

**COMPANY POLICY REQUIRES THAT THE FOLLOWING NOTES ACCOMPANY  
ANY PRESENTATION OF COMPOSITE INVESTMENT PERFORMANCE**

**Charter Investment Advisors, Inc. (CIA)**

**Notes to Investment Performance - 10 Years - Growth & Income Balanced Accounts**

Year	Total Return for CIA Portfolios (Average)	Comparable Benchmark Return	Number of Portfolios	Total Assets at End of Period (Millions)	Percent of Firm Assets in Results
2000	-5.4%	2.1%	187	\$89.0	65%
2001	-1.0%	-4.0%	214	\$89.3	68%
2002	-9.7%	-9.7%	232	\$72.6	74%
2003	16.0%	12.8%	234	\$82.7	82%
2004	5.3%	5.7%	233	\$87.1	81%
2005	1.5%	3.1%	205	\$87.1	69%
2006	9.4%	8.2%	183	\$94.0	57%
2007	5.3%	4.5%	170	\$88.0	68%
2008	-21.3%	-18.6%	163	\$55.8	70%
2009	14.0%	-20.8%	146	\$58.2	75%

**Notes**

- Charter Investment Advisors, Inc. (CIA) is a balanced portfolio investment manager that typically invests in stocks, bonds, & mutual funds in variable amounts as is deemed appropriate based on individual client goals and risk tolerances. Performance results for individual client accounts may vary based on the account objectives and asset allocation. Charter is defined as an independent registered investment advisor and it is not affiliated with any other organization. Note: The currency used to express performance is the U.S. dollar.
- Composite results were prepared using results from managed balanced portfolios from 1988 through 1994 using the Internal Rate of Return (IRR) method for each individual portfolio and a simple, unweighted, average of all qualifying portfolios. This method was not in compliance with the new performance presentation standards as set in 1994 by AIMR (the Association for Investment Management and Research). Beginning 1/1/95, and through 12/31/97, a qualifying portfolio was defined as one having an average value of at least \$30,000. Beginning 1/1/98, smaller account sizes could be included if managed with full trading discretion throughout the full calendar year. Results are time-weighted and reported annually. Beginning January 1, 1995, quarterly time-weighted performance returns and values were used to calculate annual results. The composite results through 1999 do not reflect asset weighting. However, starting in 2000 results reflect asset-weighted calculations, meaning that the size of a portfolio is considered. The composite results do not reflect current AIMR standards.
- Charter was formed in September of 1988. The annual results previously reported for 1988 are comprised of accounts that were transferred to CIA, but previously managed by CIA personnel while working at their prior employer. Some of these accounts still exist and are included.
- Results are reported net of management fees and brokerage costs only when fees are deducted from the managed account. Management fees typically range from 1.0% to 1.25% on initial assets, but may be less depending on the specific fee applied to an account. Fee rates may decline to 0.5% or less on large accounts. Lower fees may be negotiated on any account at the discretion of CIA. The weighted average fee on composite accounts has historically averaged approximately 0.75% annually.
- Both taxable and non-taxable portfolios are included in composites. No adjustment for tax-free income is made. If adjusted, CIA's composite performance results would be higher than presented here.
- The benchmark is the average annual performance of balanced mutual funds, reported as "Conservative Allocation" funds by Morningstar, Inc. "Money Market Rates" represents the performance of "Ultrashort Bond fund" as reported by Morningstar, Inc. From 1990 – 2002, figures for the "Average Balanced Mutual Funds" were represented by the "Domestic Hybrid" performance benchmark reported by Morningstar, Inc. Prior to 1990, figures for "Average Balanced Mutual Funds", "Lehman Brothers Government Bond Index", and "Money Market Rates" reflect the performance of Morningstar, Inc. "Balanced funds", "Lehman Brothers Aggregate Bond Index", and "U.S. 90-Day Treasury Bills" respectively, as reported by Morningstar, Inc. Returns are not adjusted to reflect any sales loads or transaction fees. If results were adjusted for these expenses, the comparable benchmark performance would probably be lower than presented here.
- The average annual rate of return for CIA's portfolios from 1988 to 2009 is 8.4%. The average benchmark annual rate of return is 7.3%. The standard deviation in annual composite returns equals 11.4% vs. a standard deviation in the yearly benchmark returns of 10.5%. Past performance is no guarantee of future results. Future performance may be higher or lower than CIA's historical composite performance and losses are possible.
- Performance results assume reinvestment of dividends and capital gains.
- Trade-date accounting is used. Leverage or the use of derivative investments has not been used in composites.
- No alteration of composites as presented here has occurred because of changes in personnel or firm ownership.
- Discretionary accounts are included in the composite. Most, but not all, composite accounts own equity and fixed income investments that may or may not include mutual funds. Charter, at its sole discretion, may exclude client accounts from the composite for any material reason. For example, Charter may exclude an account where a client verbally, or in writing, directs or initiates significant investment changes during the year the composite results were prepared.
- For comparative purposes, results from a number of different indexes have been presented. The Nasdaq and S&P 500 are equity indexes comprised of individual stocks. Stocks are generally considered higher risk and more volatile investments due to greater fluctuations in prices. The Lehman Brothers Aggregate Bond Index is composed of individual bonds with maturities between one and 9.99 years. Short-term government bonds and Money Market Funds are generally considered to be lower risk and more stable investments than stocks.
- A complete list of firm composites and performance results is available upon request. Account names or other account information that may jeopardize the privacy of a client will not be disclosed.