

Potomac Valley Swimming
Executive Director Report
November 15, 2010

New Meet Equipment

With the approval of the Vice-Chair Operations, ten new 60" non-slip surface touch pads, a new 48" two line scoreboard, 60 buttons and three microphones were purchased from CTS. All of the equipment was delivered and available for use for the November Open. The total cost of equipment and shipping was \$10,327.00. With the receipt of the new pads, the PVS equipment manager was asked to identify all existing pads that have torn surfaces or are otherwise problematic. These pads will be retired and discarded as trash.

Planning for 2011 SC & LC Zone Meets

Lodging & catering contracts for the 2011 SC & LC PVS Zone teams have been received and reviewed. The 2011 SC PVS Zone team will stay at the Rochester Plaza Hotel & Conference Center in Rochester NY. The 2011 LC team will stay at the Days Inn in State College, PA. These are the same locations that have been used in the past for housing and catering for PVS Zone teams. We are awaiting proposed contracts for bus rentals to provide transportation to and from the meets. It is anticipated that PVS will use Golden Ring Travel to provide the buses.

PVS 2009-2010 Audit

The PVS audit for 2009-2010 is well underway. All information and documents requested by the auditor have been provided. While an exact date for completion of the audit has not been established, it should be completed before the end of November.

PVS 2009-2010 tax return

Work has begun on preparation of the 2009-2010 tax returns. The tax returns are being prepared by the PVS Controller. They will be reviewed by PVS's external auditor prior to filing. Once completed and prior to filing, all PVS Board members will be provided an opportunity to review the returns. The deadline for filing the returns is January 15, 2011. Preparing the returns internally is saving PVS about \$2,500 which would be the approximate cost of having the returns prepared by the organization's outside accountants.

PVS Meets Sponsorship

A representative from the Hilton Garden Inn Bethesda contacted me recently about becoming a sponsor of PVS meets. I have scheduled a meeting with the hotel's representatives to obtain more information and find out exactly what they have in mind. Based on phone conversations, the hotel would like to advertise in PVS meets programs and hang a Hilton banner at our pools during competitions in exchange for financial support.

Dain Rauscher Account

In the notes to the October 2010 financial reports, I included some highlight statistics on the PVS Dain Rauscher Mutual Funds account. In the interest of providing more detailed information, attached is the full 3rd quarter report. Some of the pie charts included in the report are difficult to read since the original color document was scanned in black & white. Note that while PVS has a balance as of the end of September 2010 of \$111,570, only \$62,405 (56%) is invested in equity and commodity funds. The remainder is invested in taxable high yield bond mutual funds.

Closure of SunTrust Certificate of Deposit

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The 25 month, 4.21% CD at SunTrust matured on October 23, 2010. The new rate on a rollover CD would have paid less than 1% interest. As such the account was closed and proceeds from the account were deposited in the PVS money market account at Wachovia bank. The Board should determine how these funds should be reinvested.

Safety Report

According to the Quarterly 2010 USA Swimming Safety Report, there were 252 Reports of Occurrence filed during the 3rd quarter with the National Office. Head/Neck and Leg/Foot injuries accounted for 51% of the incidents. 89% of the reports were for athletes, 71% occurred during meet warm-up or competition, 40% occurred in the water and 32% occurred on the deck or blocks. Separate LSC statistics were not provided as part of the report. During the quarter however, the PVS Executive Director filed 4 reports of Occurrence for PVS clubs.

Financial Data for PVS Reserves Study

Based on a request made while at the recent US Aquatic Sports Convention, Jim Harvey, the USA Swimming Finance Director provided me with a confidential spreadsheet that provides a comprehensive picture of all LSCs financial information. The spreadsheet includes detailed revenue, expense and reserve statistics on each LSC. This spreadsheet was forwarded to Jim Thompson for use in analyzing PVS financial reserves.

Respectfully submitted

John F Ertter

Portfolio Review

Period Ending September 30, 2010

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GREAT FALLS, VA 22066-3809

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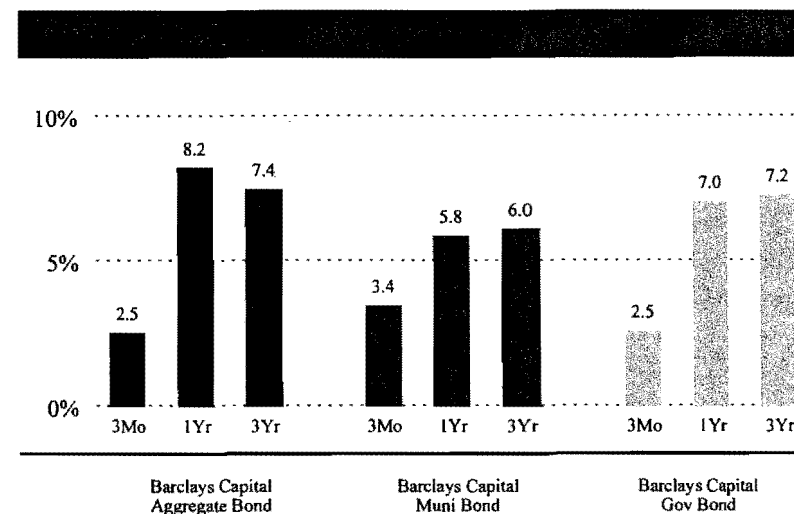
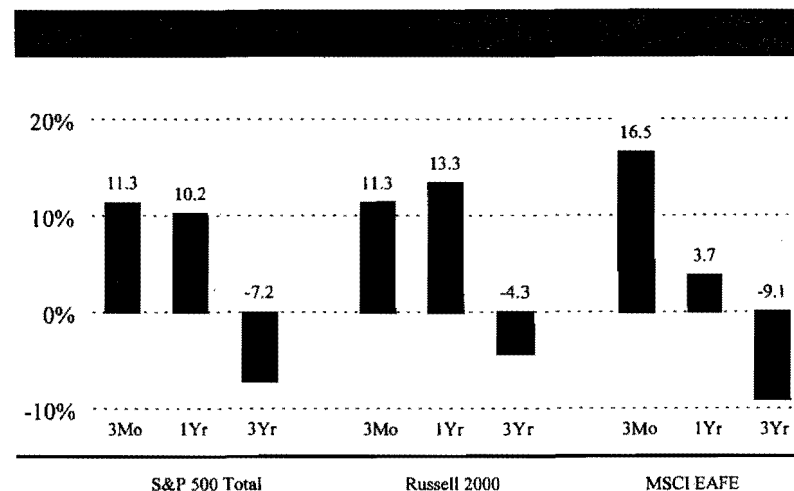
RBC Wealth Management

Market Commentary

Period Ending : September 30, 2010

The U.S. equity market advanced at an impressive rate during the third quarter. The S&P 500 Index and Dow Jones Industrial Average rose 11.3% and 11.1%, respectively. The NASDAQ performed even better, climbing 12.3%. The broad-based rally erased most of second quarter's losses and lifted the major indices into positive territory year to date. All ten sectors traded higher during the third quarter, led by Telecommunications Services (+19.1%) and Materials (+17.4%). The Financials sector lagged all others, rising 4.1%. The market's upswing began in July and gained momentum in September as economic data either improved slightly or were better than feared. The Federal Reserve's decision to open the door to another round of stimulus (otherwise known as quantitative easing or QE2) added fuel to the move. The S&P 500 rallied 8.9% in September, the strongest September advance since 1939. That performance far surpassed September's historical long-term average return of -1.1% since 1928. Furthermore, the rally was particularly notable because September is historically the worst performing month of the year.

This past quarter was a relatively quiet one for the Fixed Income markets, something that is fast becoming more of an abnormality than anything else. Rates on Treasury benchmark issues fell, on average, by 32 basis points over the quarter with the 2yr note setting new historically low levels along the way. While the push lower was decent overall, yields moved in a relatively controlled fashion versus the more volatile dynamics that investors have experienced in the recent past. Subsequently, spreads across various asset classes (Agencies, Corporates, etc.) have held in well throughout the quarter and remain "tight" at least with respect to historical averages. The Federal Reserve did not play much of a role this past quarter as they continued to defer any possible change in monetary policy until some point in the future. Most interesting, however, was their published concern this quarter regarding the low levels of inflation in the current economic environment which would lend credence to possible further easing of monetary policy.

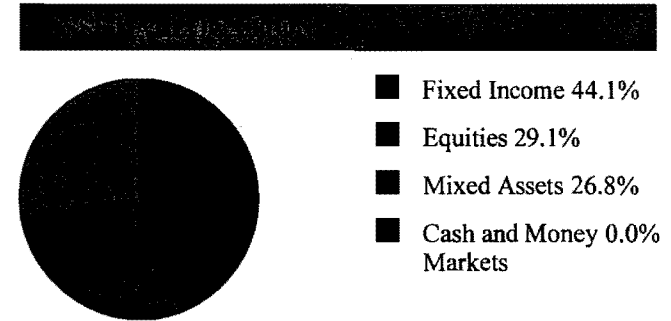


See "Disclosure" page for important disclosure information.

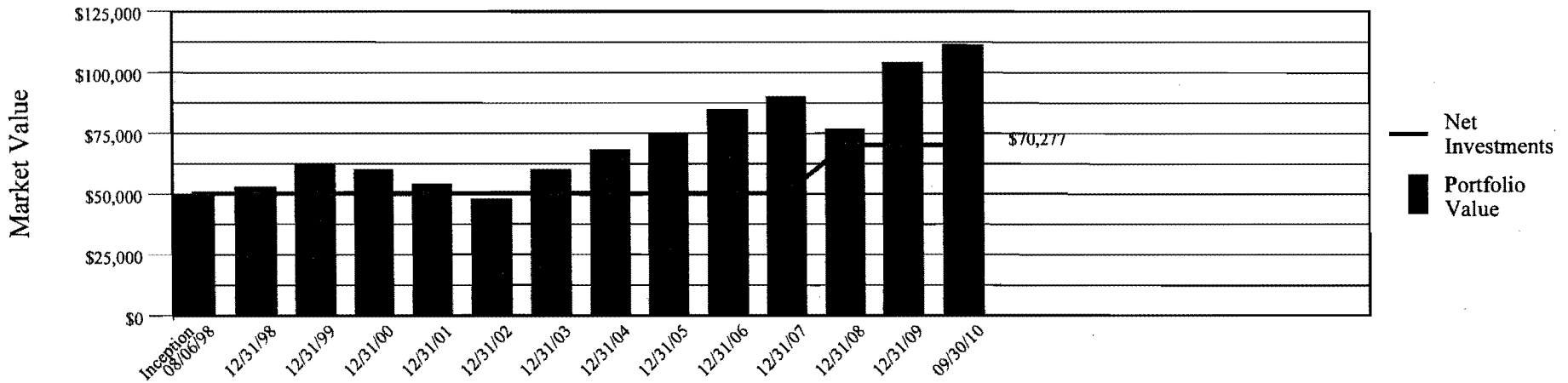
Portfolio Summary

Period Ending : September 30, 2010

	Quarter to Date	Year to Date	Since Inception 08/06/98
Beginning Value	\$101,986	\$104,216	\$50,277
Net Deposits and Withdrawals	\$0	\$0	\$20,000
Gain/Loss + Income	\$9,584	\$7,354	\$41,293
Ending Value	\$111,570	\$111,570	\$111,570



PERFORMANCE

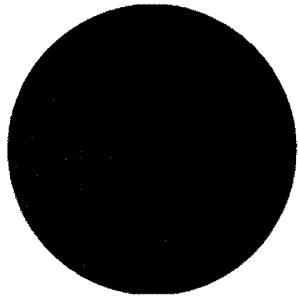


ANNUAL PERCENTAGE RETURNS

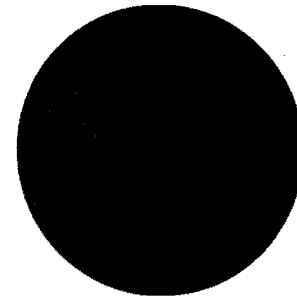
	Quarter to Date	Year to Date	One Year	Three Year	Five Year	Ten Year	Since Inception 08/06/98
Your Portfolio	9.40%	7.06%	11.96%	-0.40%	4.36%	3.64%	5.00%
S&P 500 Total	11.29%	3.89%	10.16%	-7.16%	0.63%	-0.44%	2.16%
Barclays Capital Gov-Corp Inter	2.76%	7.44%	7.77%	6.93%	5.95%	6.05%	5.86%
Citigroup Treasury Bill 3 Mo	0.04%	0.09%	0.12%	1.01%	2.48%	2.41%	2.89%

Portfolio Allocation Comparison

Period Ending : September 30, 2010



- Taxable High Yield - 44.06%
- Mixed Assets - 26.85%
- Large Cap Growth - 15.84%
- International Equity - 13.24%
- Cash and Money Markets - 0.01%



- Taxable High Yield - 44.98%
- Mixed Assets - 26.89%
- Large Cap Growth - 15.64%
- International Equity - 12.30%
- Cash and Money Markets - 0.19%

SCHEDULE				
Equity	■ Large Cap Growth	\$17,670	15.64%	0.20%
	■ International Equity	\$14,774	12.30%	0.94%
Fixed Income	■ Taxable High Yield	\$49,154	44.98%	-0.92%
Cash	■ Cash and Money Markets	\$10	0.19%	-0.18%
Mixed	■ Mixed Assets	\$29,961	26.89%	-0.04%
Total Market Value (Excludes Accrued Income)		\$111,570	100.00%	

Individual Fund Returns by Asset Class

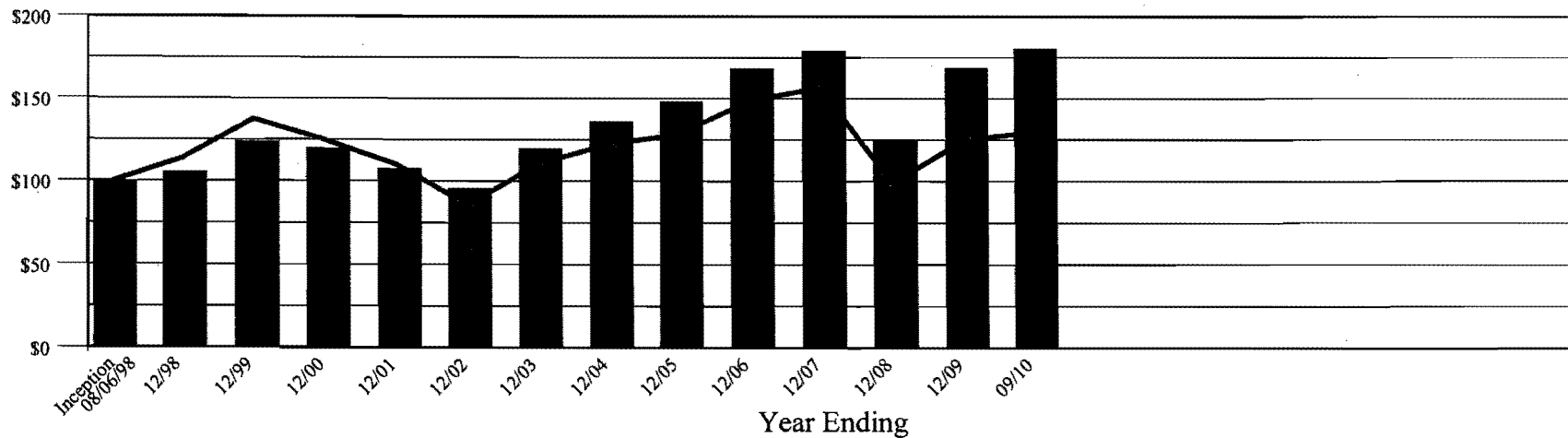
Period Ending : September 30, 2010

AMERICAN FUNDS									
GROWTH FD AMER INC SHS CL F-2	10.78%	2.05%	8.06%	-6.53%	1.65%	0.88%	13.53%	08/01/08	
<i>Russell 1000 Growth</i>	13.00	4.36	12.65	-4.36	2.06	-3.44			
DODGE & COX FUNDS									
DODGE & COX FUNDS INTERNATIONAL	18.14	5.31	7.55	-6.30	4.37	n/a	8.59	05/01/01	
THIRD AVENUE VALUE FUND INSTL CLASS	17.09	5.92	10.49	-7.42	0.51	6.04	12.69	11/01/90	
<i>MSCI EAFE</i>	16.53	1.46	3.71	-9.06	2.45	2.99			
LOOMIS SAYLES FUNDS									
LOOMIS SAYLES FDS II STRATEGIC IN	7.15	11.05	16.20	6.18	7.48	9.89	9.38	05/01/95	
<i>ML HIGH YIELD MASTER II</i>	6.70	11.76	18.51	8.60	8.30	7.74			
FIDELITY FUNDS									
CAPITAL INCOME BLDR INC SHS CL F-2	11.89	5.11	9.03	-4.17	3.96	7.19	9.86	08/01/08	
FRANKLIN INCOME SERIES CL A	7.92	7.45	13.90	-0.33	4.40	6.93	10.51	08/31/48	
<i>60% Russell 1000/40% Barclays Cap Aggr.</i>	8.01	6.26	10.23	-0.76	3.36	2.78			

The performance figures provided herein have been obtained from sources we believe to be reliable, but cannot be guaranteed as to accuracy and do not purport to be complete. They do not reflect the actual performance of your account. These figures represent past performance and do not guarantee future results. Mutual fund returns are as of last full calendar quarter.

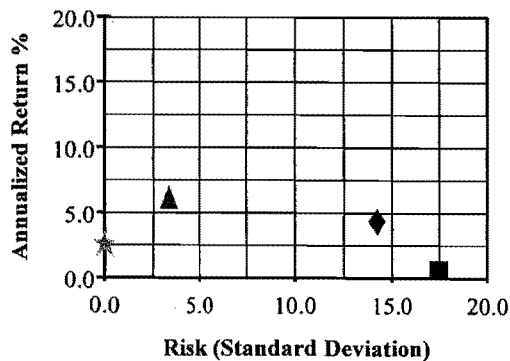
Risk/Return Summary

Period Ending : September 30, 2010



■ Portfolio — S&P 500 Total

Calculated Since Inception or a trailing five years, whichever is less.

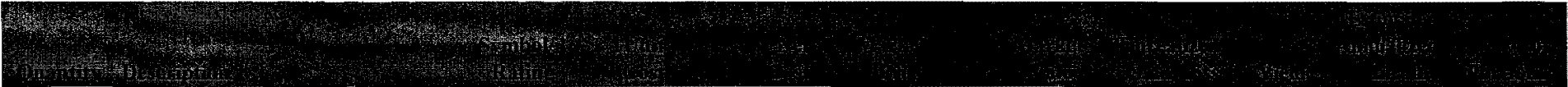


- ◆ Client Portfolio
- S&P 500 Total
- ▲ Barclays Capital Gov-Corp Inter
- ★ Citigroup Treasury Bill 3 Mo

	One Year	Three Years	Five Years
Up/Down Returns			
# of Positive Quarters	3	5	12
# of Negative Quarters	1	7	8
% Upside Capture Ratio	76.71	90.77	87.75
% Downside Capture Ratio	49.7	73.95	74.46
Risk Measures			
Standard Deviation	10.96	17.7	14.21
Beta	0.58	0.75	0.75
Alpha	5.46	4.86	3.09
Sharpe Ratio	1.08	-0.08	0.13
R-Squared	0.93	0.85	0.84

Portfolio Holdings

Period Ending : September 30, 2010



CASH AND MONEY MARKETS

PRIME MONEY MARKET FUND R INVESTOR CLASS			9.90	1.000		9.90		0.0	0	0.0
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EQUITIES

Mutual Funds

277.494	DODGE & COX FUNDS INTERNATIONAL STOCK FUND CUSIP: 256206103	DODFX	40.492	11,236.16	33.540	9,307.15	-1,929.01	1.3	121	8.3
111.441	THIRD AVENUE VALUE FUND INSTL CLASS CUSIP: 884116104	TAVFX	38.885	4,333.42	49.060	5,467.30	1,133.88	2.3	127	4.9
634.257	GROWTH FD AMER INC SHS CL F-2 CUSIP: 399874825	GFFFX	23.445	14,869.98	27.860	17,670.40	2,800.42	1.1	186	15.8



*If the ratings column for fixed income securities has a preceding "M" this indicates a Moody's rating. If it has a preceding "S" this indicates an S&P rating.
* For equities, these values represent dividend yield and for fixed income, they represent current yield.*

Portfolio Holdings

Period Ending : September 30, 2010

FIXED INCOME

Mutual Funds

3,346.103	LOOMIS SAYLES FDS II STRATEGIC INCOME FD CL CUSIP: 543487284 MATURITY DATE: N/A	NEFZX	14.374	48,098.10	14.690	49,154.25	1,056.15	5.5	2,700	44.1
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MIXED ASSETS

Mutual Funds

9,337.894	FRANKLIN INCOME SERIES CL CUSIP: 353496300	FKINX	2.459	22,959.33	2.110	19,702.96	-3,256.37	6.9	1,363	17.7
209.994	CAPITAL INCOME BLDR INC S CL F-2 CUSIP: 140194101	CAIFX	49.030	10,296.02	48.850	10,258.21	-37.81	3.8	394	9.2

TOTAL MARKET VALUE

\$111,570.16

100.0%

Accrued Income

\$0

0.0%

GRAND TOTAL

\$111,802.91

\$111,570.16

\$-232.75

4.4%

\$4,892

100.0%

If the ratings column for fixed income securities has a preceding "M" this indicates a Moody's rating. If it has a preceding "S" this indicates an S&P rating.

* For equities, these values represent dividend yield and for fixed income, they represent current yield.

Service

This portfolio review is provided as a service and is intended as a tool to help investors track their portfolio's performance. This review does not supersede or replace your RBC Wealth Management account statements. Information and security valuations provided herein have been obtained from sources we believe to be reliable, but cannot be guaranteed as to accuracy and do not purport to be complete. If securities represented in this report are not custodied in a RBC Wealth Management account, the information contained in the report for those securities is based solely upon the information provided by you to your RBC Wealth Management Financial Consultant or directly from the entity serving as custodian of those assets.

Performance Calculations

Performance figures represent past performance and do not guarantee future results. Performance figures are calculated using a time-weighted rate of return, and are annualized for returns greater than one year. Returns will reflect the reinvestment of dividends and capital gains. Performance returns either include, or are net of, investment advisory program and other applicable fees, depending on the specific elections made for the account. For those accounts that have elected to have fees invoiced, performance returns will be shown gross of all applicable fees.

Index Calculations

Index information provided has been calculated on a total return basis with dividends reinvested. The effects of taxes and/or expenses and fees normally associated with an investment account have not been considered. Returns are based on past performance, which may or may not be similar to future returns, and are not meant to be representative of any specific investment. Although used as benchmarks for informational purposes, individual indices are not available for direct investment. For a detailed explanation of the indices referenced, please refer to the Reference Guide section of this report.

Tax Advice

RBC Wealth Management does not offer tax advice, nor do we make any representations

as to the taxable or tax-exempt status of any security within this review. Existing IRS guidelines should be discussed with a qualified accountant or tax attorney.

Cost Basis

If you did not purchase the securities represented in this report at RBC CM, the "cost basis" was provided by you and we have not verified this figure. Due to the complexity of calculating cost basis when multiple lots of a security are purchased, your report may reflect the average cost basis for multiple purchases (especially in the case of mutual fund transactions). To determine the actual cost basis for tax reporting purposes, please consult with your tax advisor.

Advisory Information

A copy of RBC Wealth Management's investment advisory program Disclosure Brochure and/or Form ADV Part II are available to you at no cost. The Disclosure Brochure for any money managers you engage through a Consulting Solutions account is also available. If you would like a copy of these items, please send a written request to your Financial Consultant.

Market Commentary

The material contained in the "Market Commentary" section is for informational purposes only and is not intended to provide specific advice or recommendations for any individual nor does it take into account the particular investment objectives, financial situation or needs of individual investors. The information provided has been derived from sources believed to be reliable, but is not guaranteed as to accuracy and does not purport to be a complete analysis of the material discussed, nor does it constitute an offer or a solicitation of an offer to buy any securities, products or services mentioned. The opinions expressed do not necessarily reflect those of RBC Wealth Management and are subject to change without notice. Past performance is not indicative of future results. For a detailed explanation of the indexes referenced, please refer to the Glossary section

Reference Guide

Period Ending : September 30, 2010

Report Indices:

S&P 500 Total Capitalization-weighted benchmark that tracks broad-based changes in the U.S. stock market. The index is calculated on a total return basis with dividends reinvested.

Barclays Capital Government/Credit Intermediate Bond - A market value weighted performance benchmark for government and corporate fixed-rate debt issues with maturities between one and 10 years.

Citigroup 3 Month Treasury Bill - Represents the average yield of the most recent three-month Treasury bill issues.

Russell 2000 - Consists of the smallest 2000 securities in the Russell 3000 Index, representing approximately 8 percent of the Russell 3000 total market capitalization. This index is widely regarded in the industry as the premier measure of small cap stocks.

Morgan Stanley Capital International Europe, Australasia, Far East An arithmetic, market value-weighted average of the performance of several securities listed on the stock exchanges of several developed markets around the world, excluding the United States.

Barclays Capital Aggregate Bond - The Barclays Capital Aggregate Bond Index is a market-capitalization weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year.

Barclays Capital Municipal Bond - A market capitalization-weighted index of investment grade municipal bonds with maturities of at least one year.

Barclays Capital Government Bond - A market value weighted index of U.S. Government and government agency securities (other than mortgage securities) with maturities of one year or more.

Asset Class Descriptions:

Cash and Money Markets - Investments of high liquidity and safety with a known market value and a very short-term maturity. Examples are Treasury bills and money market funds.

Large Cap Growth - Equity securities of large capitalization companies which have "growth" stock characteristics. Growth stocks have high forecasted sales growth, high return on equity and low dividend payout.

International Equity - Equity securities investment in developed countries throughout the world. This requires an investor to be alert to trends in foreign currencies as well as movements in foreign markets.

Taxable High Yield - A taxable bond that has a rating of BB or lower and pays a higher yield to compensate for the greater credit risk.

Mixed Assets - Securities that invest in more than one asset class.

Risk/Return Summary:

Up/Down Markets Ratio - The higher the manager's up-market capture ratio, the better the manager capitalized on a rising market. For example, a value of 110 suggests that the manager captured 110% of the up market (performed ten percent better than the market) when the market was up. A negative up-market capture ratio indicates that a manager's returns fell while the market rose.

Standard Deviation - (Annualized) - Standard Deviation is a statistical measurement of the range and frequency of returns in a portfolio. Higher standard deviation indicates higher risk. If the quarterly returns are all the same, the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Thus, it measures uncertainty, which is a measure of risk.

Alpha - Alpha measures non-systematic return, which is the return which may not be attributable to the market. It is a measure of the manager's expertise in determining stock selection, industry weighting, cash flow timing, and asset allocation. Statistically, the alpha is derived by holding the index at zero, then observing what the manager has done without market movement. The higher the alpha the better. A positive alpha means that the manager has produced returns above what one could expect for a given risk level (beta). Negative alpha means that a manager has underperformed.

Beta - Beta is a measure of risk. It associates the volatility of your portfolio with the volatility of the market. In the equity section, the market is the S&P 500, while in the fixed section the market is the Merrill Lynch Master Bond Index. Higher betas indicate higher relative risk. A beta of 1.20 implies risk 20% greater than the market, since the market is by definition 1.00. A beta of .80 would imply 20% less risk than the market.

R-Squared - R-squared is both a measure of diversification and a gauge of the percentage of the portfolio's movement that is explained by the movement of the market. An R-squared of 90 would indicate that the portfolio is 90% as diversified as the market and that 90% of this portfolio's movements are explained by the market, while the other

Reference Guide

10% is attributable to other factors that are stock and not market specific. The higher the R-squared, the more reliable the alpha and the beta.

Sharpe Ratio - One of two alternative methods of measuring excess return per unit of risk. In the case of the Sharpe Ratio, risk is measured using the standard deviation of the returns in the portfolio. The Sharpe Ratio relates the difference between the portfolio return and the risk-free rate to the standard deviation of that difference for a given time period. This formula agrees with Sharpe 1994.

Risk/Return Analysis Graph - This graph calculates the risk/return on a trailing 5 years. If the account has not been opened for five years it is calculated from the first full month. All risk numbers are calculated based off of monthly numbers.

Period Ending : September 30, 2010