CURRAN
INVESTMENT MANAGEMENT

April 27, 2010

The rally in the stock markets beginning in March 2009 continued into the 1st quarter of 2010. Over the past 12 months the S&P 500 has risen 49.77%. In the 1st quarter the S&P 500 was up 5.39%.

INDEX	1ST QUARTER 2010	LATEST 12 MONTHS
Domestic Equity		
S&P 500 Index	5.39%	49.77%
Dow Jones	4.82%	46.93%
Russell 1000	5.70%	51.60%
Russell 1000 Growth	4.65%	49.75%
Russell 1000 Value	6.78%	53.55%
Russell Midcap	8.67%	67.71%
Russell Midcap Growth	7.67%	63.00%
Russell Midcap Value	9.61%	72.41%
Russell 2000	8.85%	62.76%
Russell 2000 Growth	7.61%	60.32%
Russell 2000 Value	10.02%	65.07%
International Equity		
MSCI EAFE Index	0.87%	54.44%
Domestic Fixed Income		
Barclays US Gov/Credit Int.	1.54%	6.92%
ML US Corp & Gov 1-3 Year	0.92%	4.39%
ML Muni 1-3 Year	0.24%	2.79%
ML High Yield Master II	4.82%	57.22%
Cash Equivalents		
Citigroup 3-Mo. Treasury Bill	0.02%	0.13%

In spite of the powerful rally in equity prices since March 2009, investors have been ignoring the stock market. During the past year mutual fund flows indicate investors have been liquidating equity funds and money market funds while they have been buying bond funds. More recently the trend has shown net buying of equity funds but bond funds continue to attract most cash inflows.

In our summary of the various portfolios we manage, please review the following changes.

Core Equity Portfolio	
Buy/Increase	**Sell/Decrease**
Priceline.com	Danaher
Cognizant Technology Solutions Corp.	Novo Nordisk A/S
Wal-Mart Stores Inc.	S&P 500 Growth Index
Growth & Income Portfolio	
Buy/Increase	**Sell/Decrease**
Baxter International	Alcon Incorporated
BHP Billiton	AT&T
Mid Cap Portfolio	
Buy/Increase	**Sell/Decrease**
DeVry Inc	Rockwell Collins
FLIR Systems, Inc.	Cognizant Technology Solutions Corp.
Small Cap Portfolio	
Buy/Increase	**Sell/Decrease**
Balchem Corp Cl B	American Vanguard Corp
ICON Plc	Investment Technology Group
Atlantic Tele-Network	Netflix
GT Solar International	Tractor Supply
Russell 2000 Value Index	IDEXX Laboratories
	OptionsXpress
International Portfolio	
No Changes	
All-Tech Portfolio	
Buy/Increase	**Sell/Decrease**
Technology SPDR	Apple Inc.
	Autodesk, Inc
	Logitech International
Fixed Income	
Buy/Increase	**Sell/Decrease**
	HYG iShares Corporate Bond
	PFG Powershares Financial Preferred

In November 2008 we believed investors should be buying high quality companies at bargain prices. We restated our opinion in March 2009 when markets traded at prices marginally lower than those recorded in November of 2008.

Our major concern for the markets over the past few years was the use of excessive leverage on the part of banks, hedge funds and individuals. The unraveling of the financial system caused by insolvencies and lack of liquidity will take years to repair. Investors should expect the economy to recover but not quickly. Our expectation is it will take years to fully restore our economic health.

A quick recovery is not what we expect and even more importantly, it is not what we believe is needed to sustain a recovery. A quick recovery could probably happen if retail sales were restored to pre 2009 levels. It is true a quick recovery would make all of us feel much better. But a recovery without significantly increased savings and investment is not likely sustainable.

We do expect the USA to enter a long investment cycle marked by increased savings and investment. Instead of buying more and bigger "things," it is our belief "consumerism" will decline as more people decide to balance today's pleasures against their future financial security.

As a result of the financial crisis, our concerns now are quite different. Pre crisis unbridled greed was the villain. Today it is fear. Instead of buying stocks at bargain prices, too much money is being directed into fixed income securities paying about 0% and even less than 0% adjusted for inflation. To earn higher returns an increasing number of investors are buying longer dated bonds along with lower quality. Their actions clearly earn higher returns, but in doing so, they are ignoring inflation risks.

Ironically, fear is driving some to buy low quality bonds because of an even greater fear they can not live on CD income paying 1%. The result is fear and greed are converging so that while many are suffering fearfully while earning 0%, others are greedily buying junk at rates approaching 10%. Still others are simply ignoring future inflation while buying high quality longer term bonds. The consensus among bond buyers is: interest rates will remain low and stable.

During the two years leading up to the economic crisis and bear market in equity prices, we frequently said investors were unwittingly taking more risk in the equity markets than they understood. Price earnings ratios soared while leverage was being deployed excessively to inflate earnings particularly among financial companies. In short the increase in share prices was clearly not sustainable. The combination of increasingly leveraged bank balance sheets together with cheap and abundant credit was a disaster most people can now see and understand.

Following the bear market in stock markets our concern is now on low fixed income yields and their high prices. Today Curran is saying fixed income investors are unwittingly taking risks because they are not seriously considering future inflation. They are assuming there will be no inflation and there will be stable prices. Their rationale is there is no sign of inflation and therefore there is no need to be concerned.

When the problem is apparent it will be too late to do much about it. Most recent examples of "too late" awareness would include both real estate and the stock market.

We continue to be very optimistic about the outlook for the stock market while we continue to be very cautious about the outlook for fixed income. So far money flows indicate investors are reluctant to buy equities and are eager to buy lower quality and higher yielding debt. We think it should be the reverse.

After the quarter's close on April 19th Pew Research Center reported a poll showing only 22% of Americans trust the Government. Still, bond investors are placing enormous faith in the Government's ability to maintain low inflation rates which is assumed each time a bond is purchased at current low rates of interest.

The actions of bond buyers and the Pew opinion poll are contradictory. As we said before, our belief is bond investors are unwittingly taking on more risk in the purchase of bonds than they may understand. Remember contradictory behavior is common when greed and fear converge in the fixed income markets.

In the 1st quarter Curran reduced fixed income positions to 7% in high yield corporate bonds and 10% in investment grade preferred stocks. We continue to hold 80% of our fixed income investments in government insured and /or guaranteed debt.

All of us at Curran are grateful for your trust and respect.

Curran Investment Management is Defining Quality.®

Sincerely,

Thomas J. Curran

Thomas J. Curran
President

Annual Offer of Brochure/Form ADV Part II:
Each year, registered investment advisory firms are required to file Form ADV with the SEC, disclosing required information regarding the people and practices of the firm. Investment advisors are also required to offer annually to clients an updated copy of its Brochure/Form ADV Part II. Upon request we will promptly forward, at no charge, our most recent Brochure/Form ADV Part II filing. Requests for this information may be directed to Danielle Saladino at (518) 391-4237 or at info@curranllc.com.