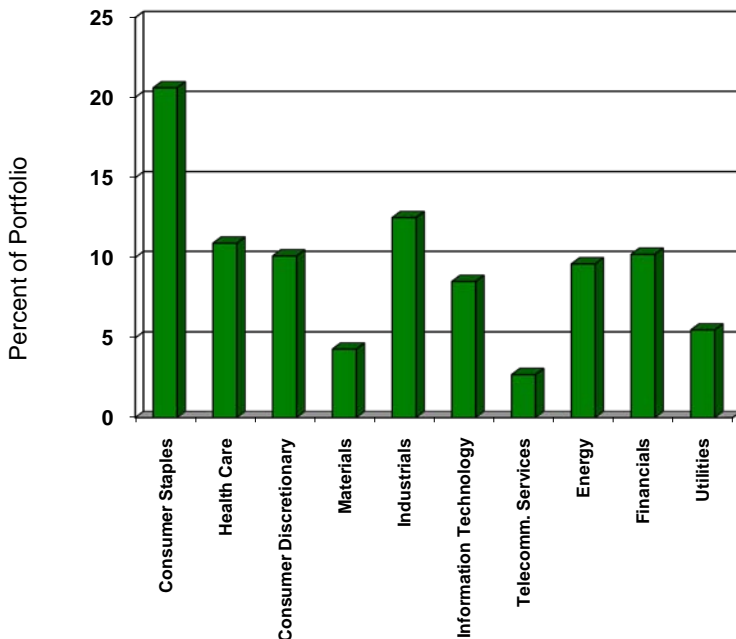


Equity and Dividend Plus – Highlights

INTRODUCTION

The Equity and Dividend Plus Portfolio is a high income strategy that invests in large, well-established companies with sound fundamental qualities and offering higher than average dividend yields. An investor with a moderate-to-long investment time horizon stands to benefit from investing in companies that provide a high current yield as compared to alternative yield investments. In addition, the strategy offers the opportunity for increasing income and appreciation in value. A covered call option strategy is utilized to enhance returns.

GLOBAL INDUSTRY CLASSIFICATION STANDARDS (GICS) SECTORS*



SECTOR NAME	% of Port	Div Yield
Consumer Staples	20.6	4.0
Health Care	10.9	4.3
Consumer Discretionary	10.1	3.5
Materials	4.3	4.2
Industrials	12.5	4.7
Information Technology	8.5	3.7
Telecommunication Services	2.7	6.0
Energy	9.6	4.1
Financials	10.2	4.0
Utilities	5.5	4.9

*Weightings may not total 100% due to cash and/or rounding.

HISTORICAL PERFORMANCE DIVIDEND INCOME EQUITY + CASH COMPOSITE

YEAR	GROSS OF FEES	NET OF FEES	STD DEV	# PORT'S	\$ COMPOSITE ASSETS (000)	\$ FIRM ASSETS (000)	BENCHMARK S&P 500
2009	33.14	32.51	N/M	3	2,084	1,024,903	26.59
2010	13.89	13.30	N/M	4	3,889	939,040	15.06
YTD	-4.10	-4.47	N/A	8	9,022	671,892	-8.68

PORTFOLIO FACTS**

Current Dividend Yield	4.1%
Number of Holdings	48
Dividend Payout Ratio	49%
Dividend Yield Criteria	Dividend > 1.25X S&P Dividend Yield
Forward 12mo P/E	10.4
Price/Book	1.7
% of Total Portfolio in Top 10 Holdings	30%

TOP 10 EQUITY HOLDINGS

	% of Port	Div Yield
Phillip Morris	3.5	4.9
Royal Dutch Shell	3.3	4.6
Johnson and Johnson	3.2	3.6
Chevron Corp.	3.2	3.4
ConocoPhillips	3.2	4.2
Conagra Foods	2.9	4.0
Lockheed Martin	2.7	5.5
Pepsico Inc.	2.7	3.3
3M Company	2.7	3.1
AT&T	2.7	6.0

**Assumes current dividend rate is maintained on current portfolio for one year. Assumes no changes to the portfolio composition for one year.

Performance Disclosure Statement

Compliance Statement

FLIPPIN, BRUCE & PORTER, INC. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Flippin, Bruce & Porter, Inc. has been verified for the ten-year period ending December 31, 2010 by Brockman, Drinkard & Pennington, PC. A copy of their report is available upon request.

Background

• **Definition of Firm:** *Flippin, Bruce & Porter, Inc. (hereinafter the "Firm"), founded in 1985 in Lynchburg, Virginia, provides equity and balanced portfolio management services to pension, profit sharing, foundation, endowment, corporate and individual investors. The Firm, which is employee owned, is an independent, autonomous investment management organization providing advisory services on a separate account and sub-advisory basis and also serves as investment advisor to two registered investment companies. This Performance Disclosure Statement applies to the Firm, as just defined, and encompasses all fee-paying, discretionary portfolios managed by the Firm and aggregated in performance composites as further described herein. A listing and description of the Firm's performance composites is available upon request.*

Composite Construction

- Prior to January 1, 1993, a minimum \$1 million account size was employed for composite construction purposes (no minimum employed for the Firm's sub-advisory composites). Thereafter, all actual fee-paying accounts are included in an appropriate composite regardless of account size.
- Subject to composite construction criteria, each composite of taxable portfolios represents 100% of the total assets, which are managed according to the investment objective of the respective composite.
- New portfolios are added to a respective composite in the calendar quarter following the first full calendar quarter under management. Exceptions to this criterion are as follows:
 - Prior to January 1, 1993, for other than the Firm's Equity + Cash, Balanced and sub-advisory composites, new portfolios were added to their respective composite upon the first full calendar year under management.
 - Terminated portfolios are included in their respective composite for all periods up to and including the quarter preceding the quarter of termination.
 - Portfolios affected by a change in client investment objective are assigned to their new composite effective the first day of the calendar quarter during which such change was mandated.
 - New portfolios are included in each of the Firm's sub-advisory composites during the first full calendar quarter under management.

Calculation of Returns

Gross Returns:

With the exception of composites that meet the U.S. Securities and Exchange Commission's (SEC) wrap-fee account definition and the Firm's registered investment company composites, all returns are presented before the deduction of investment management fees. As required by the SEC, the performance of the Firm's two registered investment company composites is presented in accordance with SEC net return calculation guidelines.

Methodology:

- Time-weighted total rate of return using monthly valuations calculated in U.S. dollars and geometric linking of full precision period returns.
- Prior to January 1, 1993, interest accruals only. Thereafter, full accrual of interest and dividends.
- Returns include gains and losses generated from the writing of out-of-the-money covered call options, which are used as a selling discipline against equity positions that are approaching full value.
- Additional Information regarding policies for calculating and reporting performance results is available upon request.

Other Performance Disclosures

- **Composite Dispersion:** For composites except the Firm's sub-advisory composites, dispersion is measured by the asset-weighted standard deviation (STD DEV) of returns of individual portfolios that were included in the composite for the entire year. For the Firm's sub-advisory composites, dispersion is measured by the range of portfolio returns. Dispersion measures are deemed not meaningful (N/M) when a given composite contains five or fewer portfolios.
- **Required SEC Disclosures**
 - **Performance and Fees:** Gross returns do not reflect the deduction of investment advisory fees and therefore the client's return will be reduced by the advisory fees and any other expenses it may incur. For example, a portfolio that earned 8% per annum for ten years, would result in a cumulative return of 115.9% before investment management fees and 103.5% net of such fees, assuming a 15 basis point (0.15%) fee per quarter. Prior to April 1, 1990, a model investment management fee of 15 basis points (0.15%) was deducted quarterly when calculating net returns. Thereafter, actual fees were deducted quarterly
 - **Investment Management Fee Schedule:** Per annum fees for managing accounts are 60 basis points (0.60%) of the first \$10 million of assets under management and 50 basis points (0.50%) on assets in excess of \$10 million. The Firm's investment management fees are more fully described in Part II of Form ADV.
 - **Consultant's Use of Performance Data:** Any use of the Firm's performance data, in other than one-on-one client presentations, should be accompanied by the Required SEC Disclosures contained herein.
 - **Disclaimer:** Past performance should not be construed as a guarantee of future performance. The information provided herein should not be construed as a recommendation to purchase or sell any particular security or an assurance that any particular security held in a portfolio will remain in the portfolio or that a previously held security will not be repurchased. Securities discussed herein may not represent a portfolio's entire holdings. It should not be assumed that any of the security transactions or holdings discussed herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the investment performance of the securities discussed. All recommendations/holdings within preceding 12 months or applicable period are available upon request.

Sub-Advisor Disclosures: The performance numbers contained herein have not been audited by any firm that sponsors FBP as a sub-advisor, and these composites do not reflect the performance of accounts of any program through which FBP acts as sub-advisor. For important information regarding the performance history of accounts for which it is a sub-advisor, please refer to the program-specific Flippin, Bruce & Porter equity and balanced profiles, which are available for all such programs. Please read such profile information carefully before making an investment decision.