

Investment Policy

Investment Policy Committee Meeting of September 26, 2011

The quarterly Investment Policy Committee comments and asset allocation changes are normally published at the beginning of January, April, July, and October. Please examine carefully the recommended allocations to the four model portfolios shown on pages 8-11. The asset allocation recommendations can be useful for financial advisors in their periodic reviews of client accounts, and clients will find that periodic reviews of such asset allocation portfolios can enhance their understanding of how their strategic plan is being implemented.

Review of Previous Quarters

	<u>1/5/11</u>	<u>4/4/11</u>	<u>6/30/11</u>	<u>8/8/11</u>	<u>9/26/11</u>
S&P 500	1276.56	1332.87	1320.64	1119.46	1162.95
Dow	11722.89	12400.00	12414.30	10809.80	11043.90
10-year Treasury note	3.467%	3.420%	3.161%	2.344%	1.901%
3-month T-bill rate	0.140%	0.038%	0.015%	.023%	.003%
Price of gold (COMEX Spot)*	\$1378.32	\$1433.95	\$1500.35	\$1717.53	\$1626.35

*All historical data provided by Bloomberg LLC.

The following comments were made at the Investment Policy Committee meeting on September 26, 2011.

Scott Brown, Chief Economist, Equity Research – Recent data reports continue to suggest lackluster economic growth in the near term – positive, but below potential. Job destruction appears to have risen modestly, while new hiring remains limited. Consumer spending growth is soft. Manufacturing activity is still generally positive, but more mixed across industries. Contraction in state and local government remains a serious headwind for the overall economy – we are averaging a 40,000 monthly decline in state and local government payrolls – and federal fiscal policy is set to be a major drag on GDP growth in 2012. Europe's debt crisis has intensified, contributing to a dampening of the outlook for global growth.

The odds of recession have increased (now seen at about 45% to 50%). The unwinding of federal fiscal stimulus is set to subtract 2% (possibly more) from GDP in 2012. The president's jobs proposal, if enacted in its entirety, would turn that into a 0.5% addition to GDP (more of a non-negative than a strong positive for growth). However, only a portion of the proposed stimulus is likely to pass Congress.

The outlook for businesses remains mixed. Corporate profits are at record highs and cash positions are strong – not what one normally sees on the cusp of a recession. However, smaller firms remain credit constrained and firms with good credit do not necessarily want to take on additional financial obligations until they see signs of a sustained increase in demand for the goods and services they produce. Most of the hiring in an economic expansion comes from small- and medium-sized firms.

With prolonged weakness in the labor market and inflation expected to moderate, the Federal Reserve has turned to further monetary policy accommodation. In its maturity extension program (Operation Twist), the Fed will purchase, by the end of June 2012, \$400 billion in Treasuries with maturities of 6-30 years and sell an equal amount of Treasuries with maturities of three years or less – keeping the size of the Fed's balance sheet constant. The size of the program was larger, and purchases further out the curve, than expected. The Fed also decided to reinvest the principal payments from its holdings of mortgage-backed securities and agency debt into mortgage-backed securities – which should help keep mortgage rates low. Long-term interest rates plunged following the Fed's decision. The Fed also left the door open to do more, if needed.

Given the outlook (a lengthy period of subpar growth at home and abroad with risks tilted to the downside), I would move 5% from equities to fixed income in portfolios 1 and 2, and shift 5% from cash to fixed income in portfolios 3 and 4 – that would leave us with

Please read domestic and foreign disclosure/risk information beginning on page 12 and Analyst Certification on page 12.

equities underweighted (relative to the norms) by 5% in each of the model portfolios, at the norms in fixed income, and overweighted 5% in cash. I would also reduce international exposure to 15% from 20%.

Doug Harsham, Vice President, Municipal Fixed Income – Looking at the numbers, since our August special meeting 10-year Treasury yields have dropped another 50 bp, much of that in response to the Fed's announcement of Operation Twist. Gold traded above \$1,800 per ounce and has since corrected over the last few days down to the mid-\$1,600s. The Dow and S&P 500 indices are both close to the same levels we saw at our August special meeting, but it has not been a straight line on the charts. Large price swings have been plentiful, and this can have adverse effects on investors' confidence.

On the economic side of the equation we still see plenty of negatives. Jobless claims have consistently exceeded 400,000. The longer this continues, the longer it will take to recover. Unemployment is still over 9% regardless of how many "stimulus" attempts have been tried. The overall underemployment rate is around 17%, with minority underemployment well over 20%. Again, this adversely affects consumer sentiment and spending.

Politics also come into play. The lack of ability of our politicians to come to any kind of consensus on debt reduction is adding to the uncertainty factor. Toss in a multitude of regulations and possible tax increases on business and it is easy to see why many business owners are hesitant to increase payrolls.

Consumers are concerned about keeping their jobs and dealing with falling home values and net worth. This makes it more likely they will not increase their spending patterns, and this plays a big part in the lackluster retail sales numbers we have seen. The effectiveness of the Fed's Operation Twist to lower longer-term yields remains to be seen. The initial response was a strong rally in long Treasuries. Will this hold? Will this help? If mortgage rates move lower, but banks are hesitant to make the loans, does it really help the housing market? Probably not.

Much of what we see points to a long, slow recovery process in the United States. The European situation will not help either. With several members of the EU in fiscal messes, this will certainly have negative effects on our recovery. I think that increased volatility will become more of the "normal" for our markets. This gives a great example of the value of having a diversified portfolio! I would make no changes to the model portfolio allocations we made in our August meeting. I would probably avoid European markets in the international equity allocation until there is more stability evident there along with signs that they have their fiscal problems under control. As always, know what you are investing in and make sure you understand the risks involved!

David Henwood, Chief Investment Officer, Equity Research – Despite some recent positive indications about consumer spending trends in August spurred by stronger-than-expected auto and retail sales, the outlook for U.S. GDP growth and for a growing number of countries in the world show definite moderating trends. U.S. equity markets have been highly volatile with nine of the last 20 days producing declines in the S&P 500, and this broad average is down 4.6% from the August 31 close of 1218.89 to the September 26 close of 1162.95. Since the 2011 S&P 500 intraday high of 1370.58 on May 2, 2011, this broad average has declined 15.1%.

U.S. housing remains weak as excess supply of homes for sale and tighter mortgage credit constrain closings. Also state and local government spending is in decline, business spending has slowed overall from the 2010 pace, consumer spending has been somewhat stronger than expected recently but fairly volatile from month to month, and trends here are expected to moderate over the balance of the year. International demand for U.S. goods and services has been the strongest sector but it also appears to be moderating. The recent report from the International Monetary Fund on the World Economic Outlook released in September shows reduced expectations for global growth for 2011 and 2012 from its prior June report for the 10 countries and major economic areas specified. In the IMF forecast, the U.S. and Europe showed the largest slowing in growth expectations with U.S. GDP slowing by 1.0% and 0.9% to 1.1% and 2.0% for 4Q11 vs. 4Q10 and 4Q12 vs. 4Q11, respectively, from June expectations. These revised U.S. GDP expectations lead to only 1.5% annual growth in 2011 and 1.8% growth projected for 2012. The most interesting element of the IMF's September report is the severity of the GDP downward revisions versus three months ago. I remain concerned about the weakening trends and the prospects for anemic U.S. GDP growth continuing through 2012 and possibly beyond, and continuing credit and debt management issues facing the U.S. consumer and federal, state, and local governments.

Investors both here and in most developed countries of the world remain frustrated with recent equity performance and economic and financial market uncertainties that lay ahead. In the U.S., investors face high volatility, more evidence of weakening economic growth, continuing high unemployment, and slowing earnings growth prospects, but also fairly modest P/E valuation proving some allure for equities versus low yielding alternatives. The S&P 500 as of the close of September 26 was selling at 11.8 times and 10.4 times the latest S&P 500 Index Services analysts' aggregate operating (before non-recurring special charges) EPS estimates for 2011 and 2012 of \$98.16 and \$111.67, respectively. It should be noted that in recent months, the S&P 500 aggregate EPS estimates for

2011 and 2012 have been slowly declining. With short-term rates so low, investors struggle with the allure of higher equity returns versus the risk that corporate news will disappoint and capital losses will result. I continue to be cautious and favor highly rated MLPs and REITs with solid and sustainable distributable cash flow growth and above average dividend yields.

Following the actions taken in early August to reduce equity weightings, we are now 5% below equity norms in portfolios 3 and 4 with equity allocations at 40% and 60%, respectively, and at equity norms in portfolios 1 and 2 with allocations at 15% and 30%, respectively. Fixed income allocations are 5% under norms in all four portfolios as well. With real estate and tangibles negatively impacted by continuing weak housing trends and large supplies of unsold homes and condos on the market for resale, we expect moderating pricing declines here. The IPC has continued to keep allocations for Real Estate and tangibles at the norms. As a result, allocations are currently over-allocated to cash. Despite the extremely low interest rates here, the over-allocation reflects safety of principal concerns in the other asset classes currently.

I recommend no changes in the current allocations to the four model portfolios. I also feel comfortable with the current allocation of 20% of equities being invested internationally with an underweighting currently to Europe.

Paul Puryear, Director of Real Estate Research – The “new normal” is going worldwide. China seems to be feeling the effects of slowdowns with trading partner economies. Combined with the impact of the European debt crisis, the U.S. fiscal crisis, and unrest in North Africa, we see little reason to get more bullish on equities. Stocks look cheap, fixed income looks expensive, and cash is earning nothing, so where can investors go? Our recommendation is to at least overweight REITs within the real estate sector. REITs offer attractive dividends, a hedge against the inflationary cost to build buildings, and upside in property level earnings when the economy starts to improve. We believe it is likely that a lot of the bad news is priced into the equity markets given the yield spreads available versus Treasuries, but that leaves the questions of when will economic growth prospects start to lift stocks again or when will investors feel comfortable with more risk open for discussion? While the upcoming 3Q earnings season does not look problematic, we think the Street will be more focused on management commentary about the 2012 outlook and expect that to be cautionary at the least. Although we continue to believe we are not headed into an outright recession, the slowdown is apparent, and in our view, there are too many issues for investors and the broader markets to consider before making a more pronounced move into equities.

With respect to the recommendation for an increased weighting to REITs, I remind investors that we are in the early innings of the up cycle for commercial real estate (not to be confused with housing), and although commercial real estate fundamentals typically lag leading economic indicators on the demand side there is virtually no new supply during a period when Brazil, Russia, India, and China are consuming most of the world’s construction materials and are generally sending materials cost up. This will play out to the benefit of income property investors in the long run as rents adjust to replacement cost. Near term, REIT investors can collect outsized dividends versus the historical spread over 10-year Treasuries. The MSCI REIT yield is 3.80% versus the 10-year yield at 1.80%, a 200-bp premium. This compares to a 20-year average premium of 100 bp. Fundamentals are stabilizing or improving in all commercial sectors. The credit and capital market environment has been very supportive of the REITs, and dividend payout ratios for the sector are 10-15% below historic run-rates indicating that the dividends are relatively safe and well covered. They will likely be increased with only modest earnings growth. With interest rates at unusually low levels, we expect pressure on the sector as rates rise, but given the latest economic news the runway for a low interest rate environment seems to be extending. We would encourage investors to diversify across the REIT sectors owning both higher growth cash streams such as apartments and data centers and more defensive dividend stocks such as net lease.

I would make no changes in the allocations to the four model portfolios at this time. I would also maintain the international weighting at 20% in equities. Within fixed income, I would be looking for higher yielding alternatives to Treasuries in corporate bonds or preferreds. Corporate balance sheets look stable and cash rich.

Unfortunately the housing picture is virtually unchanged, and I repeat again – it is going to take a while. A front-page article in the September 21 edition of *The Wall Street Journal* seems to be connecting most of the dots that we have highlighted in our research – no near-term recovery, the \$7 trillion loss of homeowner equity, the impact on consumer spending, the loss of the housing job growth engine in this recovery, and finally the stalemate in the U.S. mortgage market brought on by the Dodd Frank legislation. The only issues missing, in our view, are the disconnect between new home prices and existing home prices and the generational shift in housing buying trends emerging with the aging of the Baby Boomer generation. We are in uncharted water, and we are not sure our legislators have a grasp of the key long-term factors that affect housing and the mortgage market. You cannot push housing into an economy that is oversupplied.

Fixed income was a better investment than equities in 2Q, but I am recommending no changes to the weightings adopted by the committee last quarter. This is consistent with the recommendation for a modest overweight to equities that I endorsed for the first quarter, and while investors suffered a modest equity correction in early March and now the May selloff, on a YTD basis equity returns have been relatively more attractive than fixed income yields. Our expectations for economic growth have not changed much this year or over the past two to three years since the recovery began. We continue to believe the pace of recovery in real GDP growth will be more in the 2-3% range than the historical 3-4%. It will largely be held back by the lack of construction output in the U.S. economy. With the market view now appearing to pull back to this level of growth for the intermediate term, we believe there is less risk in the outlook for corporate earnings growth. Clearly there are issues that cloud the world economic picture, but we are somewhat encouraged by the economic reset for the U.S. as it relates to the prospects for equity investing. Within the equity weightings, I also continue to recommend a 20% weighting in international stocks with a heavier weighting in emerging markets.

Within the intangibles sector very little has changed in our outlook versus last quarter. REITs continue to outperform equities returning -5.3% year-to-date on a price basis (-3.0% on a total return basis including dividends), ahead of the 7.5% decline from the S&P 500. REITs have historically outperformed stocks during the previous up cycles since the beginning of the modern REIT era in 1991. Since 1991 REITs have staged two, well defined, seven-year bull market up cycles – 1991-1997 and 2000-2006 – and two short-lived but painful bear markets in 1998-1999 and again in 2007-2008. We expect 2011 to mark the third year of the third (and current) bull market for REITs and expect earnings growth and dividend increases in 2011, but perhaps more importantly in 2012, to be the dominant catalysts for REIT stock performance over the intermediate term. REITs have recorded 20-22% annualized returns during the two seven-year up cycles, but we expect the level of return in this up cycle to be diminished by the combination of slower GDP growth and moderately rising interest rates. Our expectation for REIT total returns in 2011 remains in the 10-15% range.

Our views continue to be heavily influenced by our knowledge base of the new construction market in the \$25 trillion residential and commercial real estate sectors. Residential and commercial construction levels remain depressed with little need to build new housing or retail, office, industrial or other large category commercial properties. We do not expect the jobs lost in the housing and commercial construction sectors during the downturn to return in 2011 or the intermediate term. Department of Labor Statistics estimates show a drop of 2.2 million jobs from the peak of the last cycle, and with the multiplier effect we pull from various research sources in the 2-2.5x range, this would imply a loss of 4.4-5.5 million jobs from construction and related industries. This drag, along with other factors, will slow the economic recovery, in our view, and keep somewhat of a lid on interest rates, though we expect rates to move moderately higher as the market adjusts to the revised economic growth outlook. If there is any good news in the construction scenario it is that the jobs are now out of the economy, and we most likely only improve from here.

Although commercial real estate fundamentals typically lag leading economic indicators, we continue to see signs of stabilization and bottoming in most sectors with generally improving leasing activity across the board. The credit and capital market environment is strong, and the dividend payout ratios for the sector are 10-15% below historic run-rates indicating that the dividends are relatively safe, well covered, and will likely be increased with only modest earnings growth. With interest rates at unusually low levels, we expect pressure on the sector as rates rise in the near to intermediate term, although given the pace of economic growth, we expect these increases to be moderate. As an offset to the interest rate risk, we would encourage investors to focus on REITs that have the strongest earnings growth prospects such as data centers, life science, apartments, lodging, and self storage with less weighting in defensive sectors such as healthcare and freestanding net lease or sectors that are lagging the recovery such as suburban office.

Jeffrey Saut, Chief Investment Strategist, Equity Research – “It’s 11:01 p.m., do you know where your children are?” is a phrase that haunted me during my teen years as every night our local news anchor would begin his broadcast with that exact question, reminding my parents that I was out past my curfew. Similarly, investors asked themselves last week, “It’s 1101, do you know where your stocks are?” as on Wednesday the doleful Dow dove through last Monday’s intraday low of 1188.36 and headed for the Netherlands. In this case, the Netherlands would be the region below the August 9 intraday “selling climax” low of 1101.54. For seven weeks I have discussed the importance of holding above the 1100 level, or only marginally violating it, if our analogue to the October 1978 and October 1979 bottoming sequence is going to continue to play. So far, the correlation (R^2) between then and now is remarkable. How much longer that R^2 extends is unclear, but as long as the 1100 holds we are sticking with this analogue that has served us so well.

Of course, given that strategy has surfaced questions about how much cash we would raise if 1100 is broken. My response has been, “We recommended raising roughly 30% cash back in the March-April timeframe. Another 5% was raised when the S&P 500 (SPX/1136.43) violated the 1320 level and 5% more was harvested when the SPX traveled below its July reaction low of 1295.92.” While it is true we recommended putting some of that capital back to work seven weeks ago near the “selling climax” lows, using a dividend-paying stock whose share price had collapsed to what our fundamental analysts thought were “absolute lows,” we have still been pretty circumspect in recommitting capital to the broad stock market until it is apparent THE bottom has been recorded.

Last week's Dow dump of 6.4% was the worst weekly wilt since October 2008, which if you will recall was when the "bottoming process" began as on October 10, 2008, 93% of the stocks traded on the NYSE made new annual lows and we were bullish. Like in October of 2008 the news backdrop surrounding last week's "wilt" was grim. Worries centered on the Greek gotcha', slowing economies, credit spreads, commodity crashes, ineffective governments, a fickle Fed, Brazilian import tariffs, class warfare, etc., leaving participants' frustration levels elevated. That frustration is being increasingly reflected in my e-mails, a.k.a. "hate mail," because I have tried to stay constructive on stocks after their generational oversold reading of August 8-9. Such a swelling of "hate mail" has historically had bullish implications for stocks. For example, early last week some of our financial advisors objected to my reference to "class warfare" in regards to President Obama's proposed new tax regime. I would remind those folks that, "According to the Tax Foundation, after the 1929 crash, Congress proceeded to raise the top marginal tax rate from 25% to 63% by the end of Hoover's term. As you may recall, hiking those rates may have made folks feel that rates were more equitable but it sure didn't help the economy." Another e-mail referenced in last Monday's letter where I quoted the sagacious GaveKal organization and its potential solution to the Greek dilemma. This e-mailer's verbiage read:

"Really? I mean really?! How stupid do you think I am? Who believes that to apply a 'global tax cut in Europe' would have 'little direct impact on the German tax payer'?! This assumes that the German government has a way to replace all those tax credits that they gave to the banks with Greek bonds losses. Why? Because tax credits are not something the banks are going to repay to the German government."

It is really too bad that e-mailer missed the entire point of the GaveKal quote since it was intended to show that there are many "out of the box" solutions to Greece's woes whether GaveKal's idea is implementable or not. Then I have received numerous "pings" about my inability to turn bearish, and to all of those folks I have this to say. To my knowledge Raymond James was the only investment bank to write about the Dow Theory "sell signal" of September 1999 and tell investors not to let anything go more than 15-20% against them. I also wrote about the Dow Theory "buy signal" of June 2003, as well as the "sell signal" of November 2007. Most recently, I wrote about the "sell signal" that occurred on August 4, 2011, and opined I hoped it would prove false like the "flash crash" sell-signal of May 6, 2010 – QED!

The reason I revisit my "hate mail" thesis this morning is because it speaks to the frustration level investors are currently feeling. Participants that did not raise some cash in March and April are frustrated because they have seen the value of their portfolios decline. Participants who did raise cash are frustrated because they did not raise enough cash. Participants that panicked, and sold everything seven weeks ago, are frustrated as they have watched stocks like EV Energy Partners (EVEP/\$70.50/Strong Buy) rally from its August 8 intraday low of \$53.10 into last Tuesday's intraday high of \$77.77. Indeed, just about everybody is frustrated, making my best observation – it is difficult to find any optimists around. The situation currently at the focal point of the world's problems appears to be Greece, as comparisons abound about how a Greek default would push the planet into the sort of financial fiasco that followed the Lehman paroxysm. And with that analogue I take exception.

The 2008 Armageddon occurred because Lehman's bankruptcy fractured the financial system in unanticipated ways. The current crisis, however, was avoidable and has been hoisted on the country by the cowardice and incompetence of elected leaders on all sides of the political aisle. Unless there are significant policy shifts, and the U.S. starts to act like a real country instead of a failed state run by a bunch of fanatical factions, our government runs the risk of spiraling out of control with attendant economic and financial damage. That said, there are indeed some good things happening. As pointed out in an excellent article by Reuters' Alan Wheatley titled "Beyond the gloom, reforms bode well for growth" (as paraphrased by me):

"Largely unnoticed by markets riveted by the drama of the day, more and more countries are successfully implementing complex, politically treacherous reforms needed to raise their long-term economic growth rates. . . . There's more appetite for reform today than there was 10 years ago; that's for sure. . . . We continue to believe that at some stage the markets will begin to acknowledge these reforms. This, in turn, should lead to a permanent reduction of the fiscal risk premium from very high levels currently."

Meanwhile, the SPX's 18.0% mauling from its July 21 intraday high into the August 9 intraday "climax low" has left ~52% of the S&P 500 stocks yielding more than the 10-year Treasury bond and ~53% sporting P/E ratios of under 12x earnings. Moreover, consensus earnings estimates have not really come down all that much with this year's estimate pretty sticky at \$98 and next year's hovering around \$111. While I think those estimates are too high, even using my lower estimates produces a P/E ratio for the SPX of 11.8x in 2011 and 10.7x in 2012. If correct, such estimates render an earnings yield of ~9.3% for the SPX with an equity risk premium of ~7.5%. To be clear, my estimates assume no recession for the U.S. economy, a stance not shared by most. However, if we are entering a recession I have to ask why are Baltic freight rates rising, why are railroad shipments and intermodal loadings increasing, why is L.A. port traffic perky, why are RevPar (revenue per available room) numbers tacking at double digits, etc.? Additionally, why have tax collections in the 46 states that have reported them risen 11.4% (year-over-year) in 2Q11, the sixth consecutive quarter in which revenues were up. Tax revenues had declined significantly the five previous quarters. It has been the strongest showing since

2Q05. All states reported growth in personal income taxes. Both personal income and corporate tax revenues increased 16.5%, and sales tax revenues rose 5.9% according to the Rockefeller Institute. Nope, I am still in the no recession camp because our economy has not built up any new excesses that need to be washed through the system.

Last week the Dow Jones Industrial Average (INDU/10771.48) broke below its intraday August 9 low of 10604.07, but the SPX did not violate its respective selling-climax low of 1101.54. Neither did a number of other much-watched indices. To me that sets up the potential for a downside non-confirmation. This week should resolve the suspense. A decisive break below 1100 (5-10 points) would target 1020-1030 according to our work. Whatever the resolution, we have done a fairly decent job of “calling” the stock market this year despite our terrible “call” that 2011 might just be the year of the banks. Fortunately, we avoided the marquee banks in favor of names like IBERIABANK Corp. (IBKC/\$43.83/Strong Buy). But even though such names have held up better than their large cap brethren, we have still lost money and have moved on (read: sold our mistakes quickly).

Consistent with these thought, I recommend no changes to any of the portfolios.

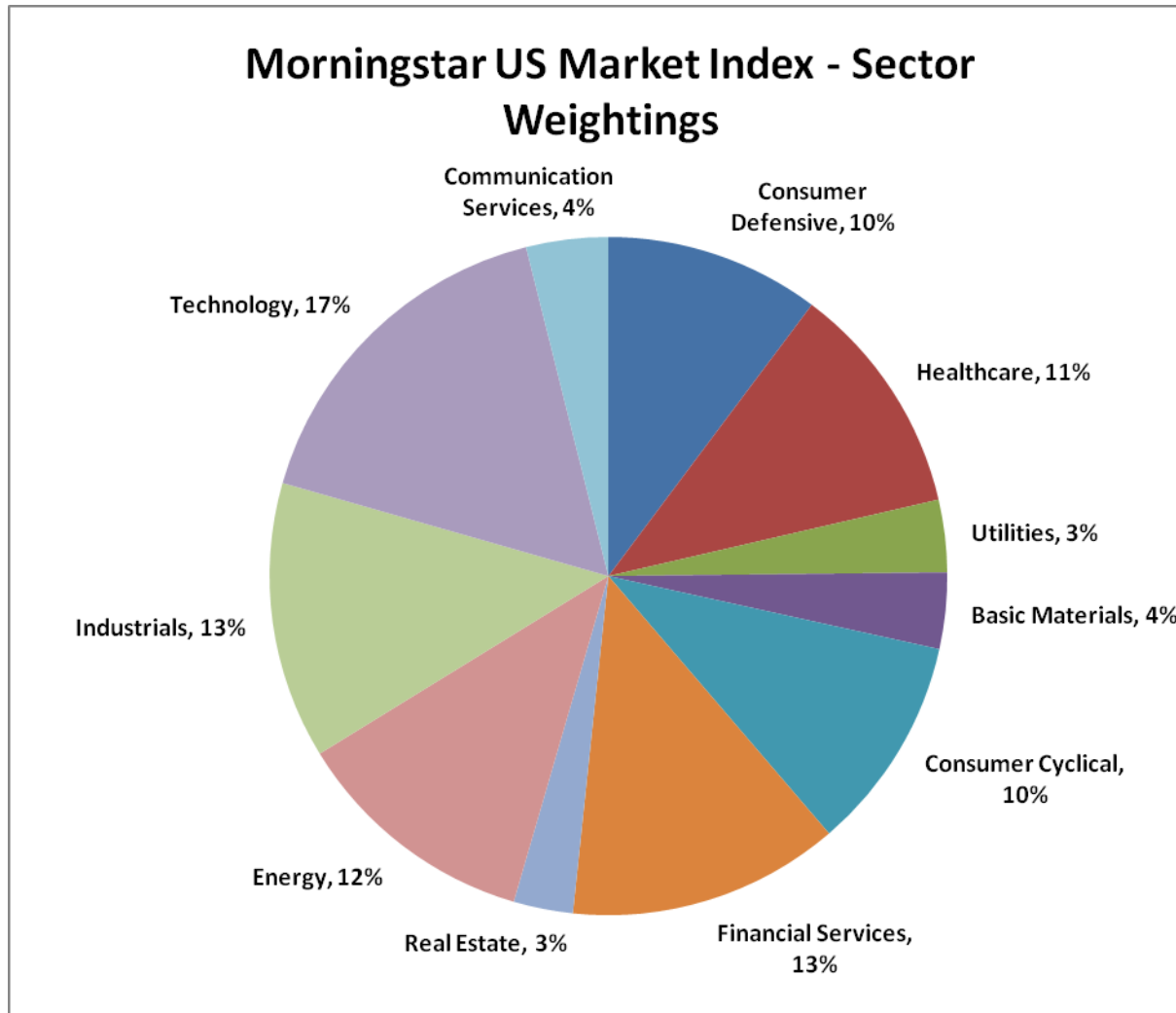
Summary – The Investment Policy Committee (IPC) consensus from the September 26, 2011, Asset Allocation meeting was to leave allocations unchanged with equities and fixed income both under-weighted by 5% in all four model portfolios. Four of the five members (Dave Henwood, Doug Harsham, Paul Puryear, and Jeffrey Saut) voted for this outcome. Scott Brown recommended lowering equities by 5% in portfolios 1 and 2 and cash by 5% in portfolios 3 and 4 with the proceeds being reallocated to fixed income.

International equity allocations were left unchanged at 20% of total equities in the four model portfolios as supported by Dave Henwood, Doug Harsham, Paul Puryear, and Jeffrey Saut. Scott Brown recommended a decrease in the international mix to 15%.

The Asset Allocation consensus of the five members of Raymond James’ Investment Policy Committee is outlined on pages 8-11 in the four model portfolios.

Jeffrey Saut's comments describing equity allocations – as of September 26, 2011: Our weightings now reflect the updated Sector Indexes established by Morningstar, derived from their U.S. Market Index. This broad index consists of over 1,500 stocks accounting for approximately 97% of the investable domestic market. The new classification system consists of three super sectors (cyclical, defensive, and sensitive), 11 sectors (see below), and 148 industries. This methodology is similar to the 10 economic sectors and industry definitions used by Standard and Poor's.

The following chart indicates the benchmark or base weightings of each sector. For more information on methodology, please refer to the following link: [Morningstar Website](#).



Models

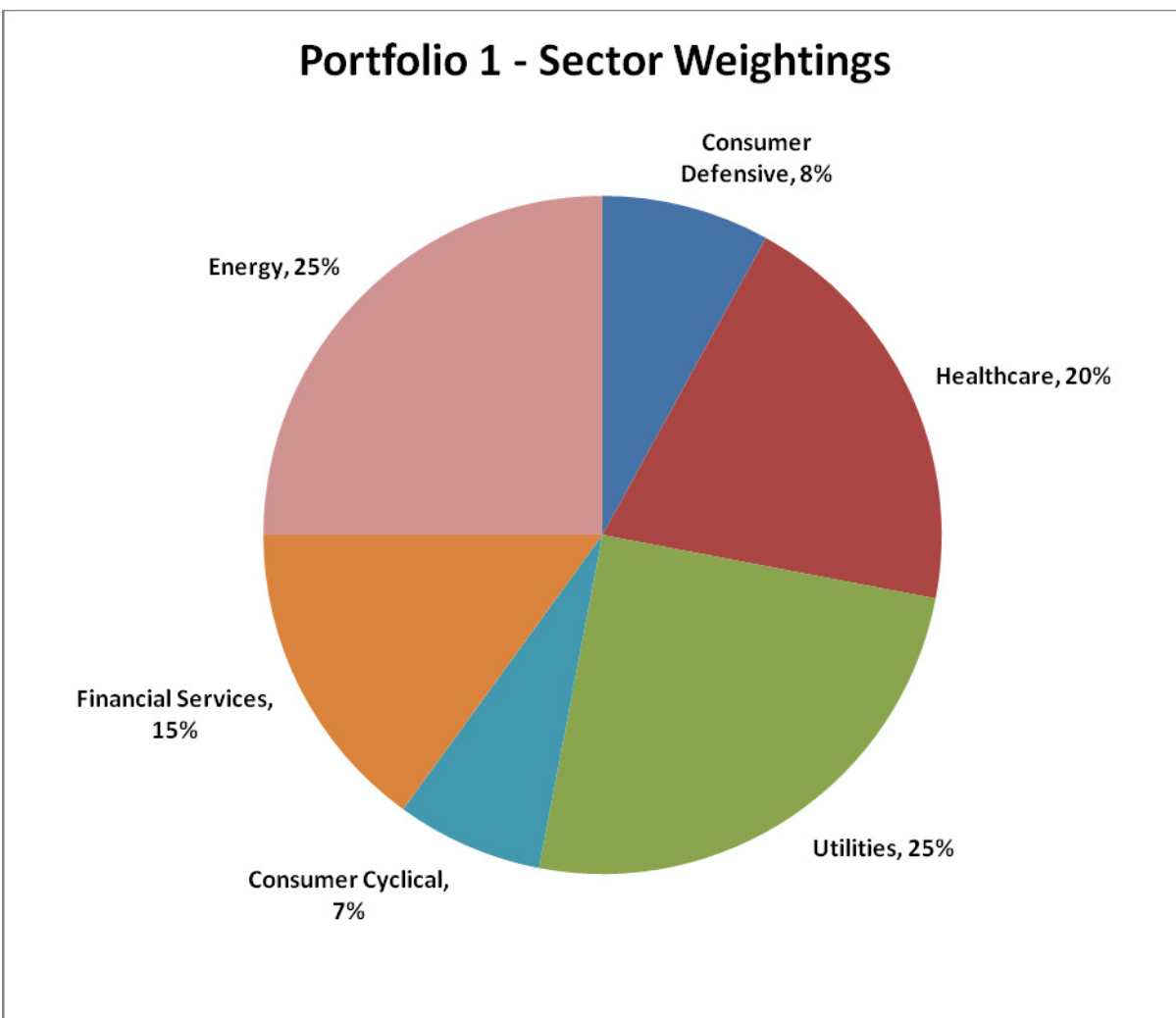
Portfolio 1 – Primarily Capital Preservation

Profile - For conservative investors who are very risk-averse with significant needs for dependable monthly incomes from interest and dividends

Allocation

Category	Norm	4/4/11	6/30/11	8/5/11	9/26/11	Recent Change
Cash Equivalent	20%	20%	20%	25%	25%	0%
Fixed Income	50%	45%	45%	45%	45%	0%
Equities ^{1,2}	15%	20%	20%	15%	15%	0%
RE & Tangibles*	15%	15%	15%	15%	15%	0%
Totals	100%	100%	100%	100%	100%	

*Includes real estate, precious metals, commodities, art, etc.



¹ 20% of the equities should be in international equities.

² 10% of equities should be in alternative investments like quality hedge funds in those accounts with accredited investors.

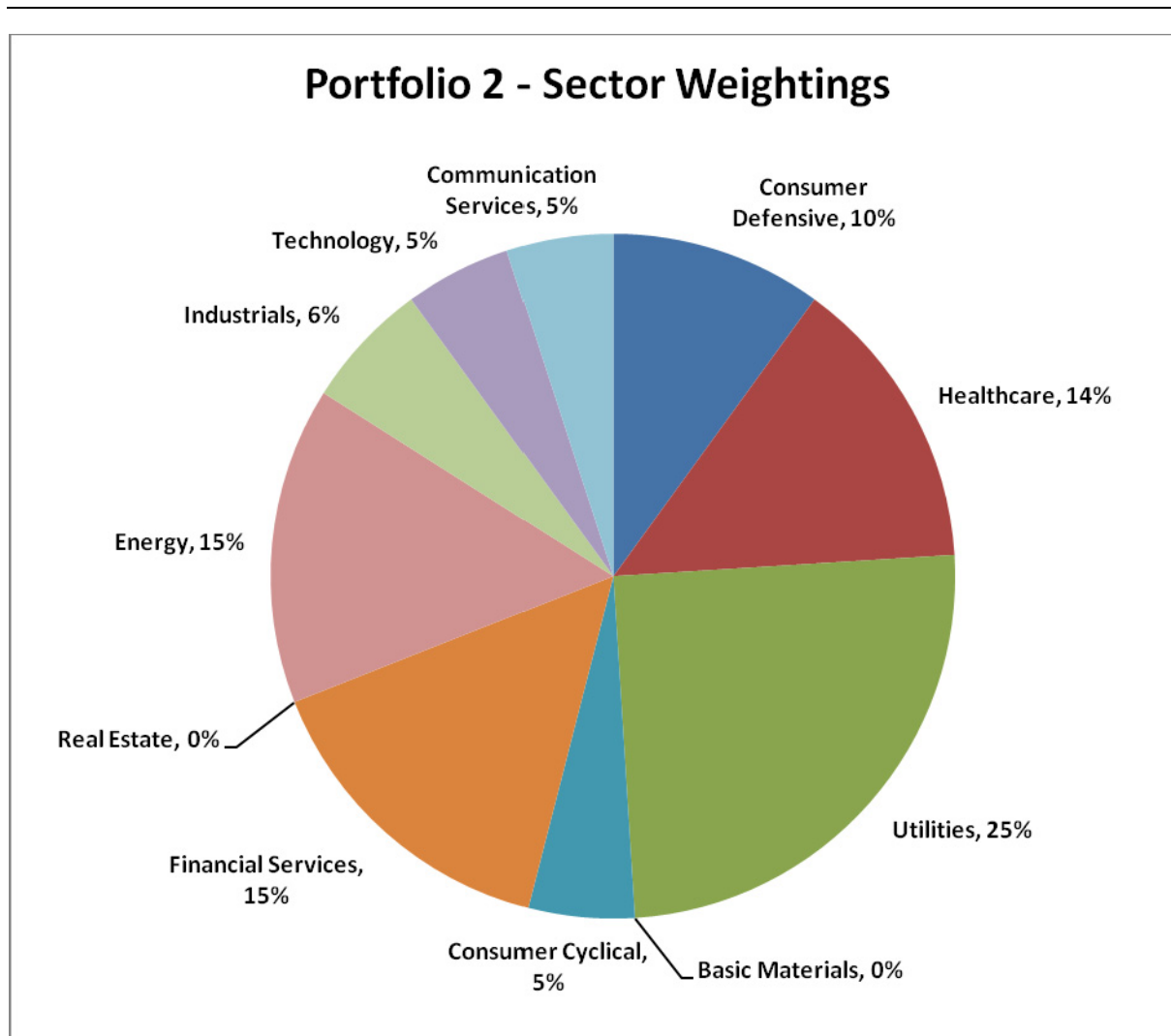
Portfolio 2 – Primarily Income with Growth

Profile - For conservative investors interested primarily in high dividends and interest yields with relatively low risk of principal

Allocation

Category	Norm	4/4/11	6/30/11	8/5/11	9/26/11	Recent Change
Cash Equivalent	15%	15%	15%	20%	20%	0%
Fixed Income	40%	35%	35%	35%	35%	0%
Equities ^{1,2}	30%	35%	35%	30%	30%	0%
RE & Tangibles*	15%	15%	15%	15%	15%	0%
Totals	100%	100%	100%	100%	100%	

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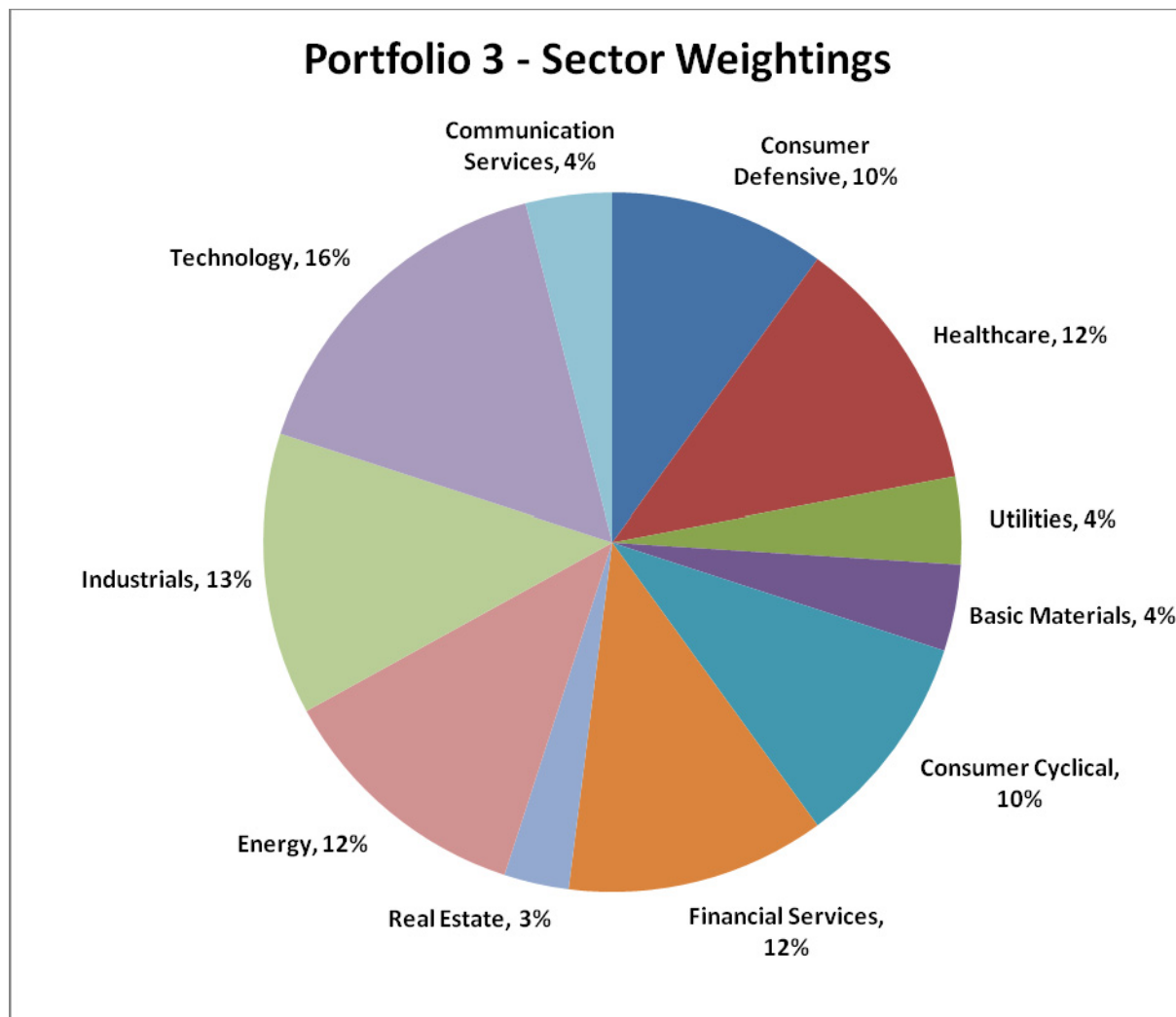
Portfolio 3 – Primarily Growth with Income

Profile - For investors seeking a combination of growth and current income with a tolerance for average levels of risk in equities

Allocation

Category	Norm	4/4/11	6/30/11	8/5/11	9/26/11	Recent Change
Cash Equivalent	15%	15%	15%	25%	25%	0%
Fixed Income	30%	25%	25%	25%	25%	0%
Equities ^{1,2}	45%	50%	50%	40%	40%	0%
RE & Tangibles*	10%	10%	10%	10%	10%	0%
Totals	100%	100%	100%	100%	100%	

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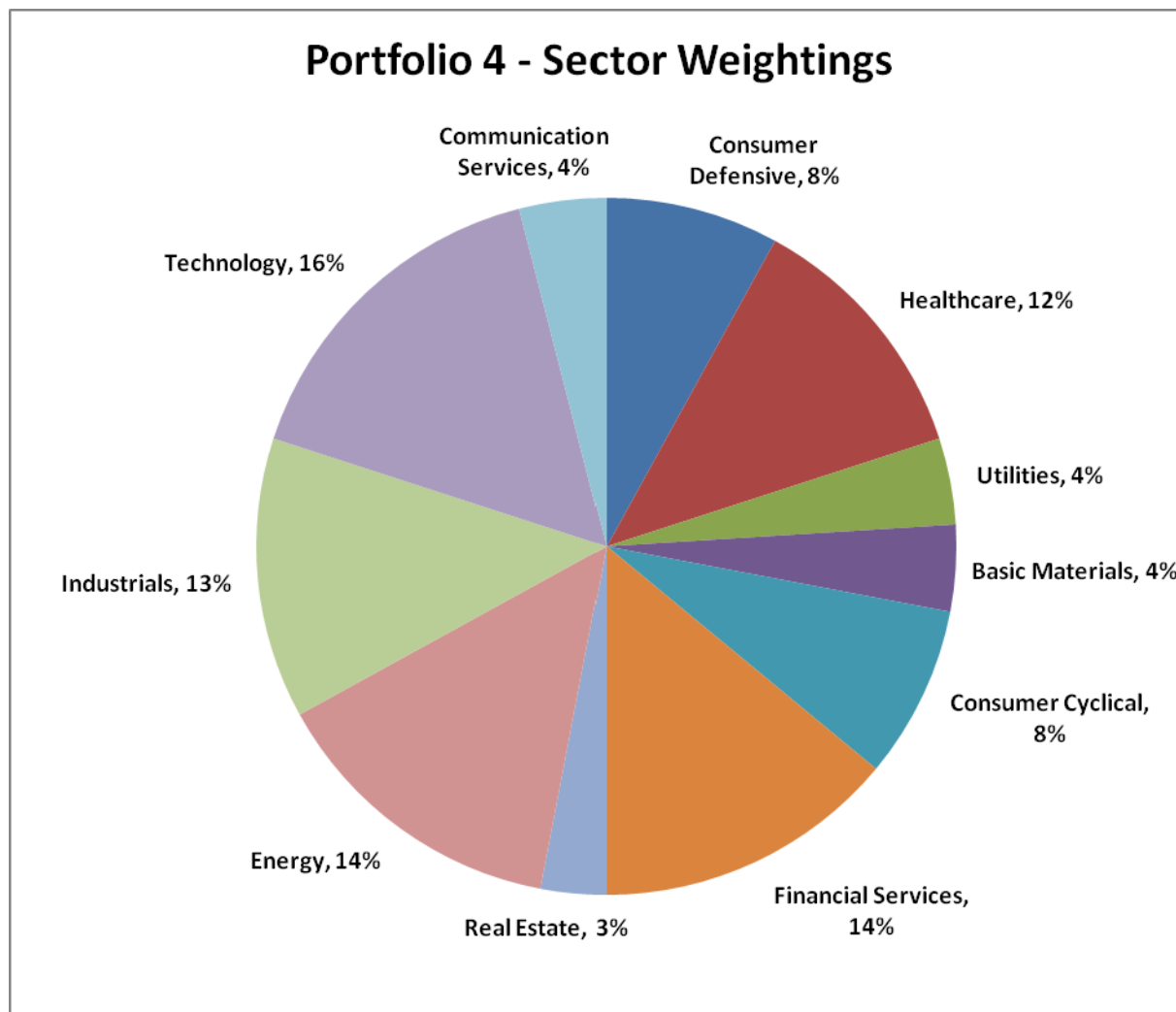
Portfolio 4 – Primarily Growth

Profile - For investors seeking higher capital appreciation returns and willing to take above-average market risk with modest current income requirements

Allocation

Category	Norm	4/4/11	6/30/11	8/5/11	9/26/11	Recent Change
Cash Equivalent	10%	10%	10%	20%	20%	0%
Fixed Income	15%	10%	10%	10%	10%	0%
Equities ^{1,2}	65%	70%	70%	60%	60%	0%
RE & Tangibles*	10%	10%	10%	10%	10%	0%
Totals	100%	100%	100%	100%	100%	

*Includes real estate, precious metals, commodities, art, etc.



¹ 20% of the equities should be in international equities.

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Market Perform (MP3) Expected to perform in line with the underlying country index.

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