Market Commentary
U.S. Equity

HOLLAND
CAPITAL MANAGEMENT

As of December 31, 2010

Portfolio Performance

For the Quarter

Given the strong performance of the equity market during the quarter, the Russell 1000 Growth Index turned in its second consecutive quarter of double-digit returns. Our conservative high quality growth strategy performed well, participating in this uptrend. However, it could not keep pace with the strong performance of the benchmark, resulting in unfavorable stock selection across the portfolio.

Adobe Systems and QUALCOMM were top contributors to overall performance. However, technology holdings in aggregate did not perform as well as similar holdings in the benchmark. Cisco Systems was a detractor, slipping after management's cautious guidance regarding the company's difficult operating environment. Consumer discretionary holdings also lagged the strong performance of similar holdings in the benchmark.

In financial services, TD Ameritrade added value, showing improving asset levels due to the strong market. IHS and BlackRock also made positive contributions. Yet, Visa was negatively impacted by proposed changes in credit and Berkshire Hathaway fell back after its strong move earlier in the year.

Energy and materials & processing were the top performing market sectors, benefiting from firmer expectations of an economic recovery. Despite weak relative performance, a number of holdings in these sectors added value. In energy, Exxon Mobil was a solid performer, but an underweight in the position hurt the portfolio. Range Resources rose nicely due to the recovery of natural gas prices and the occurrence of private market transactions with the Marcellus Shale. In addition, Occidental Petroleum rose on higher oil prices, and Halliburton laid out a strategy at its analyst day that made investors excited about the company's growth prospects.

Health care and producer durables holdings experienced positive relative performance. In health care, Covidien is moving higher after being deeply oversold on fears of pricing issues and a general slowdown in volumes, particularly in Europe. Laboratory Corporation closed their acquisition of Genzyme's lab testing business, making them the premier player in the genomic/esoteric testing segment, the fastest growing and most profitable area of lab testing. And in producer durables, Honeywell climbed higher, gaining from a continuing global industrial recovery.

For the Year-to-Date

The portfolio performed reasonably well relative to the second consecutive year of double-digit returns for the Russell 1000 Growth Index. Throughout the market's quarter-to-quarter volatility, our conservative high quality growth strategy performed as expected, protecting during the decline and participating in the rising periods. And while the portfolio remained ahead of the index for the first nine months of the year, weak relative performance during the 4th quarter dragged the portfolio's full year performance below that of the benchmark.

Stock selection was additive, with good relative performance in technology, health care, and producer durables, partially offset by weakness in energy and financial services. Unfavorable sector allocation has been the main cause of the overall underperformance. Our long-standing overweight in energy coupled with underweights in consumer discretionary and materials & processing, two of the strongest performing market sectors during the year, has acted as a drag on performance.

In technology, Citrix had another stellar year due to a well-executed business model, movement toward cloud computing and penetration into new verticals with existing offerings. QUALCOMM and Apple were also top contributors. QUALCOMM is a major beneficiary of global smartphone share gains, with an enviable market share. Apple continued to gain market- and mind-share through new applications and hardware. The company's pace of innovation remains robust, as does its underlying growth rate.

In health care, Genzyme Corporation rose sharply on news of Sanofi-Aventis' offer to acquire the company for $69 a share. A number of producer durables holdings performed well, including Waters Corporation which continues to deliver strong results, generate impressive cash flow, and gain market share with one of its products.

An overweight in energy and weak relative performance of energy holdings acted as a major drag on performance throughout the year. Range Resources and Southwestern Energy underperformed due to natural gas supply remaining too high relative to demand. Also, Suntech Power ADR, which has been sold, fell due to worries about the European banking system. In addition, the sustainability of government subsidies and overall economic woes weighed on investors' confidence for continued strong growth in solar demand. Given the uncertain economic environment, we continue to diligently assess our positions and the near-term dynamics and longer-term outlook for this sector.

Lastly, in financial services, Visa, BlackRock and TD Ameritrade pulled down performance. Regulatory concerns and the competitive landscape for mobile payments have caused a contraction in Visa's multiple. BlackRock has been negatively impacted by concern about outflows due to the Barclays integration and the negative market sentiment toward money funds and quantitative strategies. The Fed's decision to retain a low interest rate environment and slower retail trading in the summer led to weakness in Ameritrade during the year.

Market Review

The S&P 500 Index experienced its second consecutive double-digit quarter, returning +10.8% during the last three months of the year. The index finished 2010 with a total return of +15.1%, but was up a whopping +23.3% during the second half alone as stocks surged on reduced fears of a double dip recession and anticipation of an improving economy. After sliding over -15%

from April peaks, stocks began to rally in July on expectations that the Federal Reserve would continue to support economic growth. And while high unemployment, weak housing, and Euro-zone problems remained concerns, stocks continued to move higher. Better than expected corporate earnings, confirmation of a second round of quantitative easing, unexpected tax cuts, and signs of an improving economy helped sustain the rally through the end of what turned out to be a volatile, but better than anticipated year for stocks overall.

While stocks were strong across the board during the 4th quarter, small and mid capitalization stocks performed better than large capitalization stocks. It was much of the same for the full year, with the small cap Russell 2000 Index and the Russell Midcap Index returning +26.9% and +25.5%, respectively. The large cap Russell 1000 Index finished 2010 up +16.1%. Growth outpaced value throughout the year.

Market Outlook

Despite the headwinds that continue to face the economy, the S&P 500 Index experienced its second consecutive positive year, returning +15.1%. This came on the heels of the stellar +26.5% return it produced in 2009. And while the stock market performed better than generally anticipated in 2010, the path to this end was anything but smooth. The main focus of the financial markets since the recession began three years ago has been the economy, and throughout the past year investors reacted strongly to economic and other news and events on a real-time basis. However, during the last half of the year, additional monetary and fiscal stimulus, strong corporate earnings, and better economic data resulted in a shift from the earlier fear of a double-digit recession to optimism that the economy is or will be improving. The economy now appears to be on more durable ground than it was this time last year. Yet, some risks linger, particularly high unemployment, slow job creation, and continued weak housing. Earnings have been better than anticipated, but corporations remain cautious about future demand as evidenced by their preference to use cash strategically in ways that generally benefit shareholders, as contrasted to putting people back to work. Indeed, the economy faces many challenges as it continues to unwind the excesses of the past several decades. Thus, while things are improving, stock market action may likely remain choppy until data signals an economy that is able to grow on a self-sustaining basis.

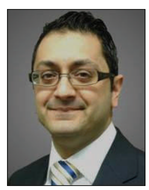
We do not attempt to predict the direction of the stock market, the economy, or interest rates. However, we understand that corporate profitability and earnings are affected by the pace of economic growth. Thus, we remain committed to using our thorough, high quality, bottom-up research to identify companies that best meet our long-term fundamental investment criteria. In addition, we currently like companies with exposure to faster-growing products or markets, companies that are market share gainers, and companies whose bottom lines are leveraged to increased demand as the economy recovers. We continue to focus on high quality companies, with solid balance sheets and strong free cash flow and also favorably regard those using this time to take advantage of opportunities that strengthen their competitive positions and that create shareholder value longer-term, including returning capital to shareholders by instituting or increasing dividends and/or buying back shares.

In general, we believe that as the economy further recovers and corporate earnings growth normalizes, investors will remain cautious of lower quality stocks with lower quality or unsustainable earnings. Rather, we expect investors to shift their focus toward stocks of high quality companies with strong balance sheets and good managements, with the ability to generate high quality, sustainable earnings with achievable estimates, metrics consistent with our bottom-up fundamental investment criteria.

PORTFOLIO MANAGERS

Monica L. Walker, CPA
Chief Executive Officer
& Chief Investment Officer - Equity

Ms. Walker is a founding partner of the Holland Capital Management As Chief Executive Officer, she oversees the overall business and financial operations of the firm. With over 30 years of financial services experience, including 23 years of investment management experience, Ms. Walker also serves as Chief Investment Officer — Equity, responsible for execution of the firm's large cap growth and mid cap growth equity strategies with a team of equity research analysts. She has worked as a member of the firm's equity team and Investment Policy Committee since the firm's inception 20 years ago. Ms. Walker received a B.B.A. in accounting from the University of Texas at Arlington in 1980 and is a CPA licensed in Texas and Illinois. She serves as a board member of the YWCA Metropolitan Chicago, a board member of the Chicago Children's' Choir, a member of the CEO Council of Chicago United and the International Foundation of Employee Benefit Plans' Investment Management Committee. Ms. Walker is a member of the CFA Society of Chicago, the Illinois CPA Society, the Texas Society of CPAs, the American Institute of CPAs, the National Association of Securities Professionals (NASP), the Executive's Club of Chicago, Women Investment Professionals (WIP), Alliance of Business Leaders & Entrepreneurs (ABLE) and the Economic Club of Chicago. Ms. Walker was honored by the Chicago chapter of NASP in July 2008 as one of five "Chicago Women Blazing the Path to Power" and was named in February 2010 as one of Black Enterprise's "75 Most Powerful Women in Business."



Carl R. Bhathena
Co-Portfolio Manager - Equity
& Senior Equity Analyst (Technology)

Mr. Bhathena is Co-Portfolio Manager of the firm's large cap and mid cap growth equity strategies. As a Senior Equity Analyst, Mr. Bhathena is responsible for fundamental research and valuation analysis within the technology and telecom sectors of the market. He joined Holland Capital in 1998 and has 18 years of industry experience. He began his career with EVEREN Securities Inc. (formerly Kemper Securities Inc.) as an associate analyst in the company's investment strategy group. Mr. Bhathena was promoted to Vice President – Investment Strategist and performed aggregate fundamental qualitative and quantitative analysis on global financial markets, sectors, industry groups, and specific companies as well as economic and interest rate forecasting. Mr. Bhathena holds a M.B.A. with honors from the University of Hartford's Beatrice Auerbach School with an investment finance concentration, and earned a B.A. in economics from Baldwin-Wallace College.

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