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A personalized investment proposal for

**Adam James**

124 Broderick Street

San Francisco California 94123

Voice: 415.893.4521

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Prepared by:

Brad Paige

Presidio Investments Inc.

555 California Street

San Francisco California 94104

Voice: 415.766.8400

August 06, 2008

This report analyzes your current securities portfolio and compares it to a portfolio of investments recommended by your investment professional. Your investment professional has prepared this report using a web-based investment software and data service made available by an independent vendor (the "**Service**"). Please review the following important information and disclosures regarding the Service and the analyses and recommendations contained in this report:

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- \* The results of the calculations used to generate this report may vary with each use of the Service and over time.
- \* **IMPORTANT: The projections or other information included in this report regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.**
- \* This report includes data relating to the historical performance of securities, but past performance is no guarantee of future results.
- \* The securities portfolios analyzed in this report were selected and entered by your investment professional. Other investments not considered in this report may have characteristics similar or superior to those proposed by your investment professional.
- \* Except as otherwise specifically noted, the portfolio analyses appearing in this report are based on style classifications assigned to the securities within the applicable portfolio. They do not reflect the historic or projected performance of any actual securities in the portfolio.
- \* Please refer to the glossary at the end of this report for an explanation of investment terminology and to the notes accompanying each analysis section of this report for an explanation of, and specific disclosures relating to, its content.

#### Investment Risks

- \* There are risks involved with investing, including possible loss of principal.
- \* Diversification does not guarantee against loss of principal. There can be no assurance that an investment strategy based on the target asset allocation proposed in this report will be successful.

The portfolio recommended by your investment professional is not FDIC insured, has no bank guarantee, and may lose value.

**i**

### Risk Profile

The investment profile identifies your tolerance for risk while considering your investment needs and time horizon.

See Glossary at the end of this report for investor profile definitions.

## Risk Profile (as of August 06, 2008)

Analysis of the holdings in your current portfolio indicates that it is a **conservative** portfolio. If you implement the proposed portfolio, the new portfolio will be considered **conservative** based on the underlying holdings.



**i**

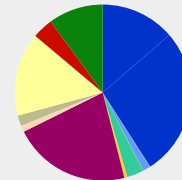
### Asset Allocation

Asset allocation is the process of determining optimal allocations across the broad categories of assets (such as stocks, bonds, cash, etc.) that suit your risk tolerance and investment time horizon.

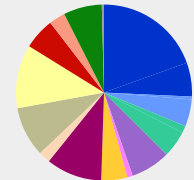
## Proposed Asset Allocation (as of August 06, 2008)

The asset allocation models for your current and proposed portfolios are provided below. Based on the holdings selected for the proposed portfolio staying with a **Conservative** asset allocation strategy is most appropriate.

Current Allocation  
Conservative



Proposed Allocation  
Conservative



Assets	\$	%	\$	%
● Large Cap Value	\$291,428.34	13.66%	\$416,154.09	19.51%
● Large Cap Growth	\$581,687.42	27.27%	\$132,677.95	6.22%
● Mid Cap Value	\$2,114.74	0.10%	\$11,185.36	0.52%
● Mid Cap Growth	\$27,000.46	1.27%	\$106,169.61	4.98%
● Small Cap Value	\$3,491.44	0.16%	\$27,687.78	1.30%
● Small Cap Growth	\$64,440.84	3.02%	\$104,343.97	4.89%
● Real Estate	\$0.00	0.00%	\$155,616.90	7.30%
● Preferred Stock	\$0.00	0.00%	\$21,328.98	1.00%
● International Equity - Developed	\$0.00	0.00%	\$91,437.37	4.29%
● International Equity - Emerging	\$11,664.73	0.55%	\$10,664.83	0.50%
● U.S. Government Bond	\$461,528.73	21.64%	\$219,012.70	10.27%
● Treasury Inflation-Protected Security	\$25,127.68	1.18%	\$46,128.72	2.16%

# Asset Allocation

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● Corporate Bond	\$40,959.00	1.92%	\$196,260.12	9.20%
● Convertible Bond	\$0.00	0.00%	\$0.00	0.00%
● Mortgage-Backed Bond	\$0.00	0.00%	\$0.00	0.00%
● Municipal Bond	\$327,715.56	15.36%	\$249,186.49	11.68%
● High Yield Bond	\$81,220.25	3.81%	\$122,370.03	5.74%
● International Bond	\$0.00	0.00%	\$63,654.18	2.98%
● Certificate of Deposit	\$0.00	0.00%	\$0.00	0.00%
● Cash	\$214,493.02	10.06%	\$150,527.20	7.06%
● Long/Short Equity	\$0.00	0.00%	\$0.00	0.00%
● Global Macro	\$0.00	0.00%	\$0.00	0.00%
● Equity Market Neutral	\$0.00	0.00%	\$0.00	0.00%
● Dedicated Short Bias	\$0.00	0.00%	\$0.00	0.00%
● Event Driven Distressed	\$0.00	0.00%	\$0.00	0.00%
● Event Driven Risk	\$0.00	0.00%	\$0.00	0.00%
● Fixed Income Arbitrage	\$0.00	0.00%	\$0.00	0.00%
● Convertible Arbitrage	\$0.00	0.00%	\$0.00	0.00%
● Emerging Markets	\$0.00	0.00%	\$0.00	0.00%
● Managed Futures	\$0.00	0.00%	\$0.00	0.00%
● Style - Other/Unclassified	\$26.15	0.00%	\$8,492.08	0.40%
<b>Total</b>	<b>\$2,132,898.36</b>	<b>100.00%</b>	<b>\$2,132,898.36</b>	<b>100.00%</b>

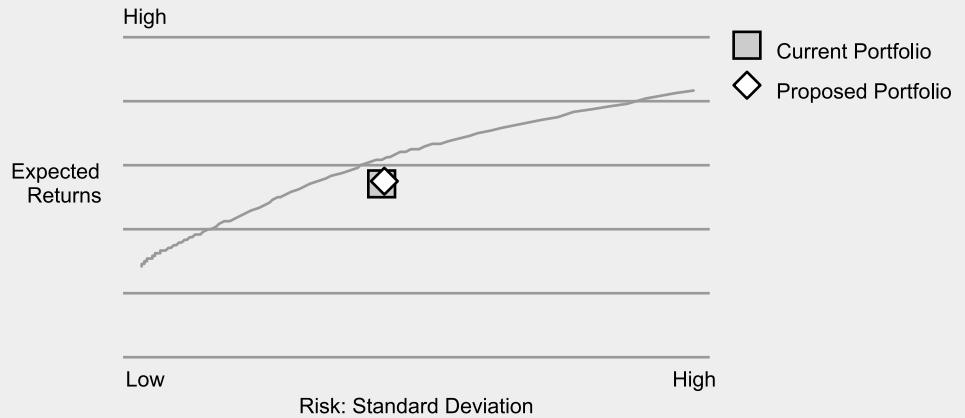


## Efficient Frontier

The efficient frontier is the curve on a risk-reward graph comprised of all efficient portfolios. One portfolio is theoretically more efficient than another if it is closer to the frontier line. The appropriateness of where your allocation should appear is a decision you and your advisor make based on your needs and feelings about risk.

## Efficient Frontier (as of May 31, 2008)

The expected risk and return of your current and proposed portfolios are plotted below. Based on the asset allocation of the current and proposed portfolios, the expected risk of your current portfolio may be **less than** the proposed portfolio.



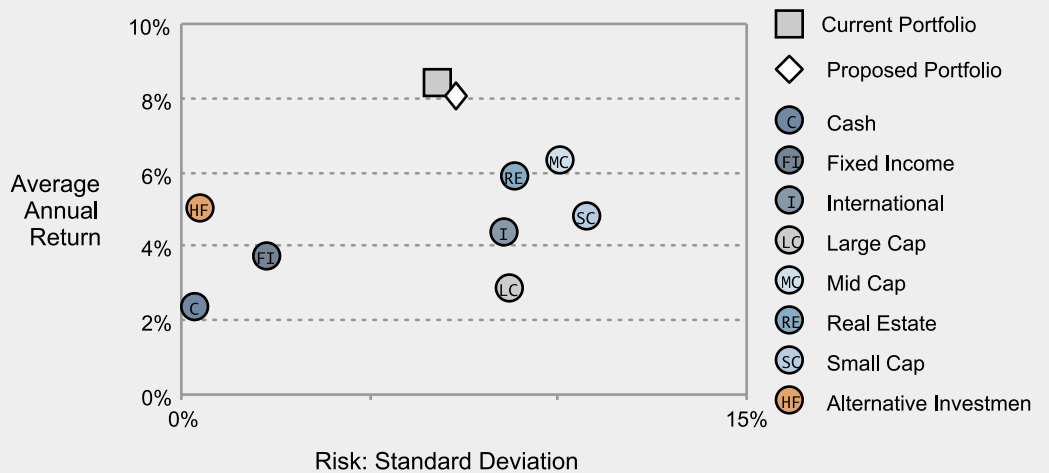
The expected return and risk of a portfolio is generated by assigning proxy benchmark indices weighted by the various asset styles in the portfolio. For the list of appropriate indices, please see the footnote section at the end of this report.



## Historical Risk to Return

The points on this chart show the average annual return an investor would have received over the last ten years as well as the average annual investment fluctuation an investor would have had to tolerate during the same ten year period.

## Historical Risk to Return of Asset Categories <sup>1</sup> (as of May 31, 2008)





## Historical Growth

The performance on this chart show the annual return an investor would have received over the last ten years based on the individual holdings and proxy benchmarks. Past performance is no guarantee of future results.

## Historical Performance <sup>1</sup> (as of May 31, 2008)

Based on the asset allocation of the current and proposed portfolios, the historical return of your current portfolio may be **greater than** the proposed portfolio.



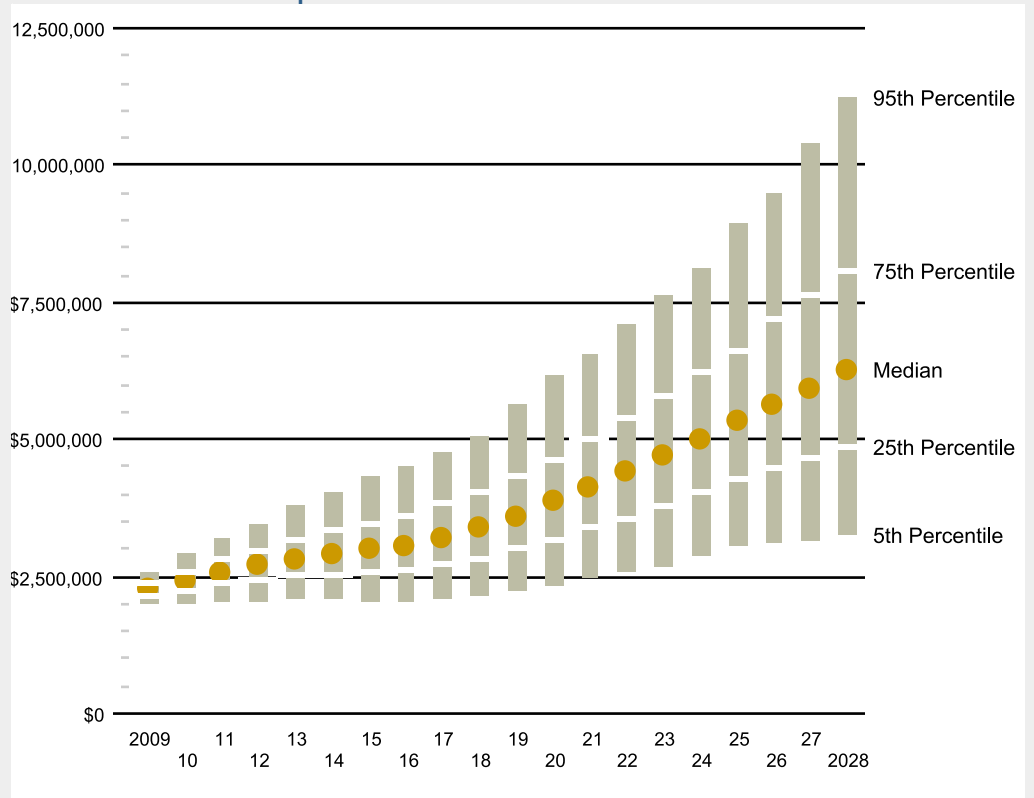
The historical performance for both an existing and proposed portfolio is determined by the actual monthly returns for individual products within each portfolio. In the absence of monthly returns proxy benchmark indices are assigned weighted by the various asset styles in the portfolio. For a list of the appropriate indices please see the footnote section at the end of this report.



**Important Note**

Monte Carlo Simulation provides a sophisticated method to analyze the potential risk and return of a portfolio allocation. The range of portfolio values provides an illustration of the relative risk of investing in the allocation identified in the PROPOSED holdings. Projected ending values are shown in nominal (i.e., not inflation-adjusted) terms. Percentile values are solely for comparison purposes. These values can be used to compare relative probabilities of different outcomes. Half of the simulated outcomes fall between the 25th and the 75th percentiles and nine-tenths fall between the 5th and 95th percentiles. As an example, the 5th Percentile corresponds to wealth values in which 95% of the simulated cases exceed this level and only 5% fall below.

**Monte Carlo Proposed <sup>1</sup>**



Probability of portfolio failure: In 0% of simulated scenarios, the portfolio value was depleted before the end of the horizon.

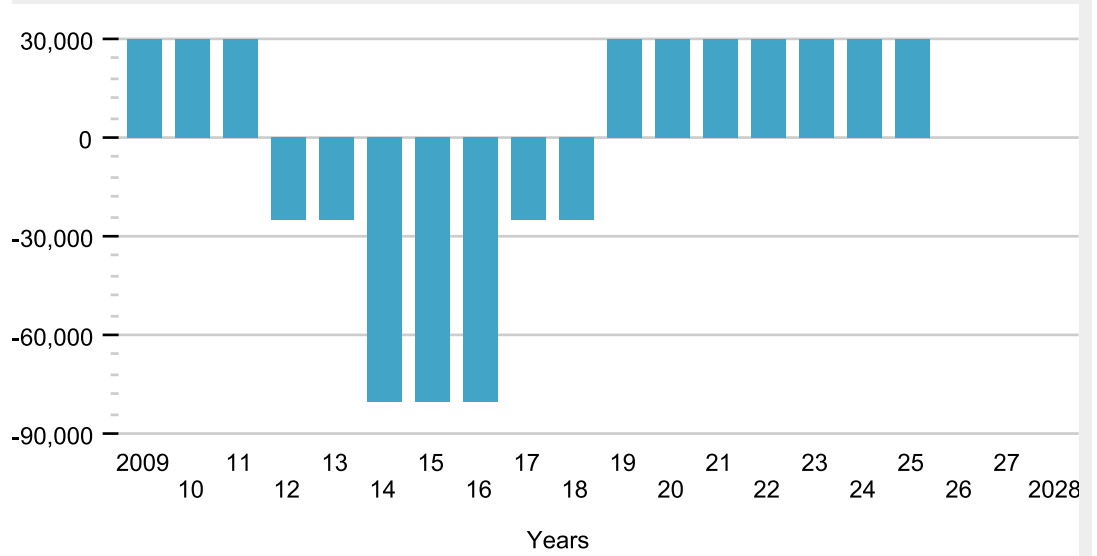
<b>95th Percentile</b>	\$11,254,184.00
<b>75th Percentile</b>	\$8,053,732.00
<b>Median</b>	\$6,269,117.00
<b>25th Percentile</b>	\$4,875,623.50
<b>5th Percentile</b>	\$3,258,973.00



**Important Note**

This table shows the contribution and withdrawal goals applied to your portfolio. These goals are reflected in the projected Monte Carlo simulation on the prior page. This chart summarizes the net results of the goals listed above. A positive value for a year corresponds to a net portfolio contribution. A negative value for a year corresponds to a net portfolio withdrawal. The values are stated in nominal (i.e., not inflation-adjusted) terms.

**Monte Carlo Simulation: Goals <sup>1</sup>**



Goal Type	Name	Start Year	End Year	Annual Amount	Additional Annual Increase
Contributions	Annual Savings	2009	2025	\$30,000	0%
Withdrawals	Child 1 College	2012	2016	\$55,000	0%
Withdrawals	Child 2 College	2014	2018	\$55,000	0%

**i**

**Important Note**

Other investments not considered might have characteristics similar or superior to those proposed by your investment professional. The analysis used in creating your proposed allocation does not search for, analyze or favor certain securities or investments.

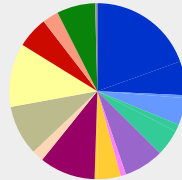
See Glossary at the end of this report for investor profile definitions.

**Proposed Asset Allocation And Holdings** (as of August 06, 2008)

The proposed holdings were chosen to match your target asset allocation, based on your investor profile.

**Proposed Asset Allocation**

Conservative



	\$	%
● Large Cap Value	\$416,154.09	19.51%
● Large Cap Growth	\$132,677.95	6.22%
● Mid Cap Value	\$11,185.36	0.52%
● Mid Cap Growth	\$106,169.61	4.98%
● Small Cap Value	\$27,687.78	1.30%
● Small Cap Growth	\$104,343.97	4.89%
● Real Estate	\$155,616.90	7.30%
● Preferred Stock	\$21,328.98	1.00%
● International Equity - Developed	\$91,437.37	4.29%
● International Equity - Emerging	\$10,664.83	0.50%
● U.S. Government Bond	\$219,012.70	10.27%
● Treasury Inflation-Protected Security	\$46,128.72	2.16%
● Corporate Bond	\$196,260.12	9.20%
● Convertible Bond	\$0.00	0.00%
● Mortgage-Backed Bond	\$0.00	0.00%
● Municipal Bond	\$249,186.49	11.68%
● High Yield Bond	\$122,370.03	5.74%
● International Bond	\$63,654.18	2.98%
● Certificate of Deposit	\$0.00	0.00%
● Cash	\$150,527.20	7.06%
● Long/Short Equity	\$0.00	0.00%
● Global Macro	\$0.00	0.00%
● Equity Market Neutral	\$0.00	0.00%
● Dedicated Short Bias	\$0.00	0.00%
● Event Driven Distressed	\$0.00	0.00%
● Event Driven Risk	\$0.00	0.00%
● Fixed Income Arbitrage	\$0.00	0.00%
● Convertible Arbitrage	\$0.00	0.00%
● Emerging Markets	\$0.00	0.00%

# Proposed Portfolio

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● Managed Futures	\$0.00	0.00%
● Style - Other/Unclassified	\$8,492.08	0.40%

Symbol	Name	\$	%
SMA	Brandes U.S. Large Cap Value Equity	\$213,289.84	10.00%
SMA	JPMorgan Interm Muni MA	\$287,608.29	13.48%
JAVTX	Janus Investment Fund: Janus Venture Fund	\$42,657.97	2.00%
JNK	SPDR Lehman High Yield Bond ETF	\$63,986.95	3.00%
RWR	DJ Wilshire REIT ETF	\$150,994.35	7.08%
CXA	SPDR Lehman California Municipal Bond ETF	\$21,328.98	1.00%
BGREFX	Baron Investment Funds Trust: Baron Growth Fund	\$184,891.04	8.67%
PTTRX	PIMCO Funds: Total Return Fund; Institutional Class Shares	\$184,891.04	8.67%
SMA	TCW Core Fixed Income	\$143,804.15	6.74%
VEU	Vanguard FTSE All-World ex-US ETF	\$63,986.95	3.00%
DODGX	Dodge & Cox Funds: Dodge & Cox Stock Fund	\$149,302.89	7.00%
PFF	iShares S&P US Preferred Stock Index Fund	\$21,328.98	1.00%
IWV	iShares Russell 3000 Index	\$234,618.82	11.00%
LQD	iShares iBoxx \$ Invest Grade Corp Bond	\$63,986.95	3.00%
EMB	iShares JPMorgan USD Emerg Markets Bond	\$63,986.95	3.00%
AGG	iShares Lehman Aggregate Bond	\$198,244.28	9.30%
C	CITIGROUP INC	\$9,593.18	0.45%
CSCO	CISCO SYS INC	\$8,726.33	0.41%
ORCL	ORACLE CORP	\$25,670.42	1.20%
<b>Total</b>		<b>\$2,132,898.36</b>	<b>100.00%</b>

# Proposed Portfolio Historic Returns

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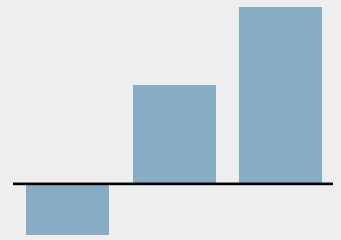
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## Historical Performance

This page shows the performance history of each investment vehicle chosen to implement the plan. It also shows the blended rate of return using the proposed asset allocation as the weighting.

## Average Annualized Returns (as of May 31, 2008)



		1-year	3-year	5-year
SMA	Brandes U.S. Large Cap Value Equity	-23.77%	-0.13%	-
SMA	JPMorgan Interm Muni MA	4.84%	4.05%	-
JAVTX	Janus Investment Fund: Janus Venture Fund	-12.55%	9.80%	14.21%
JNK	SPDR Lehman High Yield Bond ETF	-	-	-
RWR	DJ Wilshire REIT ETF	-13.86%	10.68%	17.37%
CXA	SPDR Lehman California Municipal Bond ETF	-	-	-
BGRFX	Baron Investment Funds Trust: Baron Growth Fund	-3.01%	8.40%	14.15%
PTTRX	PIMCO Funds: Total Return Fund; Institutional Class Shares	11.62%	5.45%	4.88%
SMA	TCW Core Fixed Income	7.74%	4.66%	4.07%
VEU	Vanguard FTSE All-World ex-US ETF	3.15%	-	-
DODGX	Dodge & Cox Funds: Dodge & Cox Stock Fund	-13.13%	7.02%	12.06%
PFF	iShares S&P US Preferred Stock Index Fund	-4.75%	-	-
IWV	iShares Russell 3000 Index	-6.71%	7.88%	10.39%
LQD	iShares iBoxx \$ Invest Grade Corp Bond	2.58%	2.31%	2.70%
EMB	iShares JPMorgan USD Emerg Markets Bond	-	-	-
AGG	iShares Lehman Aggregate Bond	6.67%	4.05%	-
C	CITIGROUP INC	-57.82%	-19.14%	-8.26%
CSCO	CISCO SYS INC	-0.74%	11.26%	10.24%
ORCL	ORACLE CORP	17.85%	21.29%	11.91%
<b>Total Portfolio</b>		<b>-2.85%</b>	<b>5.64%</b>	<b>10.06%</b>
% Excluded From Calculation		7.00%	11.00%	43.78%

# Proposed Portfolio Historic Returns

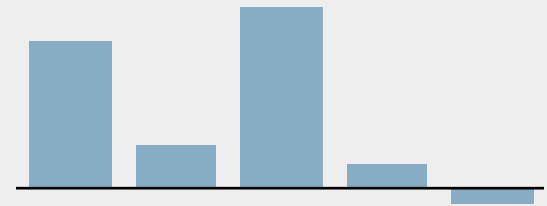
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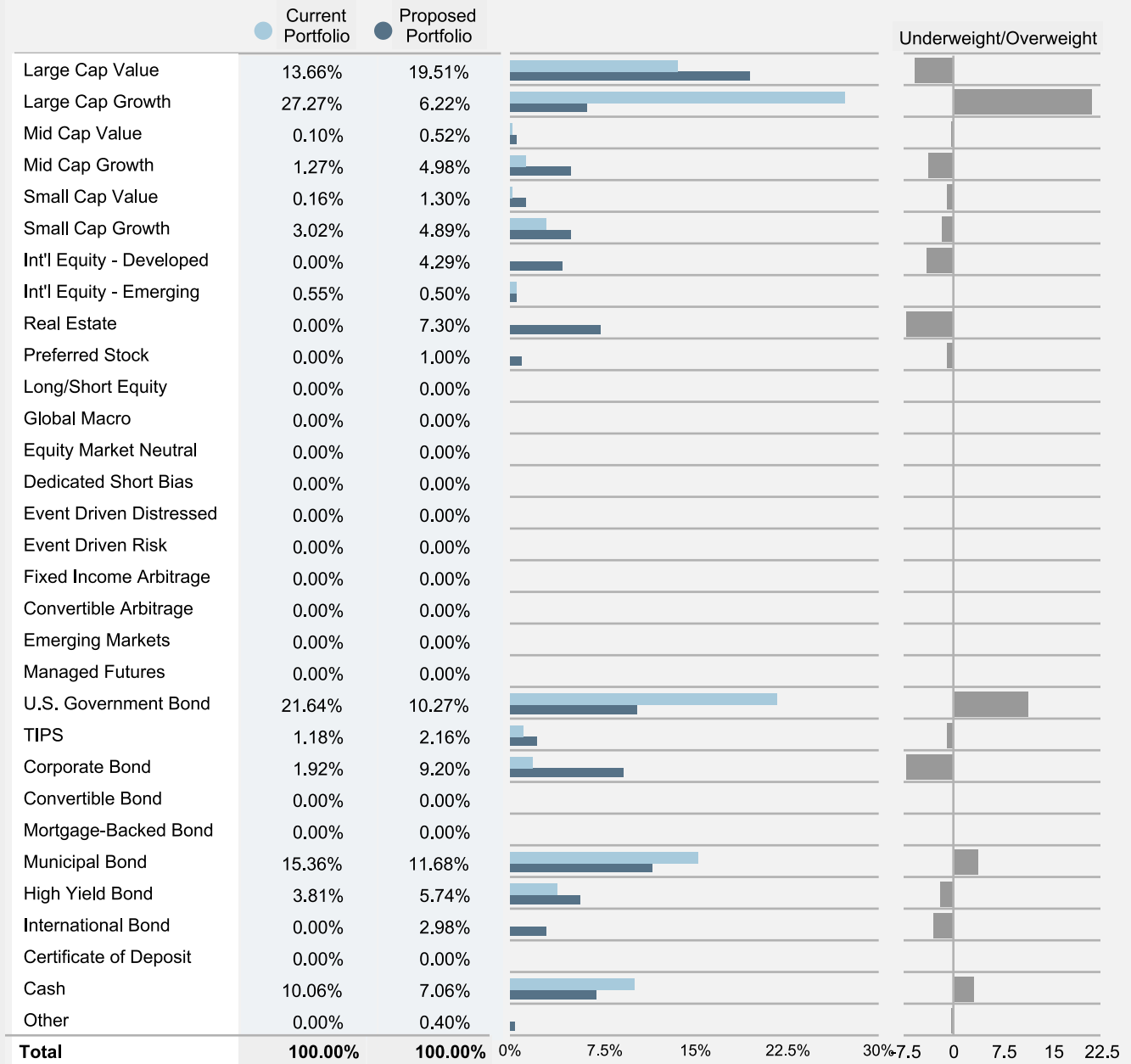
This page shows the performance history of each investment vehicle chosen to implement the plan.

## Annual Returns (as of May 31, 2008)

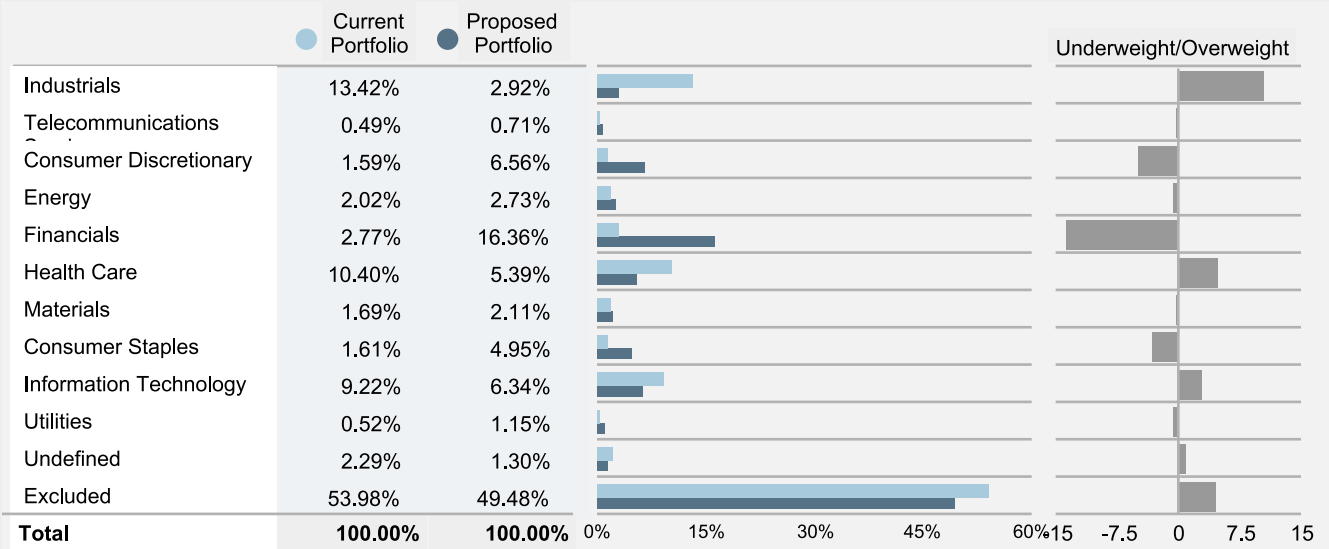


		2004	2005	2006	2007	2008
SMA	Brandes U.S. Large Cap Value Equity	12.20%	-4.82%	29.72%	-13.80%	-12.82%
SMA	JPMorgan Interm Muni MA	2.89%	1.55%	3.79%	4.75%	0.91%
JAVTX	Janus Investment Fund: Janus Venture Fund	17.56%	1.55%	23.58%	16.36%	-15.55%
JNK	SPDR Lehman High Yield Bond ETF	-	-	-	-	-1.51%
RWR	DJ Wilshire REIT ETF	32.68%	13.65%	35.52%	-17.69%	8.48%
CXA	SPDR Lehman California Municipal Bond ETF	-	-	-	-	-0.20%
BGRFX	Baron Investment Funds Trust: Baron Growth Fund	26.61%	5.71%	15.50%	6.59%	-1.62%
PTTRX	PIMCO Funds: Total Return Fund; Institutional Class Shares	5.14%	2.88%	3.99%	9.08%	2.87%
SMA	TCW Core Fixed Income	4.41%	2.89%	4.44%	7.19%	1.75%
VEU	Vanguard FTSE All-World ex-US ETF	-	-	-	-	-1.21%
DODGX	Dodge & Cox Funds: Dodge & Cox Stock Fund	19.17%	9.37%	18.53%	0.14%	-5.54%
PFF	iShares S&P US Preferred Stock Index Fund	-	-	-	-	9.51%
IWV	iShares Russell 3000 Index	11.76%	5.97%	15.52%	5.03%	-3.10%
LQD	iShares iBoxx \$ Invest Grade Corp Bond	5.91%	1.00%	3.96%	3.73%	-0.09%
EMB	iShares JPMorgan USD Emerg Markets Bond	-	-	-	-	1.92%
AGG	iShares Lehman Aggregate Bond	3.99%	2.16%	4.13%	6.57%	1.19%
C	CITIGROUP INC	2.72%	4.63%	19.55%	-44.71%	-23.87%
CSCO	CISCO SYS INC	-20.26%	-11.39%	59.64%	-0.95%	-1.29%
ORCL	ORACLE CORP	3.70%	-11.01%	40.38%	31.74%	1.15%
<b>Total Portfolio</b>		<b>11.78%</b>	<b>3.43%</b>	<b>14.37%</b>	<b>1.85%</b>	<b>-1.29%</b>
% Excluded From Calculation		11.00%	11.00%	11.00%	11.00%	-

Style Analysis <sup>1</sup> (as of May 31, 2008)



Sector Analysis <sup>1</sup> (as of May 31, 2008)



# Security Overlap Analysis - Existing Holdings

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## Security Overlap Analysis - Existing Holdings

The Security Overlap Analysis identifies multiple holdings of the same asset in a portfolio, including assets that are held indirectly through mutual funds, ETFs, SMAs, or other packaged products. The analysis shows the total weight of the asset in the portfolio and component weight of that asset in each fund or packaged product. NOTE: The Security Overlap Analysis only looks at the top ten holdings for mutual funds, ETFs, and SMAs.

## Security Overlap Analysis - Existing Holdings

Source	Source Symbol Name	Component Weight	Total Weight	Value
AMGN	AMGEN INC	3.18%		\$67,826.17
XLV	Health Care Select Sector SPDR Fund	0.06%		
AMGN	AMGEN INC	3.12%		
MRK	MERCK & CO INC	1.9%		\$40,525.07
XLV	Health Care Select Sector SPDR Fund	0.11%		
MRK	MERCK & CO INC	1.79%		
ORCL	ORACLE CORP	1.67%		\$35,619.40
IGV	iShares S&P North Amer Tech-Software	0.42%		
ORCL	ORACLE CORP	1.25%		
AAPL	APPLE INC	1.02%		\$21,755.56
AAPL	APPLE INC	0.83%		
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.02%		
IVV	iShares S&P 500 Index	0.17%		
CSCO	CISCO SYS INC	0.61%		\$13,010.68
CSCO	CISCO SYS INC	0.43%		
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.02%		
IVV	iShares S&P 500 Index	0.16%		
MSFT	MICROSOFT CORP	0.58%		\$12,370.81
IGV	iShares S&P North Amer Tech-Software	0.31%		
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.04%		
IVV	iShares S&P 500 Index	0.23%		
PFE	PFIZER INC	0.56%		\$11,944.23
PFE	PFIZER INC	0.37%		
XLV	Health Care Select Sector SPDR Fund	0.19%		
XOM	EXXON MOBIL CORP	0.55%		\$11,730.94
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.07%		

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IVV	iShares S&P 500 Index	0.48%		
JNJ	JOHNSON & JOHNSON	0.47%		\$10,024.62
XLV	Health Care Select Sector SPDR Fund	0.26%		
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.02%		
IVV	iShares S&P 500 Index	0.19%		
GE	GENERAL ELECTRIC CO	0.36%		\$7,678.43
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.05%		
IVV	iShares S&P 500 Index	0.31%		
T	AT&T INC	0.27%		\$5,758.83
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.03%		
IVV	iShares S&P 500 Index	0.24%		
CVX	CHEVRON CORP NEW	0.24%		\$5,118.96
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.03%		
IVV	iShares S&P 500 Index	0.21%		
PG	PROCTER & GAMBLE CO	0.24%		\$5,118.96
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	0.03%		
IVV	iShares S&P 500 Index	0.21%		

# Security Overlap Analysis - Proposed Holdings

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Voice: 415.766.8400



## Security Overlap Analysis - Proposed Holdings

The Security Overlap Analysis identifies multiple holdings of the same asset in a portfolio, including assets that are held indirectly through mutual funds, ETFs, SMAs, or other packaged products. The analysis shows the total weight of the asset in the portfolio and component weight of that asset in each fund or packaged product. NOTE: The Security Overlap Analysis only looks at the top ten holdings for mutual funds, ETFs, and SMAs.

## Security Overlap Analysis - Proposed Holdings

Source	Source	Component	Total	Value
Symbol	Name	Weight	Weight	
CSCO	CISCO SYS INC	0.53%		\$11,304.36
CSCO	CISCO SYS INC	0.41%		
IWV	iShares Russell 3000 Index	0.12%		

# Fixed Income Diagnostics - Existing Holdings

A personal investment proposal for  
Adam James  
August 06, 2008

prepared by Brad Paige  
Voice: 415.766.8400

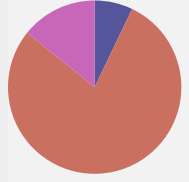


## Fixed Income Summary

The Fixed Income Summary helps to evaluate the diversification of the individual fixed income holdings in the Existing Holdings portfolio across fixed income asset categories, credit quality, and length of maturity.

## Individual Fixed Income Summary - Existing Holdings (as of

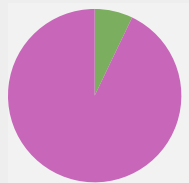
August 06, 2008)



Investment Type	Value	Weight
Treasury	\$20520.00	7.11%
Municipal	\$226987.00	78.69%
TIPS	\$0.00	0.00%
Corporate	\$40959.00	14.20%
Mortgage	\$0.00	0.00%
High Yield	\$0.00	0.00%
International	\$0.00	0.00%
<b>Total</b>	<b>\$288466.00</b>	<b>100%</b>



Credit Quality	Value	Weight
Investment Grade (AAA to BBB)	\$288466.00	100.00%
Non-Investment Grade (< BBB)	\$0.00	0.00%
Not Rated	\$0.00	0.00%
Undefined	\$0.00	0.00%
<b>Total</b>	<b>\$288466.00</b>	<b>100%</b>



Maturity	Value	Weight
0 to 1 year	\$0.00	0.00%
2 to 5 years	\$0.00	0.00%
6 to 10 years	\$20520.00	7.11%
11 to 30 years	\$267946.00	92.89%
Undefined	\$0.00	0.00%
<b>Total</b>	<b>\$288466.00</b>	<b>100%</b>

# Fixed Income Diagnostics - Existing Holdings

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## Fixed Income Holdings -

Look at the specific attributes of each individual fixed income holding in the Existing Holdings portfolio.

Use the Yield columns to better understand the performance of each fixed income holding.

## Individual Fixed Income Holdings - Existing Holdings (as of

August 06, 2008)

### Treasury

Name & ID	Credit Quality	Maturity	Callable	Coupon Rate	Face Value	Yield to Maturity	Current Yield	Value
<a href="#">UST 03/07/2015</a>								
	AAA	03/07/2015	No	0.00%	\$1000.00	N/A%	0.00%	\$20520.00

### Municipal

Name & ID	Credit Quality	Maturity	Callable	Coupon Rate	Face Value	Yield to Maturity	Current Yield	Value
<a href="#">San Francisco Wtr Dist 6.7</a>								
	AAA	02/18/2022	Yes	6.70%	\$10000.00	4.61%	5.57%	\$204527.00
<a href="#">EBMUD Water 2023 456565446</a>								
	A	02/15/2023	No	5.00%	\$1000.00	4.24%	4.45%	\$22460.00

### Corporate

Name & ID	Credit Quality	Maturity	Callable	Coupon Rate	Face Value	Yield to Maturity	Current Yield	Value
<a href="#">Caterpillar 4.8 10/23/2021</a>								
	AA	10/23/2021	Yes	4.80%	\$1000.00	3.75%	4.34%	\$40959.00



**Fixed Income Schedules**

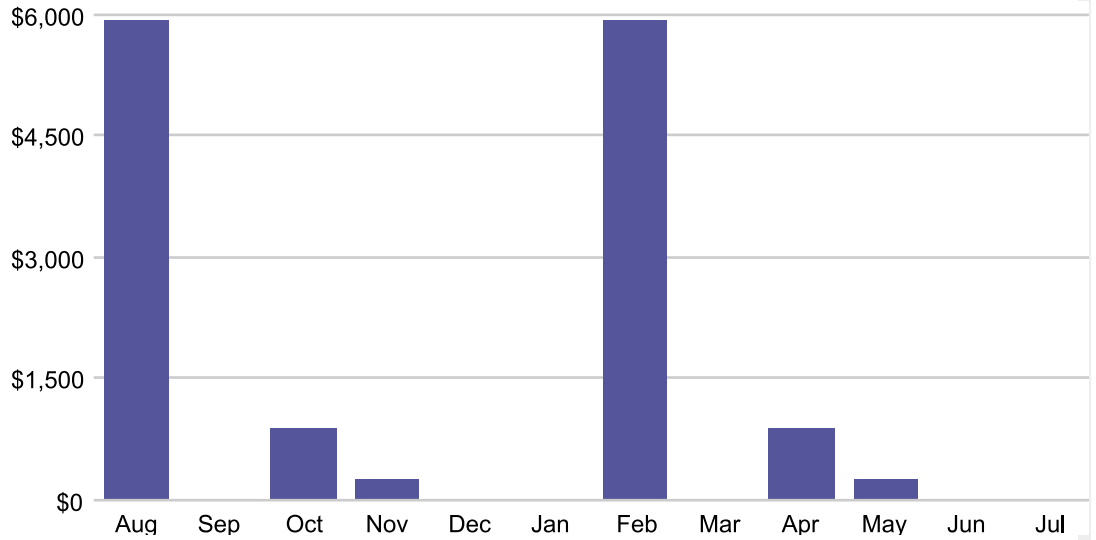
The Cash Flow Illustration helps to assess if the fixed income holdings in the Existing Holdings portfolio are generating sufficient income.

The Maturity Schedule shows when principal is coming due in the Existing Holdings portfolio to better evaluate the risk of the individual fixed income holdings based on their duration.

**Individual Fixed Income Schedules - Existing Holdings** (as of

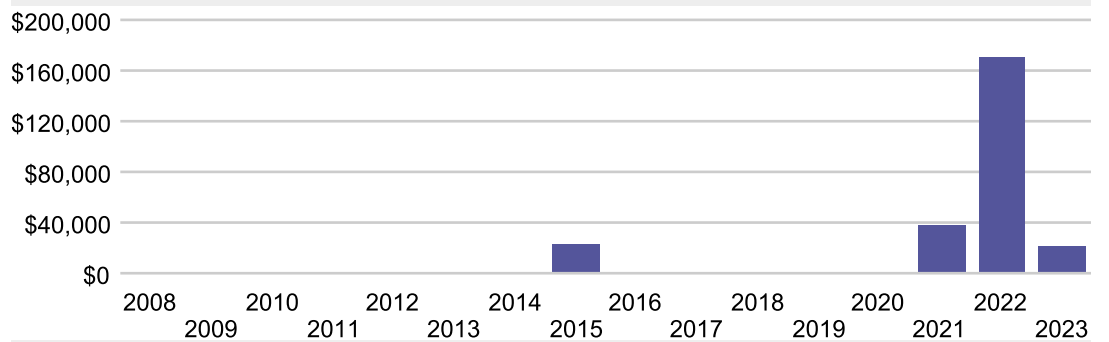
August 06, 2008)

**Cash Flow Illustration**



Interest											
5945.00	0.00	888.00	250.00	0.00	0.00	5945.00	0.00	888.00	250.00	0.00	0.00
Principal											
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monthly Total											
5945.00	0.00	888.00	250.00	0.00	0.00	5945.00	0.00	888.00	250.00	0.00	0.00

**Maturity Schedule**





## Important Note

The suggested transaction plan is based on the proposed portfolio of investments. Implementation of the suggested transaction plan may vary based on additional client input and fluctuation of security prices.

## Proposed Transactions (as of August 06, 2008)

**Total number of transactions: 40**

Total Sell: 25

Total Buy: 15

Symbol	Name	Transaction	Value
\$CASH	Cash	Sell	\$2,562.00
FI-MUNI	EBMUD Water 2023	Sell	\$22,460.00
AAPL	APPLE INC	Sell	\$17,670.40
AGG	iShares Lehman Aggregate Bond	Sell	\$557,668.80
AMGN	AMGEN INC	Sell	\$66,492.36
BGRFX	Baron Investment Funds Trust: Baron Growth Fund	Buy	\$184,891.04
C	CITIGROUP INC	Sell	\$366.82
CSCO	CISCO SYS INC	Sell	\$333.67
CXA	SPDR Lehman California Municipal Bond ETF	Buy	\$21,328.98
DE	DEERE & CO	Sell	\$67,298.42
DNA	GENENTECH INC	Sell	\$33,600.00
DODGX	Dodge & Cox Funds: Dodge & Cox Stock Fund	Buy	\$149,302.89
EMB	iShares JPMorgan USD Emerg Markets Bond	Buy	\$63,986.95
FI-CRP	Caterpillar 4.8 10/23/2021	Sell	\$40,959.00
FI-MUNI	San Francisco Wtr Dist 6.7	Sell	\$204,527.00
IGV	iShares S&P North Amer Tech-Software	Sell	\$89,931.88
IVV	iShares S&P 500 Index	Sell	\$264,110.06
IWV	iShares Russell 3000 Index	Buy	\$234,618.82
JAGTX	Janus Investment Fund: Janus Global Technology Fund	Sell	\$45,555.81
JAVTX	Janus Investment Fund: Janus Venture Fund	Buy	\$42,657.97
JNK	SPDR Lehman High Yield Bond ETF	Buy	\$63,986.95
JNPR	JUNIPER NETWORKS INC	Sell	\$15,594.00
LMT	LOCKHEED MARTIN CORP	Sell	\$194,580.00
LQD	iShares iBoxx \$ Invest Grade Corp Bond	Buy	\$63,986.95
MRK	MERCK & CO INC	Sell	\$38,170.00
ORCL	ORACLE CORP	Sell	\$981.58
PFE	PFIZER INC	Sell	\$7,884.00
PFF	iShares S&P US Preferred Stock Index Fund	Buy	\$21,328.98
PTTRX	PIMCO Funds: Total Return Fund; Institutional Class Shares	Buy	\$184,891.04
FI-TRES	UST 03/07/2015	Sell	\$20,520.00
RWR	DJ Wilshire REIT ETF	Buy	\$150,994.35
SMA	TCW Core Fixed Income	Buy	\$143,804.15
SMA	JPMorgan Interm Muni MA	Buy	\$287,608.29

## Proposed Transactions

A personal investment proposal for  
Adam James  
August 06, 2008

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Symbol	Name	Transaction	Value
SMA	Brandes U.S. Large Cap Value Equity	Buy	\$213,289.84
VA	State Farm Lf Ins Co VL Sep Acct: State Farm VP Tr Money Market/VUL	Sell	\$2,742.60
VCAIX	Vanguard California Intermediate-Term Tax-Exempt Fund Investor Shares	Sell	\$100,728.56
VEU	Vanguard FTSE All-World ex-US ETF	Buy	\$63,986.95
VTSMX	Vanguard Total Stock Market Index Fund Investor Shares	Sell	\$43,753.53
WFMI	WHOLE FOODS MKT INC	Sell	\$11,460.00
XLV	Health Care Select Sector SPDR Fund	Sell	\$40,713.66

Your answers to these questions were used to choose your target asset allocation, taking into account your investment goals and your tolerance for risk.

(Question 1 of 8) What is the major purpose of your investment?

- Use the funds for a large purchase or expense within 1 - 3 years
- Capital preservation and regular income
- Capital growth and regular income
- Long term growth, I am not concerned with current income
- Aggressive growth over a long term investment horizon

(Question 2 of 8) When do you anticipate needing these funds?

- Less than 3 years
- 3-6 years
- 7-10 years
- Longer than 10 years

(Question 3 of 8) Over how long a period will you withdraw funds once you begin?

- One year or less
- 1-5 years
- 6-10 years
- 11-15 years
- 16+ years

(Question 4 of 8) Have you ever invested in individual bonds or bond mutual funds?

- No, and I would be uncomfortable with the risk
- No, but I would be comfortable with the risk
- Yes, but I was uncomfortable
- Yes, and I was comfortable

(Question 5 of 8) Have you ever invested in individual stocks or stock mutual funds?

- No, and I would be uncomfortable with the risk
- No, but I would be comfortable with the risk
- Yes, but I was uncomfortable
- Yes, and I was comfortable

(Question 6 of 8) Which statement explains your greatest concern when selecting an investment?

- Potential for loss
- Mostly potential for loss, but some concern about potential for gain
- Mostly potential for gain, but some concern about potential for loss
- Potential for gain

(Question 7 of 8) Which statement best identifies your feelings about investment risk?

- I would only choose investments with low risk associated with them
- A mix of investments, most having low risk and the minority having high risk, with potentially greater returns
- An aggressive mix of investments, some with a low degree of risk, but the majority having higher risk that may yield higher returns
- Higher risk investments that had greater potential for higher returns

(Question 8 of 8) If the stock market were to drop 25% in value over three months, and one of your stocks did the same, what would you do with your shares?

- Sell them immediately
- Sell a portion of them
- Hold them, the market and my stock value will turn around soon
- Purchase more shares

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### Investor Types

The characteristics of each investor type are varied and can depend on many factors. The definitions below provide a general illustration of the types of investors, and so they may not apply to your specific investment needs or situation.

**Stable Investor:** An investor with a very short time horizon or who has reason to be very concerned about losing any of their principal investment in the short term.

**Conservative Investor:** An investor with a 3-5 year investment time horizon. A person who may be nearing retirement or may have a near term need for their investment principal.

**Moderate Investor:** An investor with a 6-10 year investment time horizon, who may have other savings and does not see a short term need for their investment principal.

**Aggressive Investor:** An investor with a time horizon greater than 10 years, who has other savings, and sees no reason to have near term access to their investment principal.

---

### Products and Analysis

**Small Cap:** Refers to stocks with a relatively small market capitalization. The definition of small-cap can vary but refers to stocks that are generally more risky than those of large or mid cap stocks.

**Mid Cap:** Refers to stocks with a market capitalization between small cap and large cap. In general, these stocks are less risky than small cap stocks and more risky than large cap stocks.

**Large Cap:** Refers to stocks with a market capitalization greater than both small and mid cap. In general, these stocks are less risky than both small and mid cap stocks.

**ETF:** A fund that trades like a stock. Generally ETF's track a market index and can benefit from lower management fees than other mutual funds.

**SMA:** A privately managed investment account opened through a brokerage or financial advisor to buy individual assets.

**Bond Funds:** A fund that invests in fixed income instruments. A bond fund can range from very conservative government bond funds to more volatile high yield funds.

**Emerging Market Funds:** A fund investing a majority of its assets in the financial markets of a developing country.

**International Funds:** A fund that can invest in companies located in any geographic area outside the domestic country.

**Market Index:** A pre-selected group of investments created to provide a representation of the performance of the overall stock or bond market or a segment of the stock or bond market.

**Money Market Funds:** A fund that invests in short-term debt instruments. Its objective is to earn interest for its investors while maintaining a constant price of \$1.00.

**REIT Funds:** A fund with an objective of investing in real estate. A REIT can invest in property directly or in the debt associated with real estate.

**Sector Funds:** A fund whose objective is to invest in a particular industry or sector of the economy.

**Single Stock Risk:** The risk of investing in a single stock can be much greater than investing in a fund product because a fund holds several stocks, thus distributing the risk across multiple investments.

**Monte Carlo Simulation:** A commonly used simulation technique used to determine the possible future range of portfolio values given a specific time frame.

**Efficient Frontier**

1. For any portfolio of assets there exists an efficient frontier, which represents various weighted combinations of the portfolio's assets that yield the maximum possible expected return at any given level of portfolio risk. The line represents the efficient frontier, or the optimal expected returns at any given risk, based on a risk return analysis of several model asset allocations over the ten year period ending with the quarter end date indicated above. The benchmark indices used as proxies for the various styles of the portfolio include, Equity - Standard and Poor's 1500 Index, Large Cap Value - S&P 500/Citigroup Value., Large Cap Growth - S&P 500/Citigroup Growth., Mid Cap Value - S&P 400/Citigroup Value., Mid Cap Growth - S&P 400/Citigroup Growth., Small Cap Value - S&P 600/Citigroup Value., Small Cap Growth - S&P 600/Citigroup Growth., International Equity - MSCI EAFE Index., REIT - FTSE NAREIT Composite Index., Fixed Income - Lehman Aggregate Index., and the Cash - Merrill 3-month Treasury Bill Index..

Index returns are for illustrative purposes only and do not represent actual portfolio performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

Note: If a portion of a portfolio is categorized as Other, then that percentage of the portfolio is excluded from the calculation to determine a portfolio's risk and return.

**Historical Risk to Return of Asset Categories**

1. The historical risk graph is based upon a risk return analysis of several model asset allocations over the ten year period ending with the calendar quarter end indicated above.

Asset Allocations are based on diversified indices representing each asset class. The risk and return of Large Cap Value within each model are based on the S&P 500/Citigroup Value, Large Cap Growth is based on S&P 500/Citigroup Growth, Mid Cap Value is based on the S&P 400/Citigroup Value, Mid Cap Growth is based on the S&P 400/Citigroup Growth, Small Cap Value is based on the S&P 600/Citigroup Value, Small Cap Growth is based on the S&P 600/Citigroup Growth, International Equities are based on the MSCI EAFE Index, REIT is based on the NAREIT Index, Fixed Income is based on the Lehman Aggregate Index, and Cash is based on the Merrill 3-Month T-Bill Index.

Note: If a portion of a portfolio is categorized as Other, then that percentage of the portfolio is excluded from the calculation to determine a portfolio's risk and return.

**Monte Carlo Simulation**

The range of portfolio values below can provide additional information about the relative risk of investing according to a specific asset allocation. This analysis was conducted using Monte Carlo simulation, a sophisticated mathematical approach used within the financial industry to model possible outcomes of future investment scenarios. While this method may reflect the uncertainty and randomness of future events, it is important to understand that it is based on assumptions about the future risk and expected returns of each asset class. Projected ending values are shown in nominal (i.e., not inflation-adjusted) terms.

**IMPORTANT: The projections or other information generated by RPB regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.**

\*In the case of taxable accounts, simulations assume an initial tax basis equal to the securities' stating value, no harvesting of tax losses, single filing status at \$100K annual salary to determine marginal rates, no state taxes, and the tax impact of annual rebalancing back to the proposed allocation. Projected growth values are adjusted for portfolio taxes only, not income taxes on the base salary.

Percentile values, including the Median which is the 50th Percentile, are solely for comparison purposes. These values can be used to compare relative probabilities of different outcomes. Half of the simulated outcomes fall between the 25th and the 75th percentiles and nine-tenths fall between the 5th and 95th percentiles. The 5th Percentile corresponds to wealth values in which 95% of the simulated cases exceed this level and only 5% fall below. It reflects simulated results assuming a series of extremely poor market conditions. Remember that it is possible to lose the entire value of a portfolio. A different set of assumptions would create a different probability distribution. Expert opinion regarding expected returns, volatility and market trends varies widely. Russell's

strategic planning assumptions change periodically. The data presented here is as of a certain point in time and results may vary with each use and over time. Your actual experience may be different than the Russell strategic planning assumptions. This hypothetical example is for illustration only. There are no guarantees that any of the stated objectives will be met.

**Key Assumptions:**

The starting point for each portfolio simulation is the portfolio's projected average monthly return and associated Standard Deviation. The projected average return is tied to asset style with the return for each asset style calculated by applying hypotheses regarding current and future market trends to the historic average monthly return on the associated Style Benchmark Index. In the case of investment funds, the projected returns are reduced to reflect fund management fees. The projected Standard Deviation for the portfolio is based on the historic and anticipated volatility of the specific assets in the portfolio. If a portfolio includes securities whose styles are not identified by the Service, those securities are excluded from the simulation with their value allocated among the remaining securities in the portfolio. Within the simulations, the probability distribution of returns is a modified normal distribution. As with the familiar "bell curve," not all outcomes are treated as equally likely. Instead, returns are more likely to be clustered around the middle. To reflect the historic behavior of the securities markets, the Monte Carlo Simulator allows more extreme events than would be seen within a normal distribution. The simulations assume no additional investments, no margin borrowing or short sales, quarterly rebalancing of the portfolio to the original securities weights, no transaction fees on securities purchases and sales, and in the case of taxable accounts, an initial tax basis equal to the securities' starting value, no harvesting of tax losses, and a tax rate equal to the top federal tax rate in a state with medium tax rates that treats all municipal bond interest as tax exempt. Apart from the projected average return calculation, the Monte Carlo Simulator uses actual security-specific data, when available, to generate a portfolio simulation. Where security-specific data is not available, the simulator uses the applicable Style Benchmark Indices to generate representative data.

**Historical Performance**

1. The historical performance graph is based on 10 years of historical monthly returns based on exposure to various indices over the ten year period ending with the calendar quarter end indicated above. The risk and return of Large Cap Value within each model are based on the S&P 500/Citigroup Value, Large Cap Growth is based on S&P 500/Citigroup Growth, Mid Cap Value is based on the S&P 400/Citigroup Value, Mid Cap Growth is based on the S&P 400/Citigroup Growth, Small Cap Value is based on the S&P 600/Citigroup Value, Small Cap Growth is based on the S&P 600/Citigroup Growth, International Equities are based on the MSCI EAFE Index, REIT is based on the NAREIT Index, Fixed Income is based on the Lehman Aggregate Index, and Cash is based on the Merrill 3-Month T-Bill Index.

Note: If a portion of a portfolio is categorized as Other, then that percentage of the portfolio is excluded from the calculation to determine a portfolio's risk and return.

**Style Analysis**

1. The style analysis uses the following indices:
  - Large Cap Value represents exposure to the S&P 500/Citigroup Value.
  - Large Cap Growth represents exposure to the S&P 500/Citigroup Growth.
  - Mid Cap Value represents exposure to the S&P 400/Citigroup Value.
  - Mid Cap Growth represents exposure to the S&P 400/Citigroup Growth.
  - Small Cap Value represents exposure to the S&P 600/Citigroup Value.
  - Small Cap Growth represents exposure to the S&P 600/Citigroup Growth.
  - Real Estate represents exposure to the FTSE NAREIT Composite Index.
  - International Equity - Developed represents exposure to the MSCI EAFE Index.
  - International Equity - Emerging represents exposure to the MSCI Emerging Markets Free Index.
  - U.S. Government Bond represents exposure to the Lehman Government Bond Index.
  - Treasury Inflation Protected Security represents exposure to the Lehman US TIPS Index.
  - Municipal Bond represents exposure to the Lehman Muni Bond Index.
  - Corporate Bond represents exposure to the Lehman Credit Bond Intermediate Index.
  - High Yield Bond represents exposure to the Lehman High Yield Total Return Index.
  - Mortgage-Backed Bond represents exposure to the Lehman Brothers Mortgage Backed Securities Index.
  - International Bond represents exposure to the Citigroup Non-US World Government Bond Index.
  - Cash represents exposure to the Merrill 3-Month Treasury Bill Index.
  - Long/Short Equity represents exposure to the CFSB/Tremont Long/Short Equity Index.

- Global Macro represents exposure to the CFSB/Tremont Global Macro Index.
- Equity Market Neutral represents exposure to the CFSB/Tremont Equity Market Neutral Index.
- Dedicated Short Bias represents exposure to the CFSB/Tremont Dedicated Short Bias Index.
- Event Driven - Distressed represents exposure to the CFSB/Tremont Event Driven - Distressed Index.
- Event Driven - Risk Arbitrage represents exposure to the CFSB/Tremont Event Driven - Risk Arbitrage Index.
- Fixed Income Arbitrage represents exposure to the CFSB/Tremont Fixed Income Arbitrage Index.
- Convertible Arbitrage represents exposure to the CFSB/Tremont Convertible Arbitrage Index.
- Emerging Markets represents exposure to the CFSB/Tremont Emerging Markets Index.
- Managed Futures represents exposure to the CFSB/Tremont Managed Futures Index.
- Style - Other/Unclassified represents unknown style assignments.

#### Sector Analysis

1. The Sector Analysis follows Standard and Poors and MSCIs GICS sector classification.

#### Annual Returns

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#### Data Vendor Disclosure Statement

**The Client Acquisition Solution utilizes product and index data provided by multiple vendors to derived portfolio level analytics displayed throughout the application and in the proposal PDF document. The following are disclaimers provided by our data vendors;**

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## Purpose

The Investment Policy Statement (IPS) is the cornerstone of the investment management process. Investment recommendations will be made in concert with the guidelines that we agree upon and outline in this document. The IPS opens a channel of communication between us, so that important issues and concerns for either party can be clarified. An effectively developed IPS is the foundation upon which our work together will be based:

1. It establishes the criteria for matching long-term objectives to an appropriate investment plan.
2. It provides a frame of reference that will help keep us focused on long-term investment objectives. This focus is especially valuable during periods of market volatility when there may be a temptation to react to short-term factors.
3. It establishes the criteria against which progress can be measured.

## Investor Profile

This Investment Policy Statement (IPS) governs the Investment Proposal dated, August 06, 2008, created by Brad Paige on behalf of Adam James:

Age: 51.

Income: \$575,000.00.

Tax Status: Taxable.

Number of Dependents: 3.

This Investment Proposal specifies investable assets for Adam James of \$2,132,898.36.

## General Investment Philosophy and Objectives

Consistent with the Advisor's and with the Client's respective investment styles and philosophies, the Advisor should make every effort to preserve capital and protect the real value of the assets. It is understood that losses may occur in individual securities, but that risk and losses will be considered at the aggregate portfolio level. The Advisor should adhere to the investment management styles for which they were hired and make reasonable efforts to control risk, recognizing that some risk is necessary to produce long-term results that are sufficient to meet the investment objectives.

## Risk

The Advisor has discussed the various factors that influence your risk tolerance, such as time horizon and investment objectives, and has concluded that you are a Conservative investor. An understanding of your risk tolerance helps define an investment strategy that you will feel confident maintaining through markets ups and downs.

## Return Requirements

Given this risk tolerance, the Advisor will seek the best possible returns for a Conservative type investor. Given current economic conditions, the expected return for a Conservative portfolio is 4.50%.

NOTE: Financial markets do fluctuate and there is no guarantee that a certain return will be met, and past performance is not a guarantee of future results.

## Time Horizon

In determining your risk tolerance, the Advisor assessed the time horizon for the assets in this investment proposal. Generally speaking, the longer the time frame, the more aggressive the portfolio should be if one wishes to obtain efficient returns.

## Asset Allocation

A sound asset allocation strategy is the cornerstone of prudent investing. Our investment strategy will involve under and overweighting various asset classes based on our assessment of the risk and return potential specific to each asset class at any point in time. Based on our analysis, the following allocation guidelines are designed to achieve the objectives outlined above. Equity positions may incorporate diversification by market cap and style.

Large Cap Value	19.51%
Large Cap Growth	6.22%
Mid Cap Value	0.52%
Mid Cap Growth	4.98%

Small Cap Value	1.30%
Small Cap Growth	4.89%
Real Estate	7.30%
Preferred Stock	1.00%
International Equity - Developed	4.29%
International Equity - Emerging	0.50%
U.S. Government Bond	10.27%
Treasury Inflation-Protected Security	2.16%
Corporate Bond	9.20%
Convertible Bond	0.00%
Mortgage-Backed Bond	0.00%
Municipal Bond	11.68%
High Yield Bond	5.74%
International Bond	2.98%
Certificate of Deposit	0.00%
Cash	7.06%
Long/Short Equity	0.00%
Global Macro	0.00%
Equity Market Neutral	0.00%
Dedicated Short Bias	0.00%
Event Driven Distressed	0.00%
Event Driven Risk	0.00%
Fixed Income Arbitrage	0.00%
Convertible Arbitrage	0.00%
Emerging Markets	0.00%
Managed Futures	0.00%
Style - Other/Unclassified	0.40%

The target allocation indicates how we plan to allocate the assets as of the date this report was written.

# Investment Policy Statement

A personal investment proposal for  
Adam James  
August 06, 2008

prepared by Brad Paige  
Voice: 415.766.8400

## Investment Policy Review

To assure continued relevance of the guidelines and objectives established in this statement of investment policy, the Client plans to review the investment policy at least annually.

By committing our agreed upon thoughts to a written document, we minimize the potential for conflict and general misunderstandings. For this reason, we ask you to sign this Agreement-to confirm that you concur with its contents. This Investment Policy Statement is not a contract of any kind. It is only meant to be a summary of our agreed upon investment strategy for your portfolio.

I have reviewed and approve the discussion above. I agree with the Investment Policy Statement as outlined in this document. I further agree that this document shall provide the guidelines under which my investment portfolio will be managed.

\_\_\_\_\_  
Adam James, Investor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Brad Paige, Advisor/Firm

\_\_\_\_\_  
Date