

The Dividend Growth Portfolio

At Sitka Pacific, the goal of all our investment portfolios is to give you exposure to the markets with less volatility and less risk. The Dividend Growth portfolio embodies these values and provides you with a stock investment strategy geared both for growth and capital preservation.

The Dividend Growth portfolio is a diversified stock portfolio designed to provide growth with the ability to reduce market exposure when appropriate.

When the market is healthy, we remain fully invested in a combination of large dividend-paying stocks and growth stocks. When the market is unhealthy, we reduce market exposure by exiting our growth stock holdings and keeping 50% of the portfolio in cash.

This flexible approach enables us to adjust to changing market conditions and focus alternately on growth or capital preservation, depending on our outlook for the market and the economy.

The portfolio is composed of two stock groups:

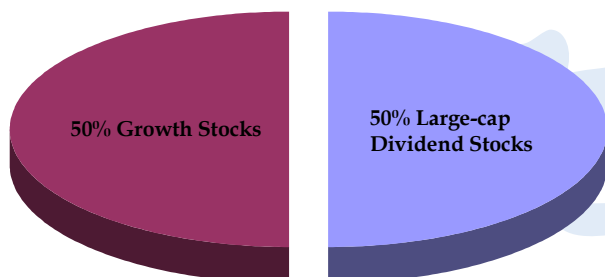
Large-Cap Dividend Stocks: One half of the portfolio is devoted to large capitalization stocks that pay dividends. These stocks tend to be far less volatile than the general market while over time offering a total return in excess of the market.

Growth Stocks: These stocks are more volatile than the general market, and provide growth during periods when the market is healthy and rising. This portion of the portfolio is held in cash during negative market conditions.

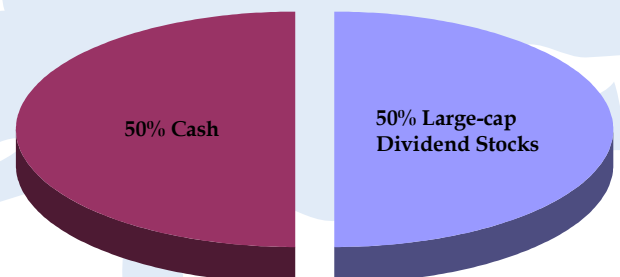
By keeping you fully invested when the market is healthy and rising and partially invested when the market is unhealthy, the Dividend Growth portfolio provides the potential for long-term growth with less volatility and less risk.

<i>Table of Contents</i>	
Overview	1
Performance Summary	2
Getting Started	3

A Typical Dividend Growth Portfolio Allocation



A Defensive Dividend Growth Portfolio



Performance Summary

(Net of all fees)

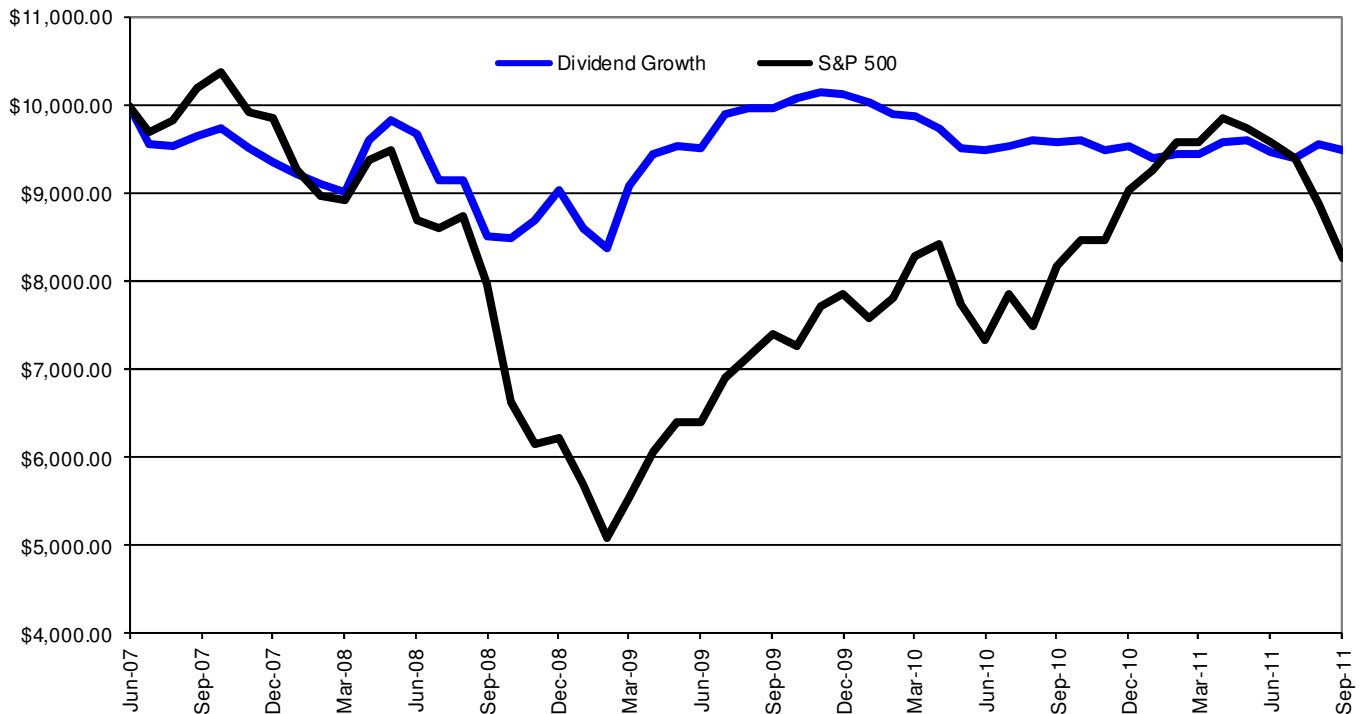
<u>Year</u>	<u>Dividend Growth</u>	<u>S&P 500</u>
2007*	-6.5%	-1.4%
2008	-3.3%	-37.0%
2009	12.2%	26.5%
2010	-5.9%	15.1%
2011 (Q3 YTD)	-0.5%	-8.7%

Since Inception

Annualized Gain	-1.23%	-4.41%
Monthly Average	-0.07%	-0.21%
Monthly Standard Deviation	2.61	5.64
Monthly Correlation to S&P 500	0.53	1

*July–December 2007

Dividend Growth 2007-2011 (Q3)



Getting Started

Sitka Pacific Capital Management is here to provide the investment plan you have been searching for to protect and grow your assets. Whether you are looking to take the next step beyond a traditional asset manager, for a way to invest that is both growth oriented and focused on risk management, or for a managed exposure to a specific investment theme to complement your overall portfolio, we can help you achieve your goals.

Sitka Pacific Capital Management is a SEC-registered Investment Advisor (RIA) based in Sonoma, California. Investment management services are available to Accredited and Non-Accredited investors seeking more consistent returns with lower volatility and risk.



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To contact us for a free consultation, visit the Getting Started page on our web site or contact us at the email address or phone number listed here. We work with each client to create an investment strategy that best fits their goals and risk tolerances.

To receive a free copy of our monthly letter to clients in your email inbox every month, register your email address at the bottom of the Commentary page on our web site.

DIVIDEND GROWTH COMPOSITE ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets (USD) (thousands)	Number of Accounts	S&P 500	Annual Performance Results Composite		Composite Dispersion
					Gross	Net	
2010	70.2	1,381	25	15.1%	-4.2%	-5.9%	1.2%
2009	58.6	1,312	22	26.5%	13.9%	12.2%	0.3%
2008	19.4	248	5	-37.0%	-3.0%	-3.3%	N.A.
2007*	5.2	30	1	-1.4%	-8.1%	-8.1%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

* Performance reflects the period July 1, 2007 to December 31, 2007

***Dividend Growth Composite** contains fully discretionary accounts which invest in dividend paying securities. For comparison purposes the composite is measured against the S&P 500 index are used.*

Sitka Investment Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Sitka Investment Management, LLC is an independently registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Year-end 2007 and 2008 have 100% and 11% respectively of non fee paying accounts in the composite. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 1.75% of assets under management. Actual investment advisory fees incurred by clients may vary.

The Dividend Growth Composite was created September 30, 2009.