



Simulated Investment Strategies For Periods Ending 12/31/2008

(With 1.25% Advisory Fee)

ANNUALIZED RETURNS (%)

	Conservative Portfolio 40/0/60	Moderate Portfolio 60/0/40	Aggressive Portfolio 80/0/20	All-Stock Portfolio 100/0/0
One Year	(16.09)	(24.17)	(32.26)	(40.34)
Three Years	(1.82)	(4.30)	(7.12)	(10.29)
Five Years	1.40	1.00	0.31	(0.72)
Ten Years	3.72	4.06	4.19	4.10

STANDARD DEVIATIONS

	Conservative Portfolio 40/0/60	Moderate Portfolio 60/0/40	Aggressive Portfolio 80/0/20	All-Stock Portfolio 100/0/0
Three Years	7.82	11.47	15.39	19.57
Five Years	6.79	10.07	13.56	17.23
Ten Years	9.11	13.76	18.51	23.31

GROWTH OF \$1,000 INVESTED

	Conservative Portfolio 40/0/60	Moderate Portfolio 60/0/40	Aggressive Portfolio 80/0/20	All-Stock Portfolio 100/0/0
One Year	\$839	\$758	\$677	\$597
Three Years	\$946	\$876	\$801	\$722
Five Years	\$1,072	\$1,051	\$1,016	\$964
Ten Years	\$1,440	\$1,489	\$1,508	\$1,494

This simulated strategy is Risk Target 3/Series A.

See attached "Important Disclosures Regarding Simulated Strategies."

Source: Dimensional Fund Advisors

Information from sources deemed reliable, but its accuracy cannot be guaranteed. Performance is historical and does not guarantee future results. Total return includes reinvestment of dividends and capital gains distributions. Portfolios shown do not include tax-managed funds. Standard deviations for 3- and 5-year periods are annualized from quarterly standard deviations.

Simulated strategy allocations have evolved over time. Related Simulated Strategy Evolution documents are available upon request.



Important Disclosures Regarding Simulated Strategies

The preceding pages include illustrations of returns for the types of portfolios we design for clients.

The Simulated Strategies may or may not be the actual allocation determined to be appropriate for any individual clients, and a client may or may not follow the Simulated Strategies. Clients with the allocations shown may have different results based on capital flows, timing of rebalancing decisions, fees charged or other factors.

Our investment strategy is based on the principles of Modern Portfolio Theory (MPT). The tenets of MPT provide for a passive, long-term, buy-and-hold strategy implemented through globally diversified portfolios. Mutual funds representing asset classes where academic research has demonstrated higher expected returns for the level of risk taken are combined into a single portfolio. Portfolios are constructed with low-correlating components to provide diversification for the purpose of reducing the risk caused by volatility. Commodities may be added to some client portfolios for the purpose of additional risk reduction and not necessarily to provide higher expected returns in such portfolios. Portfolios are rebalanced to maintain agreed-upon asset allocations.

The historical performance information that follows is provided to demonstrate the methodology used in building portfolios using the aforementioned investment strategy. This information should not be considered as a demonstration of actual performance results or actual trading using client assets and should not be interpreted as such. The results are based on the retroactive application of a back-tested model that was designed with the benefit of hindsight and should not be interpreted as the performance of actual accounts. Past performance is not a guarantee of future results. The Simulated Strategies started in 1996 and have evolved over the years. The advisor has not managed client portfolios this entire period of time. Commodities, when shown in a portfolio, were added in 2004. Core funds, when shown in a portfolio, were added in 2007. International real estate, when shown in a portfolio, was added in 2008. All should be considered material changes to the Simulated Strategies. The differences in demonstrated returns can be seen by comparing Simulated Strategies with and without each of these. The investment returns and principal value of mutual funds recommended by our firm will fluctuate and may be worth more or less than their original cost when sold. A client may experience a loss when implementing an investment strategy.

In 1999, tax-managed funds became available for several different asset classes. We may use tax-managed funds for taxable entities. While the tax-managed funds are consistent with the passive approach we follow, they should not be expected to regularly track the performance of corresponding taxable funds in the same or similar asset classes. As such, the performance of portfolios using tax-managed funds will vary from portfolios that do not use these funds.

Back-tested data does not represent the impact that material economic and market factors might have on an investment advisor's decision-making process if the advisor were actually advising an investor and should not be considered indicative of the skill of the advisor. The back-testing of performance differs from actual account performance because an investment strategy may be adjusted at any time and for any reason, and can continue to be changed until desired or better performance results are achieved. The back-tested results assume ordinary income and capital gains distributions are reinvested, annual rebalancing and no income taxes. If performance reflects the deduction of an advisory fee (1.25 percent or less) billed quarterly in advance, it is indicated on the page. More information about mutual fund fees and expenses is available in the prospectus for each mutual fund.

Any back-tested data used in creating the Simulated Strategies includes only live funds. All funds are live for 10 years or more except the commodities fund, core funds and the international real estate fund.



Sources and Descriptions of Data

U.S. Equities

S&P 500 Index

Courtesy of Roger G. Ibbotson and Rex A. Sinquefeld, *Stocks, Bonds, Bills and Inflation: The Past and the Future*, Dow Jones, 1989. Ibbotson Associates, Chicago, annually updates work by Roger G. Ibbotson and Rex A. Sinquefeld. Used with permission. All rights reserved.

CRSP Deciles 9–10 Index

Courtesy of Center for Research in Security Prices (CRSP), University of Chicago. Small company universe returns (Deciles 9–10) — all exchanges.

January 1926–June 1962: NYSE, rebalanced semiannually.
 July 1962–December 1972: CRSP Database, NYSE and AMEX, rebalanced quarterly.
 January 1973–September 1988: CRSP Database, NYSE, AMEX and OTC, rebalanced quarterly.
 October 1988–present: CRSP Index (NYSE, AMEX and OTC).

CRSP Deciles 6–10 Index

Courtesy of CRSP, University of Chicago. Small company universe returns (Deciles 6–10) — all exchanges.

January 1926–June 1962: NYSE, rebalanced semiannually.
 July 1962–December 1972: CRSP Database, NYSE and AMEX, rebalanced quarterly.
 January 1973–September 1988: CRSP Database, NYSE, AMEX and OTC, rebalanced quarterly.
 October 1988–present: CRSP Index (NYSE, AMEX and OTC).

CRSP Deciles 1–10 Index (market)

Courtesy of CRSP, University of Chicago.

January 1926–June 1962: NYSE, rebalanced semiannually.
 July 1962–present: CRSP deciles 1–10 cap-based (market) portfolio, rebalanced quarterly.

Fama-French US Large Growth Index (excluding utilities),

Fama-French US Large Cap Index,

Fama-French US Large Cap Value Index (excluding utilities),

Fama-French US Small Growth Index (excluding utilities),

Fama-French US Small Cap Index and

Fama-French US Small Cap Value Index (excluding utilities)

January 1927–present: Courtesy of Fama-French and CRSP. Upper-half market cap, upper 30 percent book-to-market. Buy range-only, no simulated hold range or estimated trading costs, rebalanced quarterly.
 Composition: U.S. operating companies trading on the NYSE, AMEX or Nasdaq NMS. Maximum weight of any security in a portfolio is 4 percent.
 Exclusions: ADRs, investment companies, tracking stocks before 1993, non-U.S. incorporated companies, closed-end funds and certificates.
 Sources: CRSP databases for returns and market capitalization: 1926–present. Compustat and hand-collected book values: 1926–1992. CRSP links to Compustat and hand-collected links: 1926–present. Book-to-market ratios provided by Dimensional Fund Advisors (DFA): 1993–present.
 Breakpoints: Before June 1996, the small-cap portfolios contain firms with market capitalization below the 55th percentile of all eligible NYSE firms, and the large-cap portfolios contain firms with market caps above the 50th percentile. From June 1996 to December 2000, the size breakpoint for all portfolios is the market cap of the median eligible NYSE firm. The book-to-market breakpoints for 1926 to 2000 split the eligible NYSE firms with positive book equity into three categories: the top 30 percent are in value and the bottom 30 percent are in growth.
 Starting in January 2001, the size breakpoints are defined by cumulative market cap percentile rules. Small-cap is the bottom 8 percent of the overall stock market and large-cap is the top 90 percent. The book-to-market breakpoints are defined by the firms in the relevant size range.
 The breakpoints for small-cap value (high book-to-market) and small-cap growth (low book-to-market) assign 25 percent of the total market cap in the small-cap size range to each portfolio. The book-to-market breakpoints for large-cap assign 10 percent of the market equity of large firms to the large-cap value portfolio and 20 percent to the large-cap growth portfolio.
 Rebalancing: Annual (at the end of June): 1926–1992. Quarterly: 1993–present.

Dimensional US Micro Cap Index

Courtesy of CRSP and Compustat. June 1927–present:

Dimensional US Micro Cap Index.

Composition: Market-capitalization-weighted index of securities of the smallest U.S. companies whose market capitalization falls in the lowest 4 percent of the total market capitalization of the eligible market. The eligible market is composed of securities of U.S. companies traded on the NYSE, AMEX and Nasdaq Global Market.

Dimensional US Small Cap Value Index

Courtesy of CRSP and Compustat. June 1927–present:

Dimensional US Small Cap Value Index.

Composition: Companies whose book-to-market ratio falls in the top 25 percent of U.S. small-cap companies after the exclusion of utilities, companies lacking financial data and companies with negative book-to-market ratio. The eligible market is composed of securities of U.S. companies traded on the NYSE, AMEX and Nasdaq Global Market.

Dimensional US Large Cap Value Index

Courtesy of CRSP and Compustat. June 1927–present:

Dimensional US Large Cap Value Index.

Composition: Companies whose book-to-market ratio falls in the top 20 percent of U.S. large-cap companies after the exclusion of utilities, companies lacking financial data and companies with negative book-to-market ratio. The eligible market is composed of securities of U.S. companies traded on the NYSE, AMEX and Nasdaq Global Market.

US Market Equity — Risk Targets 2 and 3

Courtesy of DFA.

January 1973–present: DFA US Adjusted Market 2 Index.

US Large Cap Value

Courtesy of DFA.

January 1973–present: DFA US Large Cap Value Index.

US Small Cap Value

Courtesy of DFA.

January 1973–present: DFA US Targeted Value Index.

International Equities

Fama-French International Value Index

Courtesy of Morgan Stanley Capital International (MSCI) and Fama-French.

January 1973–December 1974: Data provided by MSCI EAFE Index (net dividends).

January 1975–present: Data provided by Fama-French from MSCI securities data. Simulated strategy of MSCI EAFE countries in the upper 30 percent book-to-market range.

Dimensional International Small Cap Index

Courtesy of DFA.

January 1970–June 1981:

50 percent Hoare Govett Small Companies Index.

50 percent Nomura Small Companies Index.

July 1981–present:

Simulated by DFA from Style Research securities data.

Includes securities of MSCI EAFE countries in the bottom 10 percent of market capitalization, excluding the bottom 1 percent.

Sources and descriptions of data supplied by Dimensional Fund Advisors.

Information from sources deemed reliable, but its accuracy cannot be guaranteed.



Sources and Descriptions of Data

International Market Equity

Courtesy of MSCI, DFA and Fama-French.

January 1973–December 1974:	50 percent MSCI EAFE (net dividends). 50 percent DFA International Small Cap Index.
January 1975–June 1981:	35 percent MSCI EAFE (net dividends). 28 percent Fama-French International Value Index. 37 percent DFA International Small Cap Index.
July 1981–present:	35 percent MSCI EAFE (net dividends). 28 percent Fama-French International Value Index. 32 percent DFA International Small Cap Index. 5 percent DFA International Small Cap Value Index.

International Large Value

Courtesy of MSCI, DFA and Fama-French.

January 1973–December 1974:	50 percent MSCI EAFE (net dividends). 50 percent DFA International Small Cap Index.
January 1975–present:	Fama-French International Value Index.

International Small Value

Courtesy of DFA.

January 1973–June 1981:	DFA International Small Cap Index.
July 1981–present:	DFA International Small Cap Value Index.

Emerging Market Equity

Courtesy of MSCI, DFA and Fama-French.

January 1973–December 1974:	25 percent MSCI EAFE (net dividends). 75 percent DFA International Small Cap Index.
January 1975–December 1987:	50 percent Fama-French International Value Index. 50 percent DFA International Small Cap Index.
January 1988–December 1988:	MSCI Emerging Markets Index (gross).
January 1989–present:	50 percent MSCI Emerging Markets Index (gross). 25 percent Fama-French Emerging Markets Small Cap Index. 25 percent Fama-French Emerging Markets Value Index.

Fixed Income

Barclays Capital Government/Credit Bond Index

Range 1–30+ years. Courtesy of Barclays Capital.

Barclays Capital Intermediate Government Credit Bond Index

Range 1–10 years. Courtesy of Barclays Capital.

Six-Month Treasury Bills

Courtesy of CRSP and Merrill Lynch.

January 1964–December 1977:	CRSP.
January 1978–present:	Merrill Lynch G002 Index.

One-Year Treasury Note Index

Courtesy of CRSP, DFA and Merrill Lynch.

July 1963–May 1991:	CRSP/DFA.
June 1991–June 2000:	Merrill Lynch One-Year US Treasury Bill Index.
July 2000–present:	Merrill Lynch One-Year US Treasury Note Index (GC03 Index).

One-Month Treasury Bills (Average maturity: 30 days), Five-Year Treasury Notes, Long-Term Government Bonds (Average maturity: 20 years) and Long-Term Corporate Bonds

Courtesy of Roger G. Ibbotson and Rex A. Sinquefeld, *Stocks, Bonds, Bills and Inflation: The Past and the Future*, Dow Jones, 1989. Ibbotson Associates, Chicago, annually updates work by Roger G. Ibbotson and Rex A. Sinquefeld. Used with permission. All rights reserved.

One-Month Certificate of Deposit

Courtesy of Federal Reserve Bank.

January 1966–present:	One-Month Certificate of Deposit Index.
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Three-Month Certificate of Deposit

Courtesy of Federal Reserve Bank.

January 1988–present:	Three-Month Certificate of Deposit Index.
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Six-Month Certificate of Deposit

Courtesy of Federal Reserve Bank.

January 1988–present:	Six-Month Certificate of Deposit Index.
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Merrill Lynch Three-Month US Treasury Bill Index

Courtesy of Merrill Lynch.

January 1978–present:	Merrill Lynch Three-Month US Treasury Bill Index.
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Barclays Capital US Government Bond Index (Intermediate)

Courtesy of Barclays Capital.

January 1973–present:	Barclays Capital Intermediate Government Bond Index.
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Barclays Capital Treasury Bond Index (Intermediate)

Courtesy of Barclays Capital.

January 1973–present:	Barclays Capital Intermediate Treasury Bond Index.
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Barclays Capital Credit Bond Index (Intermediate)

Range 1–10 years. Courtesy of Barclays Capital.

January 1973–present:	Barclays Capital Intermediate Credit Bond Index.
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Barclays Capital Treasury Bond Index

Range 1–30+ years. Courtesy of Barclays Capital.

January 1973–present:	Barclays Capital Treasury Bond Index.
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Barclays Capital US Government Bond Index

Range 1–30+ years. Courtesy of Barclays Capital.

January 1973–present:	Barclays Capital Government Bond Index.
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CSFB High Yield Index

Courtesy of Morningstar.

January 1988–present:	CSFB High Yield Index.
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Fixed Income for Risk Target 3 2008 Indexes

Courtesy of Merrill Lynch, Citigroup and Barclays Capital.

January 1973–December 1989:	Merrill Lynch One-Year US Treasury.
January 1990–February 1997:	Citigroup World Government Bond (1–3 Hedged).
March 1997–present:	50 percent Citigroup World Government Bond (1–3 Hedged). 50 percent Barclays Capital TIPS Index.

Hard Assets

Dow Jones Wilshire REIT Index

Courtesy of Dow Jones Wilshire.

January 1978–present:	Dow Jones Wilshire REIT Index.
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S&P Goldman Sachs Commodities Index™

Courtesy of Bloomberg.

January 1970–present:	S&P Goldman Sachs Commodities Index™
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Inflation

Courtesy of Roger G. Ibbotson and Rex A. Sinquefeld, *Stocks, Bonds, Bills and Inflation: The Past and the Future*, Dow Jones, 1989. Ibbotson Associates, Chicago, annually updates work by Roger G. Ibbotson and Rex A. Sinquefeld. Used with permission. All rights reserved.