

# PORTFOLIO COMMENTARY

Large Cap Core Equity Portfolio | 2Q10



## QUARTERLY RETURN

	Composite Gross/Net <sup>1</sup>	S&P 500
Quarter	-11.3%/-11.5%	-11.4%

## PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Market Cap (\$b)	\$66.1	\$74.4
Dividend Yield	2.2%	2.2%
Price-to-Earnings	15.1x	14.7x
Price-to-Book	1.9x	1.9x
Price-to-Sales	1.1x	1.1x
Std Dev (3 yr)	19.8%	20.4%
Alpha (3 yr)	-1.3%	0.0%
Beta (3 yr)	1.0%	1.0%

P/E is calculated using trailing 12-month earnings.  
MPT stats are calculated using monthly data.

## TOP 10 HOLDINGS<sup>2</sup>

	% of Portfolio
Barrick Gold Corp.	2.6
Apple Inc.	2.4
Citigroup Inc.	2.1
Honeywell International Inc.	2.0
Exxon Mobil Corp.	1.9
PepsiCo Inc.	1.9
Pfizer Inc.	1.9
Abbott Laboratories	1.8
Microsoft Corp.	1.8
Xcel Energy Inc.	1.8

Source: FactSet

## TOP RELATIVE CONTRIBUTORS<sup>3</sup>

	Avg. Rel. Wt. Cont.
Barrick Gold Corp.	2.7 0.7
Altera Corp.	1.5 0.2
Newmont Mining Corp.	0.5 0.2
Molson Coors Brewing Co. (Cl B)	1.3 0.2
Xcel Energy Inc.	1.5 0.1

## TOP RELATIVE DETRACTORS<sup>3</sup>

	Avg. Rel. Wt. Cont.
Blackrock Inc.	1.6 -0.4
Masco Corp.	1.0 -0.3
Guess? Inc.	1.0 -0.2
Monsanto Co.	1.0 -0.2
Autodesk Inc.	0.9 -0.1

Values have been rounded to nearest tenth.

## QUARTERLY PERFORMANCE UPDATE

Market action in the quarter was divided into two distinct phases. Initially, the market continued the strong rally begun in February, and its resiliency into deteriorating macro news flow was impressive. Selective profit taking on strong earnings reports did little to check the market's progress. However, investors' focus on market risks intensified following reports that BP's distressed oil rig had sunk in the Gulf of Mexico and that the European sovereign debt crisis had come to a head with Greece's plea for a financial bailout.

From there, investor risk appetite clearly fell off for the remainder of the quarter amid increasingly mixed economic readings, persistently weak employment trends, Chinese efforts to slow down their economy, and the uncertainty posed by potentially invasive U.S. governmental responses across a range of policy areas. The notable absence of more traditional investors left the market more vulnerable to short-term traders reacting to macro news and rumors vs. fundamentals and valuation. Market instability in May renewed concerns of an economic double dip as markets faltered globally and the S&P 500 declined 15.3% between its April 23 high and quarter end. The index returned -11.4% for the quarter. The Large Cap Core Equity Composite returned -11.3% in the quarter. All major economic sectors of the market posted declines for the period. Defensive sectors did relatively better (Utilities, Telecommunications, and Consumer Staples) while more economically sensitive areas lagged (Materials, Financials, and Energy).

## CONTRIBUTORS TO PERFORMANCE

In a very difficult market where the majority of active managers trailed the benchmark, the Portfolio provided better relative defense primarily through stock selection in Materials, Consumer Discretionary, Consumer Staples, and Health Care. The Portfolio's Basic Materials holdings in Barrick Gold and Newmont Mining contributed significantly to performance in the quarter as investors flocked to gold to escape currency pressures. Better relative performance by a paper manufacturer also contributed. In Consumer Discretionary, an auto components manufacturer's shares rose on better than expected results and interest in its fuel efficiency niche. Selections in Consumer Staples benefitted from investors' more defensive positioning and tempered interest in European markets. Investors were attracted to a brewer and to a consumer products company as each boosted dividends substantially. In Health Care, stock selection in the equipment and services area contributed to Portfolio return.

## DETRACTORS FROM PERFORMANCE

Sector emphasis overall was mildly detractive in the quarter, but selections in Financials and Industrials had the most significant impact on relative return. In Financials, Blackrock was pressured by the decline in the markets as well as increased competition in its Exchange Traded Fund (ETF) business. Shares of a trust and investment servicing bank were impacted by declining equity market values, securities lending revenues, and a low rate environment. Within Industrials, Portfolio holdings in a defense contractor were hit by news that some of its military services contracts have been temporarily suspended. Shares of Masco were hurt by increasing signs of a moderating recovery as sales were off more than expected due to the upcoming expiration in the housing tax credit. Additionally, Monsanto was pressured on reduced earnings estimates and worse than expected sales in key product areas and Guess? fell on the announced departure of its Chief Operating Officer and concerns over its European operations.

## PERFORMANCE ATTRIBUTION As of 6/30/10

	Sector Weights		Sector	Stock	Total
	Portfolio	Benchmark	Weight Impact	Selection Impact	Impact
Consumer Discretionary	9.7	10.1	0.0	0.2	0.1
Consumer Staples	12.7	11.5	0.0	0.1	0.2
Energy	9.6	10.7	0.0	-0.1	-0.1
Financials	14.0	16.3	0.0	-0.7	-0.7
Health Care	13.6	12.1	0.0	0.1	0.1
Industrials	10.5	10.3	0.0	-0.3	-0.3
Information Technology	15.3	18.7	0.0	-0.1	-0.1
Materials	7.8	3.4	-0.1	1.0	0.9
Telecom Services	2.5	3.0	-0.1	-0.2	-0.2
Utilities	4.4	3.8	0.0	-0.1	-0.1
Total			-0.1	0.0	-0.2

Overweight, Underweight, Neutral

Positive, Negative

Values have been rounded to nearest tenth. Performance attribution does not incorporate the effects of cash, unclassified securities or expenses. Weightings are subject to change.

All portfolio weights are average for the period, and exclude cash and unassigned securities, except for Top 10 weights, which are end of period percent of portfolio.

Past performance is no guarantee of future results. There is no guarantee this strategy will work for you.

<sup>1</sup> This presentation is solely for SUPPLEMENTAL INFORMATION purposes, intended for institutional investors, and may not be provided unless directly accompanied by the fully compliant GIPS Composite. Complete information regarding the IronOak returns is included on page 3 in the GIPS Presentation.

<sup>2</sup> See Holdings Disclosure on page 2

<sup>3</sup> The contributors/detractors listed do not represent all securities purchased or sold for our clients. To obtain a list showing the contribution of each holding that contributed to overall performance during the quarter and the calculation methodology, please call 1-804-782-7878.

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### PERFORMANCE COMPARISON (%)

As of 6/30/10	QTD	YTD	1 year	3 year	5 year	10 Year
Large Cap Core Equity Composite (Gross)	-11.3	-7.6	13.0	-10.6	-0.5	1.4
Large Cap Core Equity Composite (Net)	-11.5	-7.9	12.2	-11.4	-1.3	0.6
S&P 500 Index	-11.4	-6.7	14.4	-9.8	-0.8	-1.6
eVestment Alliance Large Cap Core Median (Gross)*	-11.9	-7.3	12.6	-8.6	0.2	0.5
# of Portfolios in Median Calculation	315	315	314	300	281	197

eVestment Alliance data capture date: 7/23/10

These figures have been rounded to the nearest tenth decimal place. Please reference complete information regarding returns on page 3.

**Past performance is no guarantee of future results.** This presentation is solely for SUPPLEMENTAL INFORMATION purposes, intended for institutional investors, and may not be provided unless directly accompanied by the fully compliant GIPS composite presentation. The comparative performance contained herein reflects annualized returns for specific time period, are not indicative of actual annual returns, and may not be relied upon for investment decisions. For complete composite disclosure, including information regarding returns, please see GIPS Presentation on Page 3. The performance inception date for the composite is 1/1/1998.

### STRATEGY AND OUTLOOK

For some time we have questioned whether or not the “V-shaped” market recovery that began in the spring of 2009 would be indicative of the shape of overall economic recovery. And, as recently as the first quarter of this year, investors seemed to be more focused on recovery in general as opposed to the shape of recovery. But the idea of a strong, rapid, and sustained recovery has been tempered by recent events. In turn, investors have started to discount more moderate growth moving forward.

Despite the recently unsettled nature of the markets, it is likely that this decline remains in the realm of a correction following an unabated 72% rise off the March 2009 lows. While economic data has become more mixed, there are still numerous positive data points for the economy. Second quarter earnings reports and forward guidance should offer additional insights. Should earnings season affirm more of the positives in the outlook, we would expect the markets to stabilize and potentially recoup some of the 2Q losses.

With the portfolio holding up relatively well during the recent turbulence, we do not expect to make major structural changes. But we do expect to make a number of adjustments to cyclical exposures while looking for opportunities to strengthen quality and valuation profiles. The areas of greatest emphasis in the portfolio are in Materials and Health Care, and we continue to see opportunities to expand our emphasis in Consumer Staples and Utilities. Areas of de-emphasis vs. the index are in Technology, Financials, and Energy. This is a challenging environment where a macro trading domination continues to disregard fundamentals and valuation. The myriad risks, concerns, and uncertainties should be fertile ground for stock-picking, presuming that the landscape is being shaped by investment in real fundamentals. We continue to seek companies that combine downside protection and upside opportunity, taking advantage of prevailing market dynamics to exploit short-term market overreactions.

The views expressed by the Portfolio's managers are as of the quarter-end specified. This information is subject to change without notice as market conditions change, and is not intended to predict the performance of any individual security, market sector, or portfolio.

\* **eVestment Alliance (eA)** is a manager-reported database on hundreds of investment managers and thousands of investment products covering a full range of asset classes, investment styles and geographic concentrations. Based on manager input, eA independently constructs universes using qualitative and quantitative factors. The investment products are organized into peer groups and assessed on an ongoing basis to ensure the consistency of a product's attributes within a designated style classification. In addition, eA utilizes style analysis tools, performance analytics, and the review of a product's investment strategy narrative in the construction of wide-ranging universes that are both pure in style and consistent over time.

The eVestment Number of Portfolios represents the number of investment products included in the calculation of the median return for the given eVestment universe for the given time period. Individual investment managers may have more than one investment product included in the universe, so the number of observations will likely be greater than the actual number of investment managers represented.

### HOLDINGS DISCLOSURE

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

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## IRONOAK ADVISORS PERFORMANCE RESULTS: LARGE CAP CORE EQUITY COMPOSITE

January 1, 1998 through June 30, 2010

Year	Gross of Fee Return (%)	Net of Fee Return (%)	Benchmark Return (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets at End of Period (USD Millions)	Total Firm Assets (USD Millions)
1998	22.7	22.0	28.6	55	2.2	389	--
1999	16.3	15.6	21.0	48	2.6	370	--
2000	0.6	-0.1	-9.1	38	1.4	311	--
2001	-5.5	-6.2	-11.9	42	1.4	363	--
2002	-18.5	-19.2	-22.1	40	0.9	276	--
2003	27.8	27.0	28.7	39	1.1	425	--
2004	14.8	14.1	10.9	39	0.7	491	--
2005	10.0	9.2	4.9	41	0.5	509	--
2006	17.4	16.6	15.8	40	0.4	586	--
2007	2.2	1.5	5.5	45	0.4	577	--
2008	-36.7	-37.4	-37.0	35	0.5	292	1,027
2009	30.1	29.3	26.5	25	0.5	311	989
YTD 2010	-7.6	-8.0	-6.7	23	0.3	268	865

IronOak Advisors LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). IronOak's compliance with the GIPS standards has been verified for the period March 31, 2008 (the date of the Firm's founding) through June 30, 2009 by Ashland Partners & Company LLP. A copy of the verification report is available upon request.

1. IronOak Advisors LLC is an SEC registered investment adviser incorporated in 2008 and is a wholly owned subsidiary of RidgeWorth Capital Management, Inc. IronOak was created when all of the investment decision-makers associated with the core equity investment strategies of RidgeWorth became employees of IronOak. The staff and decision making process remains intact and independent within IronOak. For composite reporting purposes, the Firm is defined as all equity portfolios managed by IronOak. Composite performance results are linked to performance history generated at RidgeWorth, and IronOak has records that document and support this performance history. Prior to March 31, 2008, RidgeWorth Capital Management operated under the name of Trusco Capital Management, Inc.
2. The Large Cap Core Equity composite only includes fully discretionary investment accounts managed in accordance with the large cap core style. A complete description of the composite is available on request.
3. The Large Cap Core Equity composite includes the performance of the equity portion of balanced accounts. For the balanced accounts, cash returns have been allocated using a predetermined cash allocation mix approach. Since January 1, 2006, such "carve-outs" have represented the following percentage of the year end total market value of the composite: 7.9% on 12/31/06; 13.2% on 12/31/07; 15.4% on 12/31/08 and 11.4% on 12/31/09.
4. The benchmark for the Large Cap Core Equity composite is the S&P 500 Index.
5. Valuations and returns are computed and stated in U.S. Dollars.
6. Beginning 3/31/2008, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 10% or greater of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the beginning of the month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.
7. The dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns represented within the composite for the full year. Partial year dispersion is measured by the equal-weighted standard deviation of portfolio returns represented in the composite for the partial period specified.
8. For the S&P 500 Index, dividend income and capital gains are reinvested without deducting applicable withholding taxes. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile.
9. Returns are presented gross and net of management fees and include the reinvestment of all income. The management fee schedule applicable to large cap equity accounts is as follows: 0.75% on the first \$10 million, 0.45% on the next \$40 million, and 0.25% on all over \$50 million. The minimum annual fee is \$10,000.
10. This composite was created March 31, 2008, the inception date of IronOak, and continues the investment strategy of a composite originally created in 1998. The composite has performance history with an inception date of January 1, 1998. (See Note 1.)
11. The minimum portfolio size for the Large Cap Core Equity composite is \$500,000. For further information on investment management fees, please refer to Form ADV Part II.
12. Net of fee performance is calculated assuming a fee of 0.75%, the highest fee for this type of investment account.
13. Additional information regarding policies for calculating and reporting returns is available upon request.
14. A complete list and description of firm composites and performance results is available upon request.
15. Past performance is not indicative of future results and no investment is guaranteed for return of principal and/or return on investments. All information provided and used in calculations is believed to be correct, but accuracy cannot be guaranteed. Please consult with a financial professional before investing.

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