

# Lafayette Portfolio

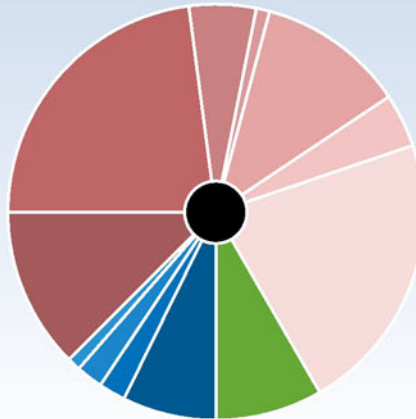
June 30, 2010



## Asset Allocation

**Stocks 12%**

U.S. Large Cap Value	7%
U.S. Large Cap Growth	2%
U.S. Mid Cap Value	2%
U.S. Mid Cap Growth	1%



**Bonds 76%**

Government - Short	12%
Government - Intermediate	22%
Government - Long	5%
Corporate - Short	1%
Corporate - Intermediate	11%
Corporate - Long	4%
International	21%

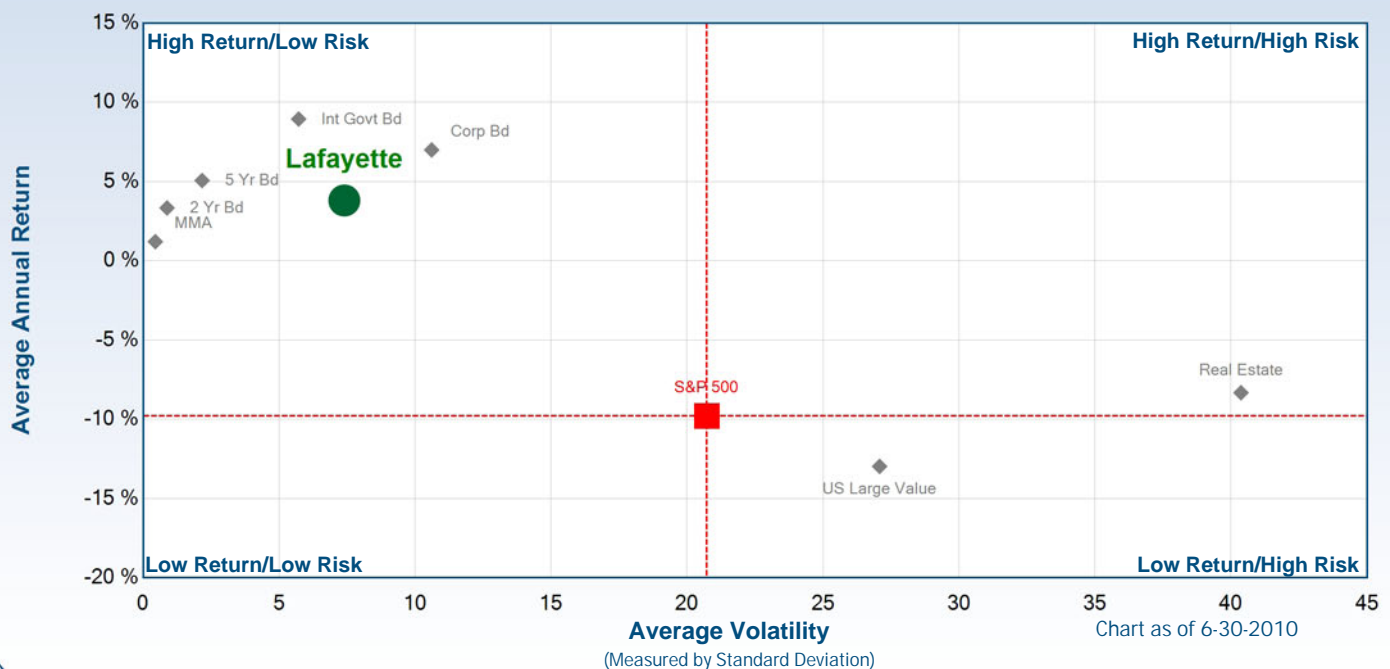
**Other 12%**

Real Estate	8%
Cash	4%

The Lafayette Portfolio invests in pre-selected mutual funds and Exchange Traded Funds (ETFs). The model shown represents the target allocation for a Lafayette Portfolio and does not represent an actual account. Target allocations to cash and other individual securities within the Lafayette Portfolio may vary according to an individual's needs and circumstances. Individual security positions in accounts invested in the Lafayette Portfolio will fluctuate in value and actual cash amounts can vary. This asset allocation model is provided strictly for illustrative purposes and should not be considered as actual trading or investment advice. This is provided as supplemental information to the fully compliant GIPS presentation that accompanies this material.

## 3-Year Risk/Reward Profile

Quadrants show the theoretical best and worst case scenarios for risk-adjusted returns.



This chart shows the risk/reward relationship of the Lafayette Portfolio target allocation and is strictly for illustrative purposes. This does not represent an actual account. The illustration above represents hypothetical back-tested performance based on historical information and is not reliable in projecting future results. Comparisons to the S&P 500 and asset classes shown are strictly for illustrative purposes. Past performance does not guarantee future results. This is provided as supplemental information to the fully compliant GIPS presentation that accompanies this material. See additional disclosure regarding 3 Year Risk/Reward Profile on the following pages.

**2009 Total Return 8.03%**

## Lafayette Composite

### Annual Disclosure Presentation

Performance as of June 30, 2010

Calendar Year	Total Firm Assets (millions)	Composite Assets (millions)	Number of Accounts	Annual Performance Results Blended Benchmark	Annual Net Performance Results Composite	Composite Dispersion
2010 YTD	4,810	17	67	3.02%	3.21%	N/A
2009	4,506	13	55	10.48%	8.03%	0.70%
2008	2,998	2	8	-3.62%	-4.69%	0.01%
2007*	3,731	Less than 1	5 or fewer	4.74%	0.86%	N/A

\*Performance figures for 2007 are indicative of 3<sup>rd</sup> and 4<sup>th</sup> quarter performance only.

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

**Lafayette Composite** - contains all discretionary accounts that have seven to twenty total positions and maintain a target Fixed Income allocation of 76% with the remainder in equities and cash. Portfolios within the composite may vary in actual cash balances. For comparison purposes, the Lafayette composite is measured against a blended benchmark comprised of 20% S&P 500 Index and 80% Barclays Aggregate Bond Index compounded daily. Presentation reports generated prior to December 2009 used monthly compounding for the benchmark calculations. Portfolios comprising the composite may be invested in securities that are not necessarily captured in the benchmark and may have slightly higher or lower cash levels.

The S&P 500 Index is a stock market index of 500 widely held large-cap stocks often used as a proxy for the U.S. stock market. The Barclays Aggregate Bond Index is a broad based index often used to represent investment grade bonds traded in the U.S. The returns for the indexes used for the blended benchmark assume the reinvestment of dividends and exclude management fees, transaction costs and expenses. The volatility of the indexes may be materially different from the Lafayette Composite. The indexes have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and recognized indexes. Indexes are unmanaged and investors cannot invest directly in an index. Individual positions within Lafayette Composite accounts may correspond with multiple asset classes.

Edelman Financial Services LLC (EFS) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). EFS serves clients nationwide via its own advisors and unaffiliated registered investment advisers. Sanders Morris Harris Group (Ticker: SMHG) is majority owner of EFS and Ric Edelman is minority owner. EFS maintains a complete list and description of composites, which is available upon request

Results are based on actual accounts under management, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance. Where applicable, composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Please be aware, all investments have inherent risks. As such, the value of your account may be less than your original investment. Results were obtained over a variety of market and economic conditions.

Returns are presented net of actual fees. All-inclusive fee-based accounts make up 100% of the composite for all periods shown. This fee includes investment management, portfolio monitoring, consulting services, brokerage commissions and custodial services. Portfolio return is based on the change in the value of an investment in the portfolio expressed as an annual return over the periods specified. This includes interest, dividends, capital gains and other earnings that are periodically reallocated back into the portfolio. Securities prices fluctuated during the period.

Past performance may not be indicative of future results. The performance of a specific individual account may vary substantially from the composite performance results. Therefore, no current or prospective client should assume that future performance will be profitable, or equal the composite performance results reflected herein. Asset allocation/diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses. There are no guarantees that a diversified portfolio will outperform a non-diversified portfolio.

The composite dispersion is a measure of the spread of the annual returns of the individual accounts in the composite for the entire year. An equal-weighted standard deviation methodology was used which weights the account returns based on their asset size in relation to the other accounts in the composite. Presentation reports generated prior to December 2009 used an asset-weighted methodology to calculate composite dispersion. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 2% on the first \$150,000, 1.65% on the next \$250,000, 1.25% on the next \$350,000, 1% on the next \$250,000, 0.75% on the next \$2 million, 0.60% on the next \$7 million, 0.50% on the next \$15 million and amounts above \$25 million are negotiable. Actual investment advisory fees incurred by clients may vary.

The Lafayette Composite was created in February 2007. Edelman Financial Services LLC's compliance with the GIPS standards has been verified for the period January 1, 2002 through December 31, 2009 by Ashland Partners & Company LLP. Performance figures for periods after this date are subject to change pending further verification. A copy of the verification report is available upon request.

This document is not intended as, and does not constitute, an offer to sell or solicitation to purchase securities. Investment decisions should not be made solely on information in this document. Ask your advisor for additional material.

### **Disclosure for 3 Year Risk/Reward Profile:**

The performance information presented in the illustration represents back-tested performance results. Back-tested performance does not represent actual performance and should not be interpreted as an indication of such performance. Actual performance for client accounts may be materially lower than that of the EMAP model portfolios. Back-tested performance results have certain inherent limitations. Such results do not represent the impact that material economic and market factors might have. Back-tested performance also differs from actual performance because it is achieved through the retroactive application of EMAP model portfolios designed with the benefit of hindsight. As a result, the models may be changed from time to time to obtain more representative results. The results presented are intended to simulate how EMAP model portfolios would have traded over a given period of time. Unlike an actual performance record, simulated trades do not represent actual trading. Also, because the trades were not actually executed, the results may have over or under compensated for the impact, if any, of certain market factors such as lack of liquidity, money flow and other factors. As a result of these and potentially other variances, performance for client accounts and clients that had invested in accordance with the EMAP model portfolios may differ materially from (and may be lower than) that of the back-tested performance results. Similarly, performance for client accounts and clients that invest in accordance with the EMAP model portfolios may differ materially from (and may be lower than) that of the actual performance of the EMAP model portfolios. No representation is being made that any client account or model portfolio will or is likely to achieve profits or losses similar to those shown.

Information presented is based on Morningstar hypothetical illustrations assuming an initial investment into the Lafayette Portfolio target allocation and then rebalanced on a monthly basis thereafter. Back-tested performance results assume the reinvestment of dividends, ordinary income and capital gains. The EMAP portfolio performance shown in the 3 Year Risk/Reward Profile illustration is net of EMAP's maximum annual advisory fee of 2%, which is billed quarterly in arrears. Depending on the size of a client's assets under management, the client's investment management fee may be less. Performance results also do not reflect transaction fees and other expenses charged by broker-dealers for customers who attempt to replicate any EMAP model portfolio on their own, which fees and expenses reduce returns.

The S&P 500 Index is an unmanaged index generally considered representative of the U.S. stock market. Unmanaged index returns assume reinvestment of any and all distributions and, unlike fund returns, do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.

The asset class definitions displayed in the 3 Year Risk/Reward Profile are shown below. Note that not all asset classes listed below will be represented in the scatterchart as they are particular to the EMAP portfolio being illustrated. For purposes of the 3 Year Risk/Reward Profile, each asset class data point is represented by one mutual fund or ETF from the subject asset class that is part of the Lafayette Portfolio.

2 Yr Bd: funds that invest primarily in global, high-quality fixed income securities that mature within two years.

5 Yr Bd: funds that invest primarily in global, high-quality fixed income securities that mature within five years.

Corp Bd: funds that invest primarily in highly-liquid, investment grade bonds while maintaining a representation of the broader corporate bond market.

Emerging Mkts: funds that invest primarily in equity securities of developing nations.

Extended Stock Mkt: funds that invest primarily in small and mid-sized companies to reflect returns representative of the Wilshire 4500 Index.

Int Govt Bd: funds that invest primarily in bonds backed the U.S. government and U.S. government agencies that have durations between three and six years.

Int Muni Bd: funds that invest primarily in bonds issued by state and local governments to fund public projects with durations of four to seven years.

Intl Small Value: funds that invest primarily in small foreign companies that have low valuations and slow growth.

Intl Stock: funds that invest primarily in equities of foreign companies.

Intl Value: funds that invest primarily in equities of foreign companies that have low valuations and slow growth.

L/T Muni Bd: funds that invest primarily in high-quality municipal securities that have an average maturity of ten to twenty-five years.

Large Cap Intl: funds that invest primarily in equities of large foreign companies.

MMA: funds that invest for preservation of capital by investing in short-term vehicles.

Nat. Resources: funds that invest primarily in energy-related securities.

Real Estate: funds that invest primarily in real estate-related securities.

S/T Bd: funds that invest primarily in U.S. government, investment grade corporate, and investment grade international bonds with an average maturity of one to five years.

S/T Muni Bd: funds that invest primarily in high-quality municipal securities that have an average maturity of three years or less.

Tot Bd Mkt: funds that invest primarily in bonds representative of the broad, U.S. investment grade market.

Total Stock Mkt: funds that invest primarily in investments that track the MSCI U.S. Broad Market Index, which measures the investment return of the overall U.S. equity market.

US Large Growth: funds that invest primarily in large domestic companies that have high valuations and high growth.

US Large Value: funds that invest primarily in large domestic companies that have low valuations and slow growth.

US Mid Cap: funds that invest primarily in mid-sized domestic companies.

US Small Cap: funds that invest primarily in small-sized domestic companies.

US Treas Bd: funds that invest primarily in direct government obligations that have an average maturity of five to ten years.