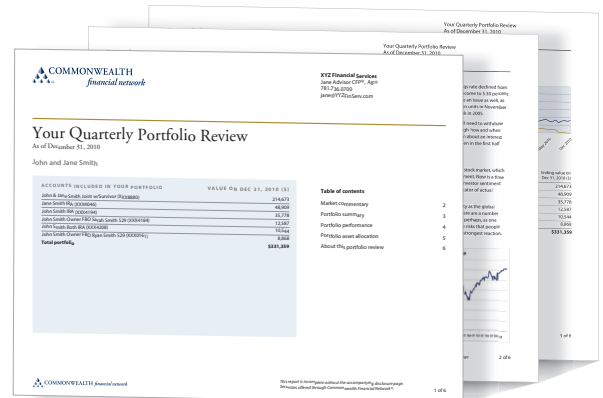


Your New Quarterly Statement

We've redesigned the way we present your portfolio's information, and we're pleased to introduce it to you with this quarter's statement. Among the improvements:

- A new organization and layout that make it easier for you to read
- Illustrations to help you see key information at a glance, such as rates of return and asset allocation
- An abridged market commentary to help keep you abreast of overall economic conditions

We think you'll find reviewing your new statement to be straightforward and intuitive. For a detailed description of the information in each section, please refer to the enclosed guide.



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Your Quarterly Portfolio Review

As of December 31, 2010

John and Jane Smith

1 ACCOUNTS INCLUDED IN YOUR PORTFOLIO

ACCOUNTS INCLUDED IN YOUR PORTFOLIO	VALUE ON DEC 31, 2010 (\$)
John & Jane Smith Joint w/Survivor (00X08880)	214,673
Jane Smith IRA (00X40446)	48,909
John Smith IRA (00X41941)	35,778
John Smith Owner FBO Sarah Smith 529 (00X4184)	11,287
John Smith Roth IRA (00X42208)	10,544
John Smith Owner FBO Ryan Smith 529 (00X0161)	8,868
Total portfolio	\$331,359

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- Market commentary 2
- Portfolio summary 3
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- Portfolio asset allocation 5
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This report is incomplete without the accompanying disclosure page.
Securities offered through Commonwealth Financial Network®

1 of 6

COVER PAGE

1 Accounts included in your portfolio

Accounts listed here are those that were open as of the end of the quarter.

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Your Quarterly Portfolio Review

As of December 31, 2010

John and Jane Smith

Market commentary

Market highlights, Q410

- It was a favorable year for most major markets.
- News from across the globe increased investor uncertainty during 2010.
- The rising stock market has positively impacted investor sentiment—but it's important to be vigilant about risk going forward.

A good year for most markets

With the New Year behind them, investors can reflect on what has been a favorable year for most major markets. The Dow Jones Industrial Average and the S&P 500 Index returned 14.05 percent and 15.04 percent, respectively, for 2010—much of it gained in the second half of the year as improving economic data drove stocks higher.

International markets proved a bit more challenging, as investors wrestled with the ongoing European debt problem, and the MSCI EAFE returned 7.75 percent for 2010. The global recovery has been more favorable to emerging economies that are less reliant on debt to finance their growth, as evidenced by the 16.36 percent return for the MSCI Emerging Markets Index in 2010.

Fixed income was a mixed bag. The latest round of quantitative easing did not work as expected to keep interest rates low; instead, the yield on the 10-year Treasury moved to a high of 3.52 percent in December, and investors sold Treasuries on fears of future inflation. Corporate bonds, however, performed well for the year, assisted by strong balance sheets and good cash flow. The Barclays Capital Aggregate Bond and U.S. Corporate High Yield indices returned 6.54 percent and 15.12 percent, respectively, in 2010.

A year filled with news and events

The year was not without its fair share of news from across the globe, including:

- The European debt situation—which will continue to be an issue as troubled nations seek bailout money.
- China becoming the largest goods exporter in the world. Its government is pushing rates higher to control inflation in that burgeoning economy.
- Hostilities between North and South Korea. Ongoing antagonism could put pressure on markets—or avertive investors.
- The passage of the health care reform bill.
- The Republicans returning to power in the House of Representatives. A possibility for gridlock on legislation could impact the markets.
- The "flash crash" of May 6, which caused a 900-point plunge in the Dow. Still largely unexplained, this event increased investor uncertainty.

The economy: improving but fragile

The economy has proven resilient and shown signs of improvement. Some of this has been due to government spending, but there are signs—such as gross domestic product growth estimates of 3 percent to 4 percent for the fourth quarter—that the private sector has improved, too. This, coupled with additional fiscal stimulus from proposed tax cuts, could help economic output hold at higher levels in the first half of 2011.

It is unlikely, however, that we will see much of a decline in unemployment from the current 9.80 percent level in the near term. Also, it appears that higher consumer spending came at the expense of savings and not as a result of greater

Where we go from here

Investors have started to enjoy a rising stock market, which has positively impacted investor sentiment. Now is a time to be vigilant about risk, however, as investor sentiment is often a poor or even negative indicator of actual market returns.

We will likely see continued uncertainty as the global geopolitical environment heats up; there are a number of potential triggers on that front, but perhaps, as one colleague recently pointed out, it is the risks that people aren't expecting that could cause the strongest reaction.

Please see last page for disclosures.

Dow Jones Industrial Average

MARKET COMMENTARY

Here, we've provided an abridged version of the more comprehensive market commentary that can be found on our website and also at www.commonwealth.com.

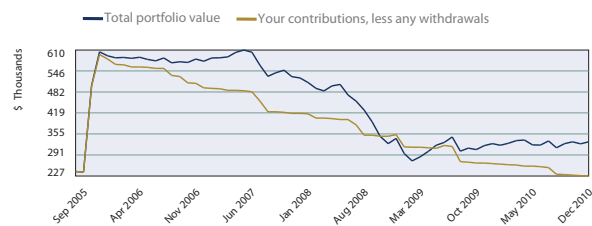
Portfolio summary

Your Quarterly Portfolio Review
As of December 31, 2010
John and Jane Smith

2 Change in the value of your portfolio

	Year to date
Beginning value on Jan 1, 2010	325,896
Additions/Withdrawals	-38,000
Net change	43,463
Ending value on Dec 31, 2010	\$331,359
Your year-to-date time-weighted rate of return.	14.20%

3 Your portfolio growth since Sep 13, 2005



4 Change in the value of your accounts

Account	Beginning value on Jan 1, 2010 (\$)	Total additions (\$)	Total withdrawals (\$)	Net change (\$)	Ending value on Dec 31, 2010 (\$)
John & Jane Smith Joint w/Survivor (XXX8880)	211,379	0	28,000	31,295	214,673
Jane Smith IRA (XXX4046)	43,932	0	0	4,978	48,909
John Smith IRA (XXX4194)	41,715	0	10,000	4,063	35,778
John Smith Owner FBO Sarah Smith 529 (XXX4184)	11,375	0	0	1,212	12,587
John Smith Roth IRA (XXX4208)	9,483	0	0	1,061	10,544
John Smith Owner FBO Ryan Smith 529 (XXX0161)	8,013	0	0	855	8,868
Total portfolio	\$325,896	\$0	\$38,000	\$43,463	\$331,359

PORTFOLIO SUMMARY

2 Change in the value of your portfolio

Here's where you'll see the year-to-date change in your portfolio's value. If your portfolio has been open for the entire year-to-date period, you'll also see the year-to-date time-weighted rate of return at the end of this section. Any accounts that were open during the year-to-date time period are included in these values.

Additions/Withdrawals is a net value, which negates transfers between accounts.

Net Change refers to the increase or decrease in the value of your portfolio, excluding additions and withdrawals.

3 Your portfolio growth since xx/xx/xxxx

This section tracks your portfolio's value since the date of the account with the earliest beginning date, even if it's a closed account, and compares it to contributions/withdrawals during the same time period. Values shown here may include accounts you have closed that are not listed on page 1 of this statement.

The start date for this chart reflects the first date we began tracking your portfolio in our performance reporting system, which may be different from the date the first account in the portfolio was opened.

The blue line represents the total market value of the portfolio over time. The gold line begins at the initial value of the portfolio and represents the total amount of money contributed to the portfolio, less any withdrawals made over time.

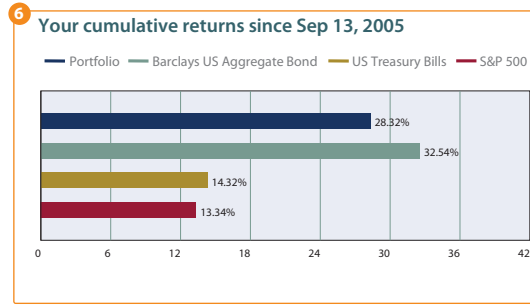
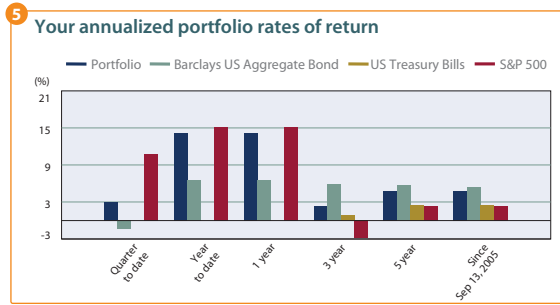
4 Change in the value of your accounts

This section shows the change in value for each account that was active during the current year (this includes currently closed accounts if they had activity during the period). Accounts that opened during the time period show a beginning value of zero, and accounts that closed during the time period show an ending value of zero.

The values shown for total additions, total withdrawals, and net change are for the year-to-date time period. Additions include any contributions to or transfers into the account. Withdrawals include any transfers out of the account, checks paid, and expenses other than management fees.

Portfolio performance

Your Quarterly Portfolio Review
As of December 31, 2010
John and Jane Smith



7 Your rates of return

	Start date	QTD return (%)	YTD return (%)	1 year return (%)	Annualized returns (%)			Cumulative return since start date (%)
					3 years	5 years	Since start date	
Portfolio vs. benchmarks								
Your Portfolio	Sep 13, 2005	3.06%	14.20%	14.20%	2.28%	4.83%	4.82%	28.32%
Barclays US Aggregate Bond ¹	Sep 13, 2005	-1.30%	6.54%	6.54%	5.90%	5.80%	5.46%	32.54%
US Treasury Bills ²	Sep 13, 2005	0.00%	0.00%	0.00%	0.89%	2.47%	2.56%	14.32%
S&P 500 ³	Sep 13, 2005	10.76%	15.06%	15.06%	-2.86%	2.29%	2.39%	13.34%
Rates of return by account								
John & Jane Smith Joint w/Survivor (XXX8880)	Sep 13, 2005	1.06%	15.70%	15.70%	4.01%	6.23%	5.82%	35.00%
Jane Smith IRA (XXX4046)	Oct 6, 2005	5.45%	11.33%	11.33%	-0.91%	2.44%	2.99%	16.67%
John Smith IRA (XXX4194)	Oct 6, 2005	9.45%	12.50%	12.50%	-0.88%	2.71%	3.67%	20.77%
John Smith Owner FBO Sarah Smith 529 (XXX4184)	Jun 30, 2009	7.37%	10.65%	10.65%	-	-	21.44%	34.01%
John Smith Roth IRA (XXX4208)	Oct 6, 2005	5.19%	11.19%	11.19%	-0.67%	2.00%	2.32%	12.74%
John Smith Owner FBO Ryan Smith 529 (XXX0161)	Jan 1, 2009	7.38%	10.67%	10.67%	-	-	20.31%	44.75%

PORTFOLIO PERFORMANCE

Returns shown here may include accounts that you have closed and are not listed on page 1 of this statement. Any returns greater than one year are annualized unless otherwise stated; returns less than one year are cumulative, not annualized. Where no return is shown, it's because the account or portfolio has not been open for the entire period listed.

5 Your annualized portfolio rates of return

This graph shows your portfolio's time-weighted rate of return compared with benchmarks specified by us. Information about these benchmarks can be found on the last page of this statement.

6 Your cumulative returns since xx/xx/xxxx

This graph shows the cumulative return since the start date for the portfolio compared with the benchmarks specified by us. The cumulative return is calculated since the earliest start date of all the accounts in this statement and may include accounts you have closed that are not listed on page 1.

7 Your rates of return

Information is presented in two sections because the rates of return by account cannot be compared with the rates of return of the whole portfolio. Start dates may be different for an account than for the portfolio as a whole.

Portfolio vs. benchmarks

This section compares the time-weighted return for your entire portfolio (including accounts you have closed that are not shown on page 1) with the benchmarks specified by us. Information about these benchmarks can be found on the last page of this statement.

Rates of return by account

This section shows the time-weighted return for each account in this statement that is open as of quarter-end. Any returns greater than one year are annualized unless specified; returns less than one year are cumulative, not annualized.

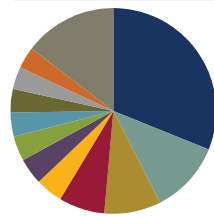
Portfolio asset allocation

8 Your portfolio by asset class (x-ray)

	Value on Dec 31, 2010	% of portfolio
Cash and equivalents	30,107	9.09%
Fixed income	94,630	28.56%
Domestic equities	176,147	53.16%
International equities	26,948	8.13%
Other	3,528	1.06%
Total portfolio	\$331,359	100%

Asset class (x-ray) reflects the Morningstar® breakout of underlying holdings within mutual funds, ETFs, and variable annuities.

9 Your portfolio by asset category



	Value on Dec 31, 2010	% of portfolio
Large-Cap Value	103,074	31.11%
Large-Cap Growth	37,710	11.38%
Inflation-Protected Bond	29,645	8.95%
Intermediate-Term Bond	23,882	7.21%
World Allocation	14,173	4.28%
Multisector Bond	13,737	4.15%
Cash Equivalents	12,935	3.90%
Large-Cap Blend	12,483	3.77%
High-Yield Bond	12,350	3.73%
Sector Fund	11,640	3.51%
Small-Cap Value	11,218	3.39%
Remaining Categories	48,513	14.64%
Total portfolio	\$331,359	100%

10 Your accounts by asset class (x-ray)

Account	Cash and equivalents (\$)	Fixed income (\$)	Domestic equities (\$)	International equities (\$)	Other (\$)	Total (\$)
John & Jane Smith Joint w/Survivor (XXX88880)	21,772	78,947	98,512	12,297	3,145	214,673
Jane Smith IRA (XXX4046)	3,777	12,016	31,467	1,464	185	48,909
John Smith IRA (XXX4194)	2,484	569	29,149	3,460	116	35,778
John Smith Owner FBO Sarah Smith 529 (XXX4184)	735	147	6,151	5,531	23	12,587
John Smith Roth IRA (XXX4208)	819	2,846	6,531	304	44	10,544
John Smith Owner FBO Ryan Smith 529 (XXX0161)	519	103	4,338	3,891	16	8,868
Total portfolio	\$30,107	\$94,630	\$176,147	\$26,948	\$3,528	\$331,359

PORTFOLIO ASSET ALLOCATION

8 Your portfolio by asset class (x-ray)

Asset class information is provided by Morningstar®, and a given security can be included in multiple asset classes. This x-ray view is a breakout of underlying holdings within mutual funds, ETFs, and variable annuities by asset class as of quarter-end.

9 Your portfolio by asset category

Asset category information is provided by Morningstar. This chart shows up to 11 of the largest categories by dollar value, with all others consolidated under Remaining Categories. (For a detailed breakdown of Remaining Categories, please contact our office.) Unlike the view by asset classes, a given security may be included in only one asset category. For example, the Cash Equivalents values might be less than the Cash and Equivalents values under asset class because the latter contains cash positions within mutual funds, while Cash Equivalents as an asset category does not.

10 Your accounts by asset class (x-ray)

Asset class information is provided by Morningstar, and a given security can be included in multiple asset classes. This x-ray view is a breakdown of asset classes for each account in this statement that is active as of quarter-end. Unlike the view by asset category, a given security may be included in multiple asset classes. For example, the Cash and Equivalents values here might be more than the Cash Equivalents values under asset category because the former contains cash positions within mutual funds, while Cash Equivalents as an asset category does not.

About this portfolio review

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Statement Disclosure

Past performance is not indicative of future results. The information displayed is based upon sources believed to be reliable, but no guarantee is made as to the completeness or accuracy of the information. This information is provided for informational purposes only and should not be relied upon for tax purposes. Commonwealth Financial Network ("Commonwealth") urges you to compare your account custodian statements with the statements you receive from us or your advisor. If you believe there are material discrepancies between statements, please call Commonwealth at 800.251.0080, or write to 29 Sawyer Road, Waltham, MA 02453.

Position and account values shown are based on trade date and do not necessarily reflect actual current market prices or the value you would receive upon sale of such assets. Fixed income securities do not account for cost basis adjustments associated with holding these securities. Please refer to your custodial statements to obtain complete information relating to your accounts, including gain/loss information or lot level cost basis. All investments are subject to risks, including possible loss of principal invested. The investment return and principal value of an investment will fluctuate, so an investor's shares, when redeemed, may be worth more or less than their original cost. Certain assets may be illiquid and unavailable for sale at any price. There is no assurance that your investment objective will be attained.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency; although the fund seeks to preserve the value of the investment at \$1 per share, it is possible to lose money. Non-bank deposit investments are not FDIC or NCUA insured, are not guaranteed by the bank/financial institution, and are subject to risk, including loss of principal invested.

Market Commentary Disclosure

Certain sections of this commentary contain forward-looking statements that are based on our reasonable expectations, estimates, projections, and assumptions. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Past performance is not indicative of future results. All indices are unmanaged and investors cannot invest directly into an index. The Dow Jones Industrial Average is a price-weighted average of 30 actively traded blue-chip stocks. The S&P 500 Index is a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific

Basin. The Barclays Capital Aggregate Bond Index is an unmanaged market value-weighted index representing securities that are SEC-registered, taxable, and dollar-denominated. It covers the U.S. investment-grade fixed-rate bond market, with index components for a combination of the Barclays Capital government and corporate securities, mortgage-backed pass-through securities, and asset-backed securities. The Barclays Capital U.S. Corporate High Yield Index covers the USD-denominated, non-investment-grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes emerging market debt. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a nondiversified portfolio. Diversification does not ensure against market risk.

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Benchmark Disclosure

¹Barclays US Aggregate Bond ²US Treasury Bills ³S&P 500

Barclays US Aggregate Bond - The Barclays Capital U.S. Aggregate Bond Index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. S&P 500 - The S&P 500 is based on the average performance of the 500 industrial stocks monitored by Standard & Poor's. US Treasury Bills - The 3-Month Treasury Bill represents the monthly return equivalents of yield averages, which are not marked to market; this index is an average of the last three three-month Treasury Bill issues.

Performance Disclosure

Commonwealth relies upon data, formulae, and software to calculate the performance of portfolios. Periodic software enhancements may possibly cause inconsistencies with some performance calculations. Please notify your financial advisor if you have reason to believe calculations are incorrect to help ensure proper performance calculations going forward.

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ABOUT THIS PORTFOLIO REVIEW

11 Statement disclosure

This disclosure contains important information about your statement, including how values are calculated and how information contained here may differ from what you see on custodial statements.

12 Benchmark disclosure

Contains information about all benchmarks cited in your statement, including the composition of any custom-blended benchmarks used.