.9
VANGUARD LARGE CAP IDX-SIGNA	Large Blend	6.0	16.3	32.3	2.9	n/a	15.8	27.8	-37.0
DFA US LARGE COMPANY PORT	Large Blend	6.0	15.6	31.6	2.5	2.7	15.0	26.6	-36.8
S&P 500 INDEX	Large Blend	5.9	15.6	31.6	2.4	2.6	15.1	26.5	-37.0
VANGUARD 500 INDEX FUND-ADM	Large Blend	5.9	15.6	31.6	2.4	2.5	15.1	26.6	-37.0
VANGUARD DIVIDEND GROWTH -IV	Large Blend	4.9	13.2	24.6	4.0	5.0	11.4	21.7	-25.6
TIAA-CREF SOC CHOICE EQ-RTL	Large Blend	4.7	14.7	33.5	3.8	2.9	15.7	32.2	-36.2
FMI LARGE CAP FUND	Large Blend	4.7	10.4	28.6	5.4	5.2	11.4	29.7	-26.9
GMO QUALITY FUND-III	Large Blend	3.5	7.6	19.5	2.8	2.7	5.5	19.8	-24.1
RUSSELL 1000 GROWTH INDX	Large Growth	6.0	18.3	33.1	5.2	4.3	16.7	37.2	-38.4
VANGUARD GROWTH INDEX FD-ADM	Large Growth	5.0	17.2	32.3	4.8	4.2	17.1	36.4	-38.2
DFA US L/C VALUE PORTFOLIO	Large Value	9.3	19.6	43.3	3.1	2.2	20.2	30.2	-40.8
DFA TAX MNGD US MKTWIDE VAL	Large Value	8.9	20.7	44.5	3.7	1.9	21.6	31.1	-41.6
VANGUARD VALUE INDEX FD-INV	Large Value	7.0	15.2	32.3	1.0	1.6	14.3	19.6	-36.0
RUSSELL 1000 VALUE INDEX	Large Value	6.5	15.2	33.0	0.6	1.4	15.5	19.7	-36.9
DFA TAX MNGD US SMALL CAP PO	Small Blend	8.9	28.4	44.3	6.4	1.8	28.6	26.3	-38.4
DFA US SMALL CAP PORTFOLIO	Small Blend	8.7	29.2	49.9	11.1	4.2	30.7	36.3	-36.0
DFA US MICRO CAP PORTFOLIO	Small Blend	8.1	29.6	47.2	8.6	2.1	31.3	28.1	-36.7
DFA US MICRO CAP PORTFOLIO	Small Blend	8.1	29.6	47.2	8.6	2.1	31.3	28.1	-36.7
RUSSELL 2000 INDEX	Small Blend	7.9	25.8	43.1	8.6	3.4	26.9	27.2	-33.8
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WALTHAUSEN SMALL CAP VALUE	Small Value	8.8	34.3	64.8	23.0	n/a	41.9	42.4	n/a
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RUSSELL 2000 VALUE IDX	Small Value	6.6	20.6	41.1	6.8	2.3	24.5	20.6	-28.9
VANGUARD EUROPEAN STK IND-IS	Europe Stock	6.1	13.0	33.0	-3.8	2.3	5.1	32.1	-44.6
DFA TAX-MANAGED INTL VALUE	Foreign Large Value	4.9	13.9	38.3	-1.1	3.1	10.2	37.8	-44.4
DFA INTERNATIONAL VALUE	Foreign Large Value	4.7	13.5	38.8	-1.9	2.7	10.6	39.5	-46.3
DFA INTERNATIONAL CORE EQTY	Foreign Large Value	4.2	15.2	38.2	-0.2	2.8	13.9	39.3	-44.0
DFA L/C INTERNATIONAL PORTF	Foreign Large Blend	3.8	11.8	31.3	-1.9	2.2	9.3	30.6	-41.4
MSCI EAFE	Foreign Large Blend	3.5	11.1	31.3	-2.5	1.9	8.4	32.4	-43.0
SCOUT INTERNATIONAL FUND	Foreign Large Blend	3.1	13.9	33.5	1.0	5.4	13.2	35.5	-38.1
VANGUARD TOTAL INT ST IDX	Foreign Large Blend	3.0	12.7	34.1	-1.3	3.2	11.1	36.7	-44.1
VANGUARD PACIFIC STK IND-ADM	Japan Stock	-2.2	6.5	26.3	-0.5	-0.1	15.9	21.2	-34.3
DFA INTL SMALL CAP VALUE PT	Foreign Small/Mid Value	5.6	18.7	41.5	1.7	3.5	18.1	39.5	-41.7
DFA INTERNATIONAL SMALL CO	Foreign Small/Mid Value	4.1	22.5	43.3	2.7	4.1	23.9	42.0	-43.9
MSCI EAFE SMALL CAP	Foreign Small/Mid Value	3.0	20.5	43.5	1.9	1.9	22.6	47.4	-46.7
T ROWE PRICE INTL DISCOVERY	Foreign Small/Mid Growth	1.9	19.0	44.1	2.1	4.5	20.5	55.7	-49.9
DFA EMERGING MKTS PRTFOLIO	Diversified Emerging Mkts	2.0	19.9	47.0	5.9	11.5	21.8	71.8	-49.2
MSCI EM	Diversified Emerging Mkts	1.9	18.6	46.6	4.5	10.8	19.0	78.6	-53.2
TEMPLETON DEVELOPING MKTS-AD	Diversified Emerging Mkts	1.6	16.6	46.5	4.4	7.6	17.7	74.4	-53.8
DFA EMERGING MKRKS VALUE	Diversified Emerging Mkts	0.7	18.9	55.6	6.4	14.0	22.1	92.3	-53.9
LAZARD EMERG MKT EQY PORT-IN	Diversified Emerging Mkts	-0.8	14.9	45.5	5.1	11.0	22.8	69.8	-47.9
TEMPLETON FRONTIER MARKETS-A	Diversified Emerging Mkts	-3.6	4.8	n/a	n/a	n/a	18.6	n/a	n/a
IVY GLBL NATURAL RESOURCE-Y	Specialty-Natural Res	12.0	30.4	48.1	-1.7	6.8	17.2	75.1	-61.3
MS CMDTY RELATED EQUITY	Specialty-Natural Res	11.4	33.5	50.3	9.4	15.7	25.7	54.8	-41.2
VAN ECK GLOBAL HARD ASSETS-I	Specialty-Natural Res	8.4	34.4	44.3	5.7	n/a	28.9	53.2	-44.5
ISHARES DJ US REAL ESTATE	Specialty-Real Estate	7.1	23.8	59.0	2.0	0.4	26.6	30.5	-39.9
DFA REAL ESTATE SECS PORT	Specialty-Real Estate	6.6	24.5	61.6	2.5	1.0	28.7	28.2	-37.4
MORGAN STANLEY INS US REAL-I	Specialty-Real Estate	6.0	25.0	58.9	2.3	2.3	29.9	29.6	-38.1
EPRA/NAREIT Dev TR USD	Specialty-Real Estate	3.0	19.3	48.4	-1.7	0.8	20.4	38.3	-47.7
MORGAN STANLEY INS GLBL RE-I	Specialty-Real Estate	2.5	17.7	47.9	-0.2	n/a	20.2	41.0	-45.0
MORGAN STANLEY INS INTN RE-I	Specialty-Real Estate	0.3	10.8	41.0	-7.5	-2.5	9.5	46.5	-50.0

Source: Bloomberg

TFC Financial Management
Fixed Income Funds
Sorted by YTD Performance
As of 3/31/11

Name	Fund Category	YTD	1 Yr	2 Yr	3 Yr	5 Yr	2010	2009	2008
VANGUARD INFLAT PROTECTED-AD	Inflation-Protected Bond	1.8	7.8	6.8	3.5	5.7	6.3	11.0	-2.8
DFA SELECT HEDGE GLOBAL F/I	World Bond	1.5	5.9	8.3	1.6	n/a	4.8	10.2	n/a
BLACKROCK INTL BOND-INST	World Bond	1.5	8.9	10.0	2.4	6.3	5.4	6.1	2.7
VANGUARD INTM TERM INV G-INV	Corporate Bond	0.8	7.9	14.7	6.6	6.6	10.6	17.7	-6.2
VANGUARD MA TAX EXEMPT FD-IV	Muni Massachusetts	0.8	1.5	4.5	4.0	3.8	1.2	10.9	-1.3
VANGUARD S/T INVEST GR-ADM	Corporate Bond	0.6	3.9	8.9	4.5	5.0	5.3	14.2	-4.6
VANGUARD LTD TERM T/E FD-INV	Muni National Short	0.4	1.9	3.1	3.2	3.6	2.0	5.6	2.9
VANGUARD SHORT TERM T/E-ADM	Muni National Short	0.3	1.1	1.7	2.3	3.1	1.0	3.2	3.8
ISHARES INTERMEDIATE GOV/CR	Intermediate-Term Bond	0.3	4.4	4.9	4.3	n/a	5.5	2.0	8.2
DFA FIVE-YEAR GLBL FXD INC	World Bond	0.3	3.7	4.8	4.2	4.6	5.3	4.2	4.0
VANGUARD INTRM TRM BD IDX-IN	Intermediate-Term Bond	0.2	7.5	8.8	6.1	6.9	9.6	6.9	5.1
DFA 2-YR GLBL FIXED INC PORT	World Bond	0.2	1.3	1.9	2.5	3.4	1.7	2.1	4.1
VANGUARD SHORT TERM FED-ADM	Short Government	0.1	2.5	2.7	3.5	5.0	3.4	2.9	7.1
FEDERATED GOVT ULTRA DUR-IS	Ultra Short Bond	0.1	0.6	1.0	1.5	2.9	0.7	1.7	2.5
VANGUARD S/T BOND INDEX-ADM	Short-Term Bond	0.1	3.0	4.0	3.6	5.1	3.8	4.4	5.5
ISHARES BARCLAYS AGGREGATE	Intermediate-Term Bond	0.0	4.7	5.7	4.9	5.7	6.4	3.0	7.9
VANGUARD SHORT TERM TREAS-IV	Short Government	-0.1	1.7	1.6	2.4	4.4	2.6	1.4	6.7
VANGUARD LONG TERM BOND INDX	Long-Term Bond	-0.4	8.2	9.2	6.3	6.6	10.3	1.7	8.7

Source: Bloomberg