

CHEVIOT VALUE MANAGEMENT, LLC
BALANCED PORTFOLIO COMPOSITE PERFORMANCE REPORT
JANUARY 1, 2000 THROUGH DECEMBER 31, 2010

Year	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Standard Deviation (%)	Number of Portfolios	Composite Assets at Year End (\$ in thousands)	Total Assets under Management (\$ in thousands)	Percentage of Total Assets Managed
2000	14.59	13.48	(2.04)	5.40	92	73,721	101,640	73
2001	10.83	9.75	(3.02)	1.68	112	97,886	126,668	77
2002	(4.42)	(5.38)	(9.52)	2.21	122	98,355	124,475	79
2003	12.09	11.00	19.87	3.25	144	119,591	152,205	79
2004	6.69	5.64	9.33	2.23	162	134,524	165,772	81
2005	2.50	1.49	4.65	0.57	170	146,396	181,644	81
2006	11.73	10.64	11.03	2.20	168	159,741	208,131	77
2007	8.47	7.41	6.11	2.18	180	171,028	230,776	74
2008	(7.70)	(8.65)	(22.17)	3.29	194	170,782	223,464	76
2009	12.11	10.97	20.10	1.58	230	203,635	253,197	80
2010	13.97	12.90	13.10	.82	260	249,239	303,473	82
TOTAL	112.67	90.74	46.83					

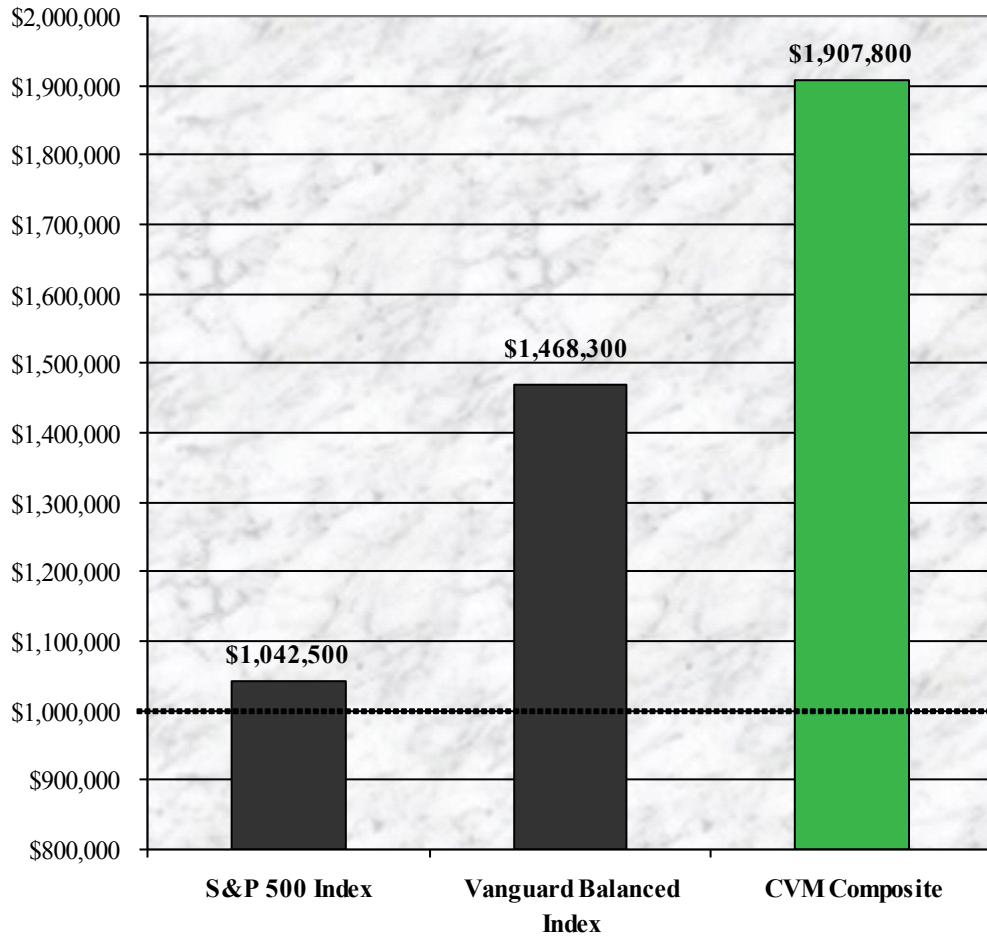
The Balanced Portfolio Composite has been examined by independent verifiers for the periods from January 1, 1992 through December 31, 2009.

- Cheviot Value Management, LLC (“Cheviot”) is an independent investment management firm established in 1985. Cheviot emphasizes capital appreciation and preservation by means of a balanced portfolio allocated principally among the following asset classes: equities (common stocks), fixed income (bonds) and money market instruments (cash). Cash is allocated in accordance with the views of the Cheviot Investment Officers as to the relative desirability of being more or less fully invested in other asset classes from time to time.
- The Balanced Portfolio Composite includes all fully discretionary, fee-paying accounts over \$250,000.00 that are managed according to Cheviot’s balanced portfolio strategy. The Composite was created in 1997 based on data beginning January 1, 1992. A complete list and description of Cheviot composites and additional information regarding policies for calculating and reporting returns is available upon request.
- Returns are net of foreign withholding taxes, include the reinvestment of all income, the deduction of commissions and other expenses charged to the client’s account, and are presented gross and net of management fees. Gross returns were reduced by proforma investment advisory fees calculated at the highest annual rate of 1.0%. The standard fee schedule is 1% of assets under management per calendar year. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. A fee schedule is an integral part of a complete presentation and is described in Part II of the Cheviot’s ADV, which is available upon request. Valuations and returns are total, time-weighted returns, and are computed and stated in U.S. Dollars.
- Cash and cash equivalents are included in the performance of the Composite. Accounts managed by Cheviot do not make use of leverage or derivatives.
- The dispersion of annual returns is measured by the standard deviation of asset-weighted portfolio returns presented within the Composite for the full year.
- The benchmark used is the Vanguard Balanced Index, which is a mutual fund that represents the typical balanced fund investment and seeks long-term growth and income by investing approximately 60% of its assets in equities and 40% in fixed income investments. Benchmark returns are shown for Investor Class shares. Performance reflects pre-tax returns and includes changes in share price and reinvestment of dividends and capital gains and is net of management and operational expenses charged to the fund. Since the Vanguard Balanced Index did not exist prior to November 9, 1992, a synthetic benchmark was used for the 1992 year (60% Wilshire 5000 Index and 40% Lehman Brothers Aggregate Bond Index, rebalanced monthly) to mimic the Vanguard Balanced Index.
- Past performance is no guarantee of future results. Any investment in marketable securities has the possibility of both gain and loss. Performance returns may reflect the effect of material economic and market factors not anticipated by Cheviot.



**Cheviot Value Management Composite Portfolio Performance
Compared to the S&P 500 and the Vanguard Balanced Index for the Eleven
Years Ended December 31, 2010**

	<u>Total Return</u>
CVM Composite.....	+90.78%
Vanguard Balanced Index..	+46.83%
S&P 500 Index.....	+4.25%



Investment Growth