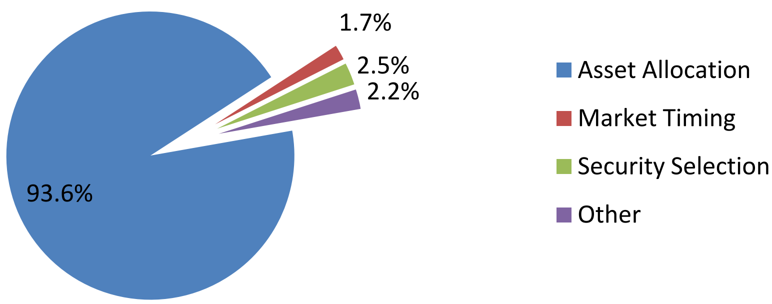
Minuteman Advisor Services

2010

Value Portfolios

Determinants of Portfolio Performance



Brinson,Hood, and Beebower 1986

Value Series

Minuteman Monitored Portfolios

January 4, 2010

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Asset Allocation is the Greatest Determinant of Portfolio Performance

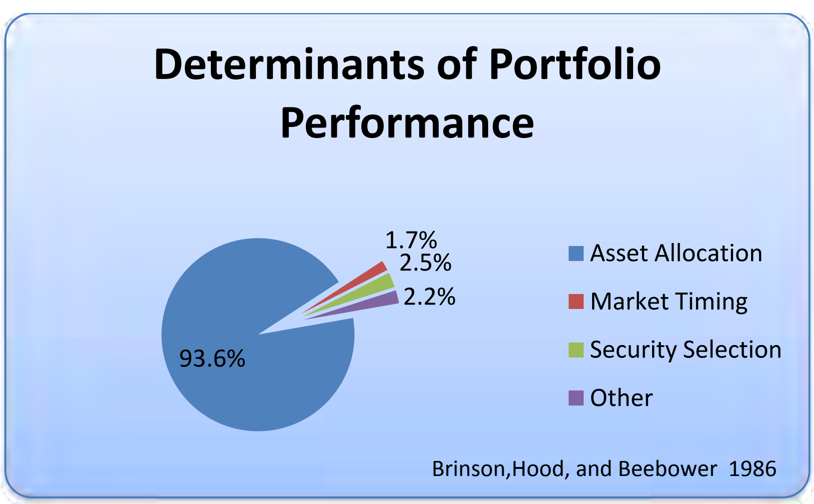
Research Analyzes what Contributes to Portfolio Returns

In a ground breaking study of 91 large pension funds, Gary P. Brinson, Randolph Hood, and Gilbert L. Beebower measure annual returns over a 10 year period. The table below illustrates the findings:

Total Returns	Average Returns	Minimum Return	Maximum Return	Standard Deviation
Portfolio Returns				
Policy	10.11%	9.47%	10.57%	0.22%
Policy and Timing	9.44%	7.25%	10.34%	0.52
Policy and selection	9.75%	7.17%	13.31%	1.33%
Actual portfolio	9.01%	5.85%	13.40%	1.43
Active returns				
Timing only	-0.66%	-2.68%	0.25%	0.49%
Security selection only	-0.36%	-2.90%	3.60%	1.36%
Other	-0.07%	-1.17%	2.57%	0.45%
Total active returns	-1.10%	-4.17%*	3.69%*	1.45%*

*Not additive

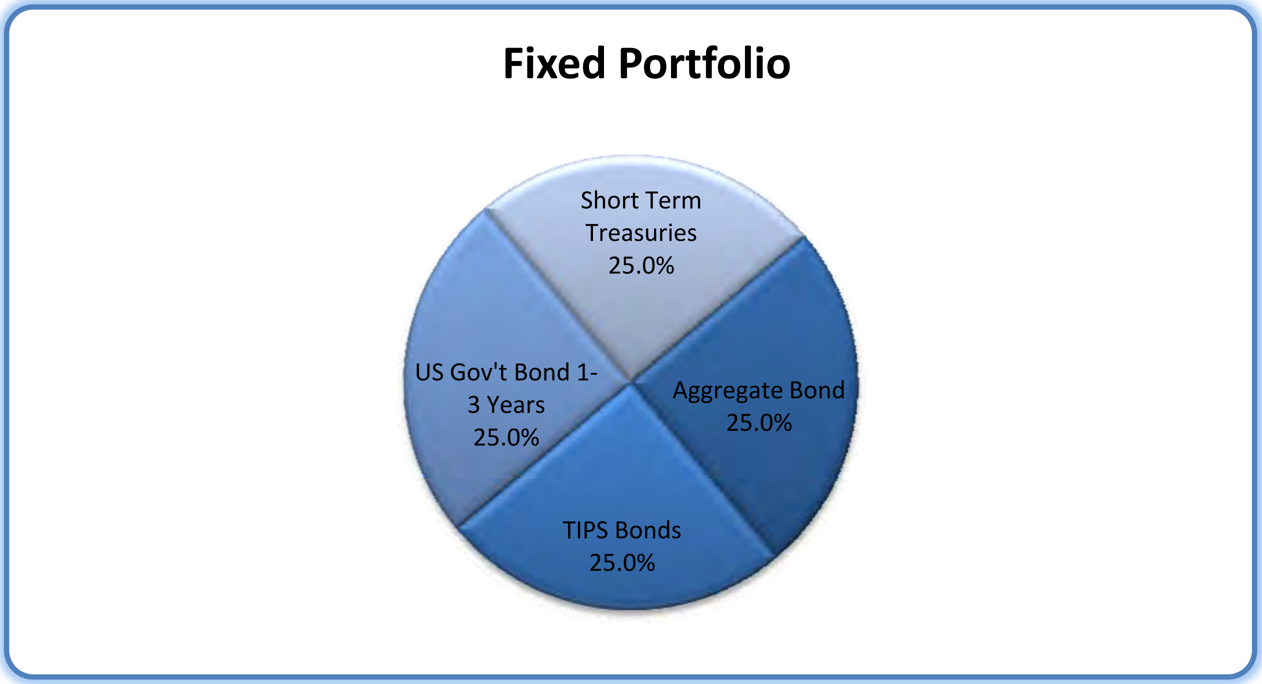
The table above demonstrates that the addition of active management techniques such as 'market timing' and 'security selection' to a portfolio, decreases returns and increase risk. The chart below demonstrates the amount of portfolio performance is attributed to Asset Allocation, Market Timing, Security Selection and Other. The results show that Asset Allocation is the most important determiner of portfolio returns.



The Fixed Portfolio

Risk

- Lowest



The Fixed Portfolio is constructed of 4 different Asset Classes.

Bonds	Allocation	ETF
1. Aggregate Bond	25.0%	iShares Barclays Aggregate Bond
2. TIPS Bonds	25.0%	iShares Barclays TIPS Bond
3. US Gov't Bond 1-3 Years	25.0%	iShares Barclays 1-3 Year Treasury Bond
4. Short Term Treasuries	25.0%	iShares Barclays Short Treasury Bond

The Fixed Portfolio

Exchange Traded Funds – ETF Annual Expenses and the Total of the Portfolio

Bonds	Allocation	ETF Expense	ETF % per alloc.
iShares Barclays Aggregate Bond	25.00%	0.20%	0.05%
iShares Barclays TIPS Bond	25.00%	0.20%	0.05%
iShares Barclays 1-3 Year Treasury Bond	25.00%	0.15%	0.04%
iShares Barclays Short Term Treasury Bond	25.00%	0.15%	0.04%
Portfolio Expenses (Average /Total)	**100.00%**	**0.18%**	**0.18%**

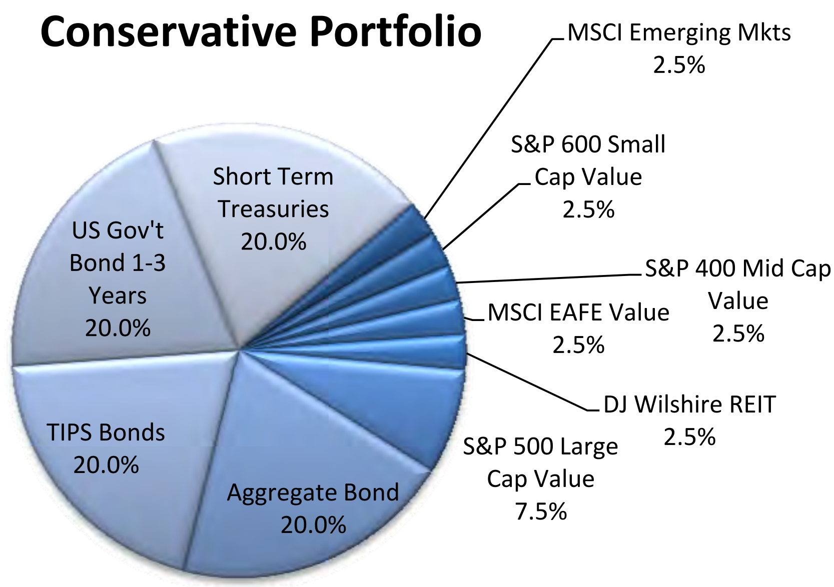
Exchange Traded Funds – Ticker Symbol

Bonds	Ticker Symbol
iShares Barclays Aggregate Bond	AGG
iShares Barclays TIPS Bond	TIP
iShares Barclays 1-3 Year Treasury Bond	SHY
iShares Barclays Short Term Treasury Bond	SHV

The Conservative Portfolio

Risk

• Low



The Conservative Portfolio is constructed of 10 different Asset Classes.

Bonds	Allocation	ETF
1. Aggregate Bond	20.00%	iShares Barclays Aggregate Bond
2. TIPS Bonds	20.00%	iShares Barclays TIPS Bond
3. US Gov't Bond 1-3 Years	20.00%	iShares Barclays 1-3 Year Treasury Bond
4. Short Term Treasuries	20.00%	iShares Barclays Short Term Treasury Bond
Stocks		
5. S&P 500 Large Cap Value	7.50%	RYDEX S&P 500 Pure Value
6. S&P 400 Mid Cap Value	2.50%	RYDEX S&P 400 Mid Cap Pure Value
7. S&P 600 Small Cap Value Index	2.50%	RYDEX S&P 600 Small Cap Pure Value
8. MSCI EAFE Value	2.50%	iShares MSCI EAFE Value Index
9. MSCI Emerging Markets	2.50%	iShares MSCI Emerging Markets Index
Specialty		
10. DJ Wilshire REIT	2.50%	iShares Dow Jones US Real Estate

The Conservative Portfolio

Exchange Traded Funds – ETF Annual Expenses and the Total of the Portfolio

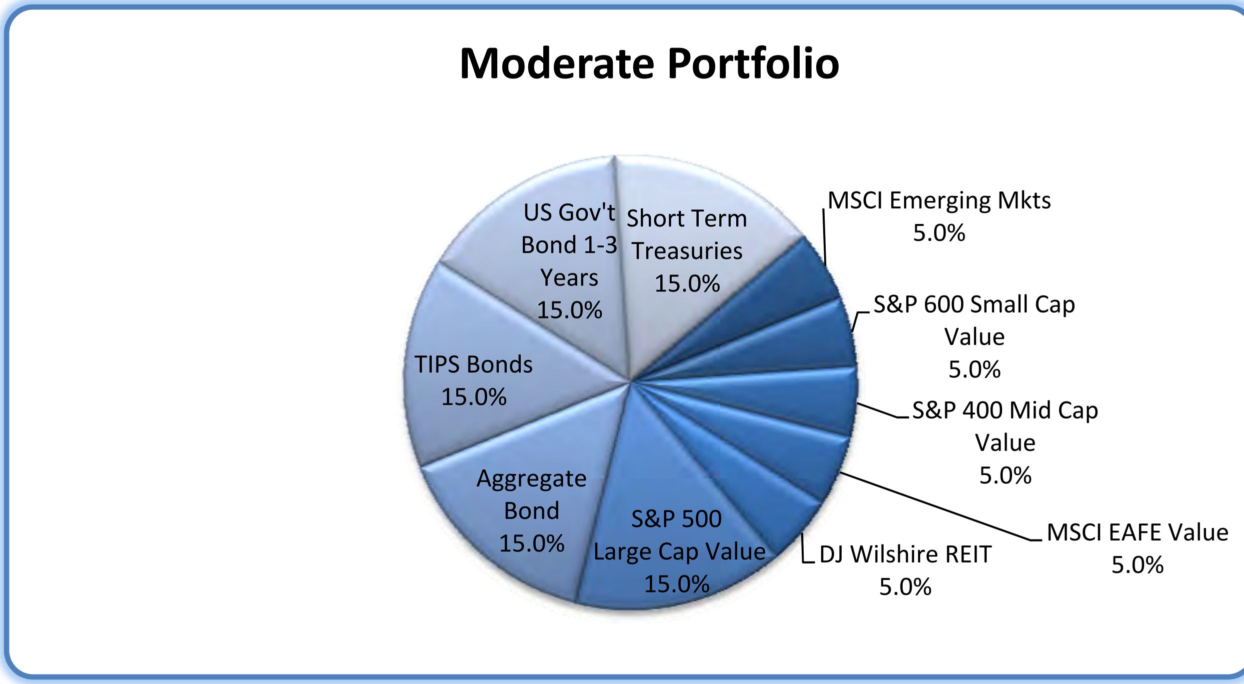
Bonds	Allocation	ETF Expense	ETF % per alloc.
iShares Barclays Aggregate Bond	20.00%	0.20%	0.04%
iShares Barclays TIPS Bond	20.00%	0.20%	0.04%
iShares Barclays 1-3 Year Treasury Bond	20.00%	0.15%	0.03%
iShares Barclays Short Term Treasury Bond	20.00%	0.15%	0.03%
Stocks			
RYDEX S&P 500 Large Cap Pure Value	7.50%	0.35%	0.03%
RYDEX S&P 400 Mid Cap Pure Value	2.50%	0.35%	0.01%
RYDEX S&P 600 Small Cap Pure Value	2.50%	0.35%	0.01%
iShares MSCI EAFE Value Index	2.50%	0.35%	0.01%
iShares MSCI Emerging Markets Index	2.50%	0.72%	0.02%
Specialty			
iShares Dow Jones US Real Estate	2.50%	0.48%	0.01%
Portfolio Expenses (Average /Total)	**100.00%**	**0.33%**	**0.22%**

Exchange Traded Funds – Ticker Symbol

Bonds	Ticker Symbol
iShares Barclays Aggregate Bond	AGG
iShares Barclays TIPS Bond	TIP
iShares Barclays 1-3 Year Treasury Bond	SHY
iShares Barclays Short Term Treasury Bond	SHV
Stocks	
RYDEX S&P 500 Large Cap Pure Value	RPV
RYDEX S&P 400 Mid Cap Pure Value	RFV
RYDEX S&P 600 Small Cap Pure Value	RZV
iShares MSCI EAFE Value Index	EFV
iShares MSCI Emerging Markets Index	EEM
Specialty	
iShares Dow Jones US Real Estate	IYR

The Moderate Portfolio

Risk
- Medium



The Moderate Portfolio is constructed of 10 different Asset Classes.

Bonds	**Allocation**	**ETF**
1. Aggregate Bond	15.00%	iShares Barclays Aggregate Bond
2. TIPS Bonds	15.00%	iShares Barclays TIPS Bond
3. US Gov't Bond 1-3 Years	15.00%	iShares Barclays 1-3 Year Treasury Bond
4. Short Term Treasuries	15.00%	iShares Barclays Short Term Treasury Bond
Stocks		
5. S&P 500 Large Cap Value	15.00%	RYDEX S&P 500 Pure Value
6. S&P 400 Mid Cap Value	5.00%	RYDEX S&P 400 Mid Cap Pure Value
7. S&P 600 Small Cap Value Index	5.00%	RYDEX S&P 600 Small Cap Pure Value
8. MSCI EAFE Value	5.00%	iShares MSCI EAFE Value Index
9. MSCI Emerging Markets	5.00%	iShares MSCI Emerging Markets Index
Specialty		
10. DJ Wilshire REIT	5.00%	iShares Dow Jones US Real Estate

The Moderate Portfolio

Exchange Traded Funds – ETF Annual Expenses and the Total of the Portfolio

Bonds	Allocation	ETF Expense	ETF % per alloc.
iShares Barclays Aggregate Bond	15.00%	0.20%	0.03%
iShares Barclays TIPS Bond	15.00%	0.20%	0.03%
iShares Barclays 1-3 Year Treasury Bond	15.00%	0.15%	0.02%
iShares Barclays Short Term Treasury Bond	15.00%	0.15%	0.02%
Stocks			
RYDEX S&P 500 Large Cap Pure Value	15.00%	0.35%	0.05%
RYDEX S&P 400 Mid Cap Pure Value	5.00%	0.35%	0.02%
RYDEX S&P 600 Small Cap Pure Value	5.00%	0.35%	0.02%
iShares MSCI EAFE Value Index	5.00%	0.40%	0.02%
iShares MSCI Emerging Markets Index	5.00%	0.72%	0.04%
Specialty			
iShares Dow Jones US Real Estate	5.00%	0.48%	0.02%
Portfolio Expenses (Average /Total)	**100.00%**	**0.34%**	**0.27%**

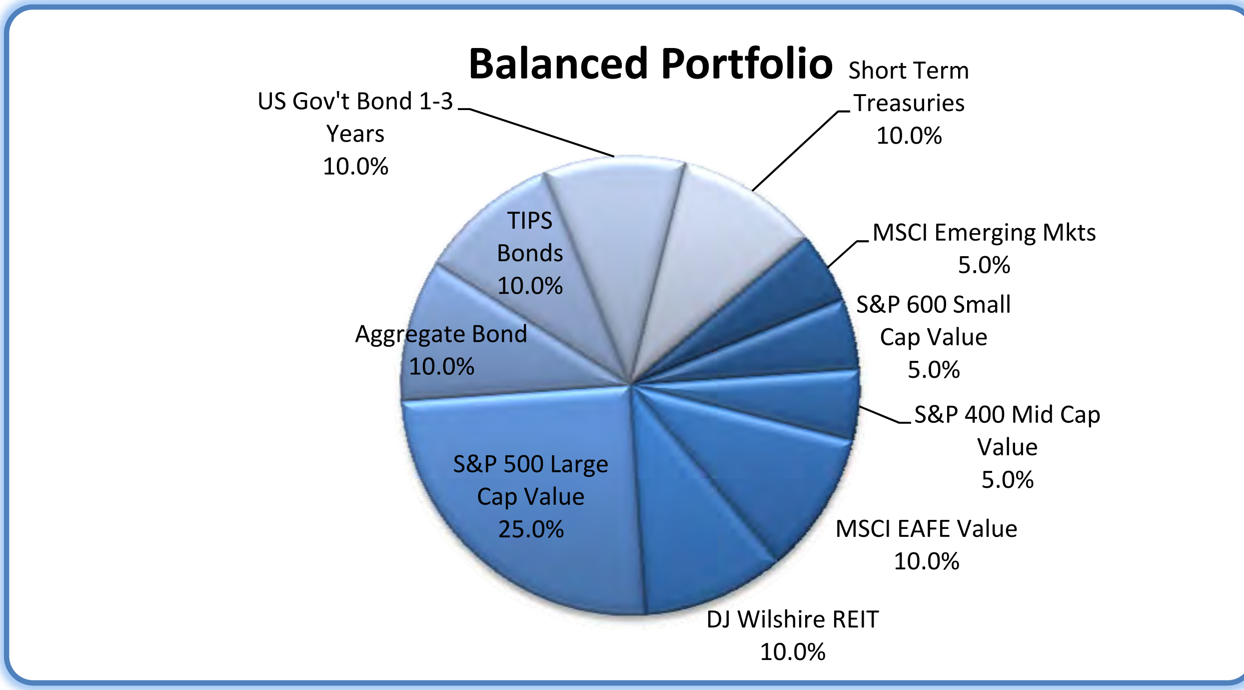
Exchange Traded Funds – Ticker Symbol

Bonds	Ticker Symbol
iShares Barclays Aggregate Bond	AGG
iShares Barclays TIPS Bond	TIP
iShares Barclays 1-3 Year Treasury Bond	SHY
iShares Barclays Short Term Treasury Bond	SHV
Stocks	
RYDEX S&P 500 Large Cap Pure Value	RPV
RYDEX S&P 400 Mid Cap Pure Value	RFV
RYDEX S&P 600 Small Cap Pure Value	RZV
iShares MSCI EAFE Value Index	EFV
iShares MSCI Emerging Markets Index	EEM
Specialty	
iShares Dow Jones US Real Estate	IYR

The Balanced Portfolio

Risk

- Medium-High



The Balanced Portfolio is constructed of 10 different Asset Classes.

Bonds	**Allocation**	**ETF**
1. Aggregate Bond	10.00%	iShares Barclays Aggregate Bond
2. TIPS Bonds	10.00%	iShares Barclays TIPS Bond
3. US Gov't Bond 1-3 Years	10.00%	iShares Barclays 1-3 Year Treasury Bond
4. Short Term Treasuries	10.00%	iShares Barclays Short Term Treasury Bond
Stocks		
5. S&P 500 Large Cap Value	25.00%	RYDEX S&P 500 Pure Value
6. S&P 400 Mid Cap Value	5.00%	RYDEX S&P 400 Mid Cap Pure Value
7. S&P 600 Small Cap Value Index	5.00%	RYDEX S&P 600 Small Cap Pure Value
8. MSCI EAFE Value	10.00%	iShares MSCI EAFE Value Index
9. MSCI Emerging Markets	5.00%	iShares MSCI Emerging Markets Index
Specialty		
10. DJ Wilshire REIT	10.00%	iShares Dow Jones US Real Estate

The Balanced Portfolio

Exchange Traded Funds – ETF Annual Expenses and the Total of the Portfolio

Bonds	Allocation	ETF Expense	ETF % per alloc.
iShares Barclays Aggregate Bond	10.00%	0.20%	0.02%
iShares Barclays TIPS Bond	10.00%	0.20%	0.02%
iShares Barclays 1-3 Year Treasury Bond	10.00%	0.15%	0.02%
iShares Barclays Short Term Treasury Bond	10.00%	0.15%	0.02%
Stocks			
RYDEX S&P 500 Large Cap Pure Value	25.00%	0.35%	0.09%
RYDEX S&P 400 Mid Cap Pure Value	5.00%	0.35%	0.02%
RYDEX S&P 600 Small Cap Pure Value	5.00%	0.35%	0.02%
iShares MSCI EAFE Value Index	10.00%	0.40%	0.04%
iShares MSCI Emerging Markets Index	5.00%	0.72%	0.04%
Specialty			
iShares Dow Jones US Real Estate	10.00%	0.48%	0.05%
Portfolio Expenses (Average /Total)	**100.00%**	**0.34%**	**0.32%**

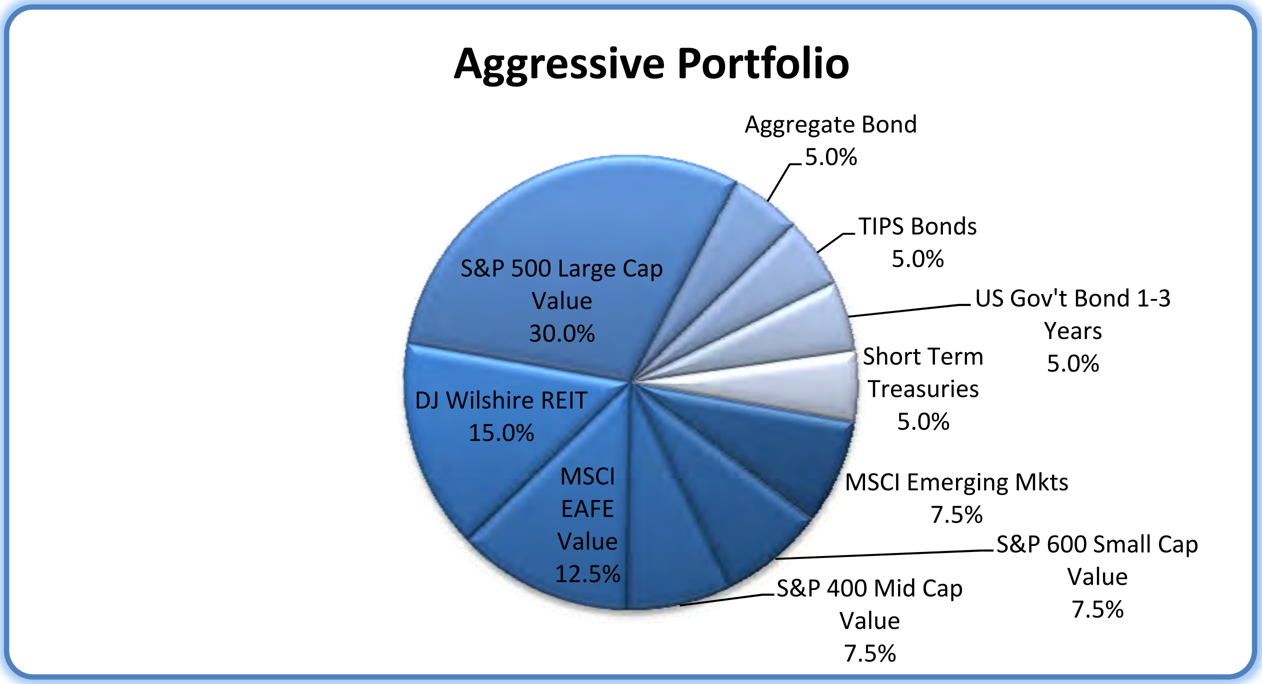
Exchange Traded Funds – Ticker Symbol

Bonds	Ticker Symbol
iShares Barclays Aggregate Bond	AGG
iShares Barclays TIPS Bond	TIP
iShares Barclays 1-3 Year Treasury Bond	SHY
iShares Barclays Short Term Treasury Bond	SHV
Stocks	
RYDEX S&P 500 Large Cap Pure Value	RPV
RYDEX S&P 400 Mid Cap Pure Value	RFV
RYDEX S&P 600 Small Cap Pure Value	RZV
iShares MSCI EAFE Value Index	EFV
iShares MSCI Emerging Markets Index	EEM
Specialty	
iShares Dow Jones US Real Estate	IYR

The Aggressive Portfolio

Risk

- High



The Aggressive Portfolio is constructed of 10 different Asset Classes.

Bonds	Allocation	ETF
1. Aggregate Bond	5.00%	iShares Barclays Aggregate Bond
2. TIPS Bonds	5.00%	iShares Barclays TIPS Bond
3. US Gov't Bond 1-3 Years	5.00%	iShares Barclays 1-3 Year Treasury Bond
4. Short Term Treasuries	5.00%	iShares Barclays Short Term Treasury Bond
Stocks		
5. S&P 500 Large Cap Value	30.00%	RYDEX S&P 500 Pure Value
6. S&P 400 Mid Cap Value	7.50%	RYDEX S&P 400 Mid Cap Pure Value
7. S&P 600 Small Cap Value Index	7.50%	RYDEX S&P 600 Small Cap Pure Value
8. MSCI EAFE Value	12.50%	iShares MSCI EAFE Value Index
9. MSCI Emerging Markets	7.50%	iShares MSCI Emerging Markets Index
Specialty		
10. DJ Wilshire REIT	15.00%	iShares Dow Jones US Real Estate

The Aggressive Portfolio

Exchange Traded Funds – ETF Annual Expenses and the Total of the Portfolio

Bonds	Allocation	ETF Expense	ETF % per alloc.
iShares Barclays Aggregate Bond	5.00%	0.20%	0.01%
iShares Barclays TIPS Bond	5.00%	0.20%	0.01%
iShares Barclays 1-3 Year Treasury Bond	5.00%	0.15%	0.01%
iShares Barclays Short Term Treasury Bond	5.00%	0.15%	0.01%
Stocks			
RYDEX S&P 500 Large Cap Pure Value	30.00%	0.35%	0.11%
RYDEX S&P 400 Mid Cap Pure Value	7.50%	0.35%	0.03%
RYDEX S&P 600 Small Cap Pure Value	7.50%	0.35%	0.03%
iShares MSCI EAFE Value Index	12.50%	0.40%	0.05%
iShares MSCI Emerging Markets Index	7.50%	0.72%	0.06%
Specialty			
iShares Dow Jones US Real Estate	15.00%	0.48%	0.07%
Portfolio Expenses (Average /Total)	**100.00%**	**0.34%**	**0.37%**

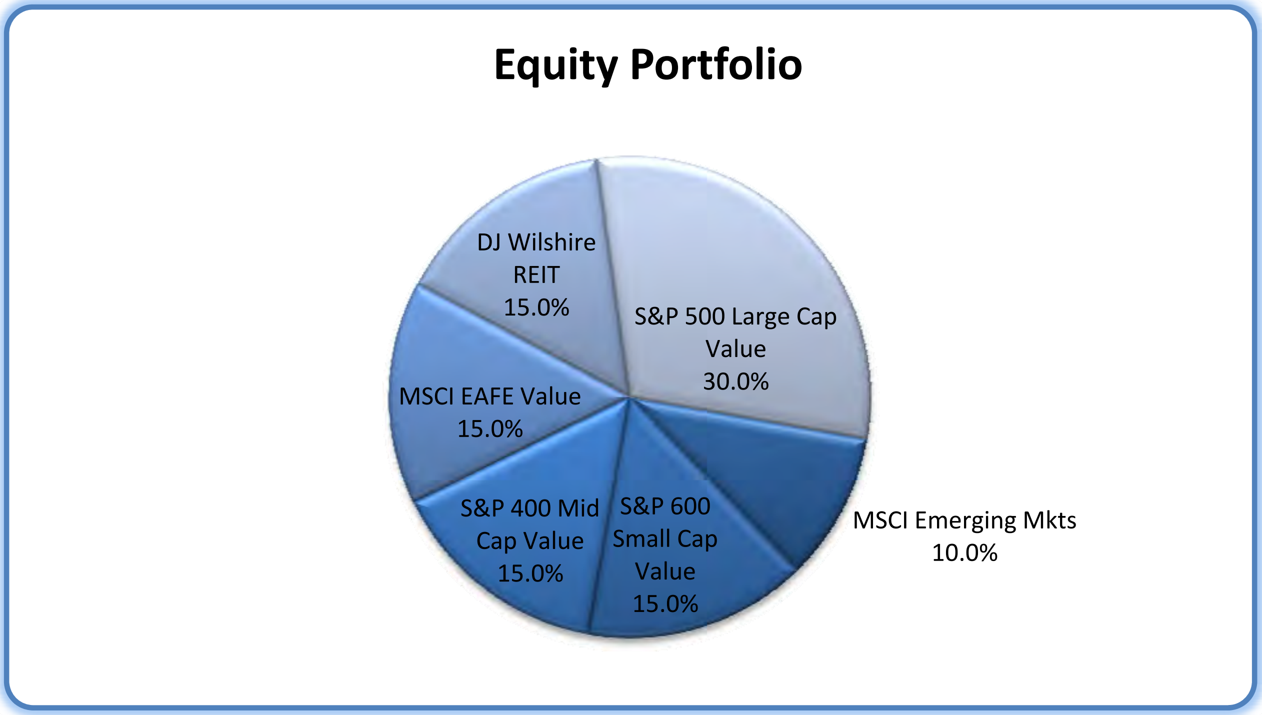
Exchange Traded Funds – Ticker Symbol

Bonds	Ticker Symbol
iShares Barclays Aggregate Bond	AGG
iShares Barclays TIPS Bond	TIP
iShares Barclays 1-3 Year Treasury Bond	SHY
iShares Barclays Short Term Treasury Bond	SHV
Stocks	
RYDEX S&P 500 Large Cap Pure Value	RPV
RYDEX S&P 400 Mid Cap Pure Value	RFV
RYDEX S&P 600 Small Cap Pure Value	RZV
iShares MSCI EAFE Value Index	EFV
iShares MSCI Emerging Markets Index	EEM
Specialty	
iShares Dow Jones US Real Estate	IYR

The Equity Portfolio

Risk

•Highest



The Equity Portfolio is constructed of 6 different Asset Classes.

Stocks	Allocation	ETF
1. S&P 500 Large Cap Value	30.00%	RYDEX S&P 500 Pure Value
2. S&P 400 Mid Cap Value	15.00%	RYDEX S&P 400 Mid Cap Pure Value
3. S&P 600 Small Cap Value Index	15.00%	RYDEX S&P 600 Small Cap Pure Value
4. MSCI EAFE Value	15.00%	iShares MSCI EAFE Value Index
5. MSCI Emerging Markets	10.00%	iShares MSCI Emerging Markets Index
Specialty		
6. DJ Wilshire REIT	15.00%	iShares Dow Jones US Real Estate

The Equity Portfolio

Exchange Traded Funds – ETF Annual Expenses and the Total of the Portfolio

Stocks	Allocation	ETF Expense	ETF % per alloc.
RYDEX S&P 500 Large Cap Pure Value	30.00%	0.35%	0.11%
RYDEX S&P 400 Mid Cap Pure Value	15.00%	0.35%	0.05%
RYDEX S&P 600 Small Cap Pure Value	15.00%	0.35%	0.05%
iShares MSCI EAFE Value Index	15.00%	0.40%	0.06%
iShares MSCI Emerging Markets Index	10.00%	0.72%	0.07%
Specialty			
iShares Dow Jones US Real Estate	15.00%	0.48%	0.07%
Portfolio Expenses (Average /Total)	**100.00%**	**0.44%**	**0.42%**

Exchange Traded Funds – Ticker Symbol

Stocks	Ticker Symbol
RYDEX S&P 500 Large Cap Pure Value	RPV
RYDEX S&P 400 Mid Cap Pure Value	RFV
RYDEX S&P 600 Small Cap Pure Value	RZV
iShares MSCI EAFE Value Index	EFV
iShares MSCI Emerging Markets Index	EEM
Specialty	
iShares Dow Jones US Real Estate	IYR