



Perspectives in Value Market Commentary

Financial markets closed the year with another gain, as the economy returned to growth in the third and fourth quarters. From the low point realized in March, the recovery was quite remarkable, as the Blue Chip averages advanced more than 60%.

The economic recovery, while modest by the standard of past recoveries, is still confounding the pessimists and professional economists, who continue to raise their forecasts of growth. For example: in the Philadelphia Fed's Fourth Quarter 2009 Survey of Professional Forecasters, consensus forecasts of growth for the quarter just ended have trended higher, toward the 3.0% level, from the previous consensus of +2.2%. We suspect 4th Quarter growth will handily top 3%, as inventory rebuilding begins in earnest.(con't)

M&R Capital Management is pleased to announce that Money Manager Review, has ranked both our Core Value Equity and Core Value Balanced portfolios number 1 for Risk over a 10 year period, as of year-end 2009. Over that same period our Balanced Portfolio was ranked #2 and our Equity portfolio #3 for return.

M&R Capital Performance Review

	Capital Appreciation			Balanced		
	Gross	Net	S&P 500	Gross	Net	Blended**
Qtr 4 – 2009	2.13%	1.85%	6.04%	1.65%	1.43%	3.04%
Qtr 3 – 2009	16.33%	16.02%	15.61%	11.04%	10.81%	9.59%
Qtr 2 – 2009	15.21%	14.90%	15.72%	12.30%	12.04%	8.61%
Qtr 1 – 2009	- 9.67%	- 9.93%	-11.21%	- 5.09%	- 5.32%	- 5.56%
YTD	23.64%	22.29%	25.96%	20.30%	19.23%	15.82%
Trailing 12 Months Compound ROR						
1 YR	23.64%	22.29%	25.96%	20.30%	19.23%	15.82%
3 YR	- 6.23%	- 7.28%	- 5.76%	- 2.33%	- 3.16%	0.74%
5 YR	0.85%	- 0.25%	0.33%	2.47%	1.58%	3.13%
10 YR	3.49%	2.38%	- 1.03%	4.69%	3.66%	3.05%

In 2010, we expect economic growth of 2.5% to 3%, albeit with persistently high unemployment, and headwinds of further trouble brewing in commercial real estate. This should occur even as inventories of unsold homes decline and prices stabilize in the residential real estate market. While we do expect the economic recovery to become self-sustaining in the latter part of the year, it clearly relies now on fiscal and monetary stimulus, the withdrawal of which will present policy challenges for the Treasury and the Fed. We see a likely rise in interest rates by yearend, as the Fed gradually shifts from an accommodative to a neutral monetary policy. This will probably result in some bond price weakness, particularly for bonds of longer maturities.

While we expect higher equity prices to accompany the economic recovery in 2010, we believe the market will become increasingly selective as we anniversary the takeoff phase begun in March of 2009. First, we foresee a preference for international and multinational investments, as growth should be better overseas, and the U.S. dollar should trade lower. We expect modest growth at home as the U.S. consumer deleverages. It is reasonable to look for dollar weakness, as U.S. monetary and fiscal policy creates a surfeit of dollars here and abroad. Secondly, we think this should continue to bode well for gold and other commodities, such as oil and gas.

Our portfolio holdings reflect these views, as we currently hold significant foreign and multinational investments, such as Teva Pharmaceuticals and FedEx, as well as gold, technology and several energy producing companies. Our fixed income holdings are relatively short-term in duration, in keeping with our view that interest rates are likely to rise modestly by year end.

In summary, we expect a good, if not stellar, investing environment in the year ahead, driven by moderate growth, low inflation, and better credit availability (if at a modestly higher cost). *Barron's* estimates that investors still are maintaining \$3.3 trillion in low earning money fund assets; down from \$3.9 trillion at the market's trough. We think that more of these dollars will find their way into stocks in 2010, as confidence rises. At 15x 2010 expected earnings, or a 6.7% earnings yield, stocks offer the best expected return for the year ahead.

John E. Maloney
12/31/09

For more information on M&R Capital Management and our products, contact our Marketing Team

Ed O'Brien
Executive Vice President
eobrien@mrcapco.com

I. Barry Klein
Senior Vice President
bklein@mrcapco.com

Mitch Reback
Vice President
mreback@mrcapco.com

M&R Capital Management, Inc.
40 Fulton Street, 21st Floor
New York, NY 10038
212-584-8999
800-646-4442
Website: www.mrcapco.com

Top 10 Holdings

1. Bank of New York Mellon
2. Companhia De Saneamento Basico ADR
3. CVS Caremark Corporation
4. Cisco Systems, Inc.
5. Intel Corporation
6. Petroleo Brasileiro S.A.
7. Henry Schein, Inc.
8. Norfolk Southern Corporation
9. Teva Pharmaceuticals Inds
10. Comcast Corporation – CI A

Data as of 12/31/09

We take a very straightforward view of the financial markets and use it to build a sophisticated investment program.

We look at securities as what they are – claims against underlying assets. As a value investor, we seek to buy that claim at a discount to our estimate of the value of the underlying asset. Our objective is uncomplicated, but achieving it requires a high level of research, expertise, discipline and independent judgment.

As a higher-end investment choice, M&R Capital provides professional investment management on an individual account basis. You receive the benefits of owning securities directly coupled with the advantages of having a dedicated portfolio manager.

Working with you and/or your financial consultant, we manage your portfolio as a distinct and separate entity. We begin by defining your investment goals as well as your willingness to accept risk before your first dollar is invested. We do so through confidential interviews with you and/or your financial consultant to gain an objective analysis of your finances. With this input, we can build a portfolio that reflects your investment goals, risk tolerance and time line.

Always guided by our value investment discipline, we custom structure your portfolio to cover a wide swath of risk tolerance, from truly conservative to much more aggressive.

M&R Capital News

Total Assets under Mgmt: 425 Million

Total Employees: 12

Total Investment Professionals: 5

News:

M&R is pleased to announce that Ed O'Brien has joined the firm. Ed has been in the securities industry for over 25 years. Most recently he was an Executive Vice President at Keefe, Bruyette & Woods, where he was responsible for Fixed Income. Prior to KBW, he was Senior V.P. @ Prudential Securities where he was in charge of Federal Agency trading. He is a member of the Bond Club of New York, a trustee of Fordham Prep and a President's Council Member of Fordham University.

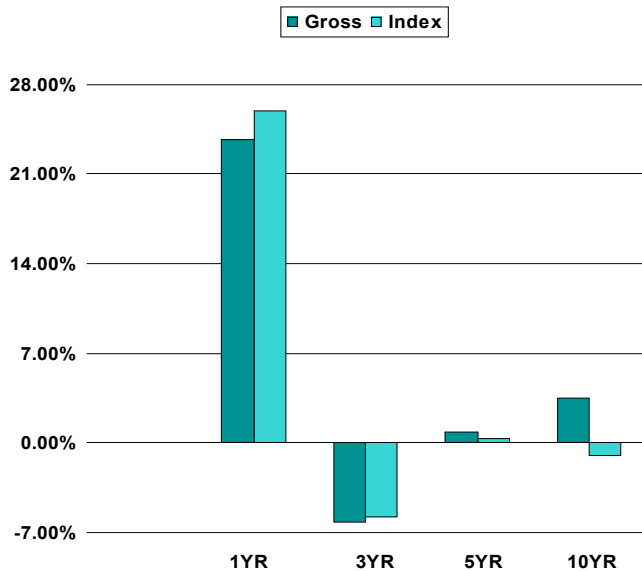
We also structure the portfolio to meet your needs for income and stability relative to your goals for capital appreciation.

We are committed to providing the highest value portfolio management service to our individual and institutional clients. We seek to provide a superior level of service in each of the following areas:

- Individual review of your portfolio requirements.
- A separately tailored portfolio created and maintained to your investment objectives, risk tolerance, and time line.
- Access to the Portfolio Manager is available on an ongoing basis with timely and responsive communication.
- Flexibility to meet your changing investment needs.
- Comprehensive quarterly performance reporting.
- Annual reviews either face-to-face or conference call, depending on geographics.

Annual Compounded ROR Trailing 12 Months

Capital Appreciation

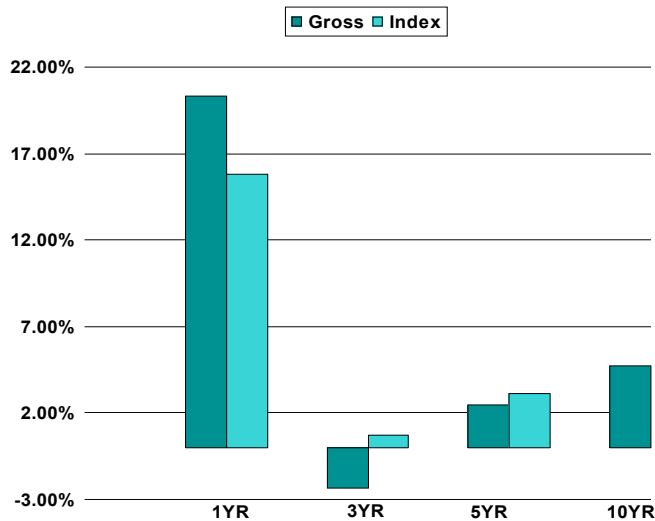


Capital Appreciation ROR*

	<u>Gross</u>	<u>Net</u>	<u>S&P 500</u>
1 YR	23.64%	22.29%	25.96%
3 YR	- 6.23%	- 7.28%	- 5.76%
5 YR	0.85%	- 0.25%	0.33%
10 YR	3.49%	2.38%	- 1.03%

*ror – Rate of Return

Balanced Portfolio



Balanced ROR*

	<u>Gross</u>	<u>Net</u>	<u>Index</u>
1 YR	20.30%	19.23%	15.82%
3 YR	- 2.33%	- 3.16%	0.74%
5 YR	2.47%	1.58%	3.13%
10 YR	4.69%	3.66%	3.05%

*ror – Rate of Return

The above benchmark indices are unmanaged indices. The benchmark performance numbers reflect the reinvestment of dividends and interest, but do not reflect the deductions of any fees or expenses. The M&R Capital investing style is not limited to the securities in any of the above indices, and utilizes specific investment techniques which are not utilized in the above indices and which may or may not increase volatility.

Returns include all dividends received as they may result from the implementation of a particular investment strategy. Trade date accounting has been used. Accounts are included in the composite at the start of the first full quarter under management. Exiting accounts are included up through the last full quarter under management. Assets under management in the M&R Capital style aggregated \$286,225,104 at December 31, 2009, which total represented 552 separate portfolios. The performance results for the M&R Capital Composite were attained at another firm prior to June 30, 1999. M & R Capital maintains other composites for portfolios managed in a different investment style than M&R Capital, and the results for these portfolios may differ materially from those of M&R Capital. A complete list of composites and performance results for all clients is available upon request. Past performance is not a guarantee of future results.