

Investment Presentation for SAMPLE Client

March 22, 2011



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Market Summary - 2010

US Stocks saw the second straight year of gains in 2010 ending up 15% for the year with the US government continuing to prop up the economy. The year was not without some major challenges with the European debt crisis, mixed US economic figures, and increasing concerns over the tightening of Chinese monetary policy. The Flash Crash in May added to investor's nervousness and investors moved into fixed income, and specifically Treasury bonds, in greater and greater numbers. As funds continued to pour into fixed income investments, yields reached record lows and bonds outperformed stocks for the first half of the year. With worries about potential deflation and the mounting evidence of weak economic growth the Fed believed it was time to act. Bernanke spoke at the end of August of the possibility of another round of bond purchases and put a plan into action in November. With growing confidence from this announcement and improving economic reports the stock market took off, closing out the year with strong returns.

SAMPLE Client - Objectives & Allocation

-The SAMPLE portfolio is designed to provide capital appreciation while minimizing risk.

-The IPS states a mix of 50% to equities and 50% to fixed income and cash.

-The current allocation is in line with the target ranges. The solid performance of equities and weak performance of bonds in the fourth quarter has moved the portfolio to a slight over allocation, however this falls below the rebalance threshold and does not warrant a rebalance at this time.

<u>Description</u>	<u>Weight</u>	<u>Current Value</u>	<u>Target Percent</u>	<u>Target Value</u>	<u>Percent Variance</u>	<u>Dollar Variance</u>
US Stock	34.6%	\$ 5,741,544	32.5%	\$ 5,392,652	6.5%	\$ 348,892
Foreign Stock	19.1%	\$ 3,171,479	17.5%	\$ 2,903,736	9.2%	\$ 267,744
Intermediate Bond	24.0%	\$ 3,981,127	25.0%	\$ 4,148,194	-4.0%	\$ (167,067)
Short Bond	18.6%	\$ 3,092,799	20.0%	\$ 3,318,555	-6.8%	\$ (225,756)
Cash	3.7%	\$ 605,826	5.0%	\$ 829,639	-27.0%	\$ (223,813)
	<u>100.0%</u>	<u>\$ 16,592,775</u>				

Adjustment to Target Allocation

-The current 5% allocation to cash seems unnecessary given the long term nature of this account and that no cash flows are expected. We recommend reducing the target allocation to cash to 1% and increasing the Short Bond target to 24%. The funds moved out of cash would be used to purchase the DFA 1 Year Fixed Income Fund. The fund would invest in securities similar to those found in money market funds. The primary difference being that they can invest in bonds that mature in more than one year. The current yield of this fund is 0.40% which far exceeds the 0.01% for the money market fund. This change requires a revision to the Investment Policy Statement. Below reflects the adjusted IPS language.

Risk Tolerance: A strategic allocation of 50% stocks and 50% bonds/cash has been selected to achieve the balance between stability and growth that is consistent with the Portfolio's investment objective and with a stated tolerance for moderate risk of principal with an emphasis long term growth.

Target Asset Mix all Reserve Funds	Minimum	Target	Maximum
Cash & Equivalents	0%	1%	10%
Equity	0%	50%	60%
Fixed Income	35%	49%	60%

SAMPLE Client - Performance

-The Reserve portfolio gained 11.50%, or \$1,694,905 over the course of 2010.

-Since inception the portfolio is up 1.97%, or \$1,269,489.

-The portfolio has exceeded the benchmark by 1.80% and 0.10% for 2010 and since inception. The 2010 and since inception outperformance was driven by equities which continued rally from the depths of the credit crisis.

Description	January	2010	Since Incept.
Beginning Value	\$ 16,425,361	\$ 14,480,456	\$ 12,298,461
Net Contributions	\$ -	\$ 250,000	\$ 3,024,825
Capital Appreciation	\$ 174,505	\$ 1,385,211	\$ (7,687)
Income	\$ 4,616	\$ 355,412	\$ 1,437,803
Management Fees	\$ (11,706)	\$ (45,718)	\$ (160,626)
Other Expenses	\$ -	\$ -	\$ -
Ending Value	\$ 16,592,775	\$ 16,425,361	\$ 16,592,775
Total Investment Gain/Loss	\$ 167,414	\$ 1,694,905	\$ 1,269,489
Time Weighted (gross)	1.09%	11.84%	2.31%
Time Weighted (net)	1.02%	11.50%	1.97%
Portfolio Benchmark	0.95%	9.70%	1.87%
<i>Difference</i>	<i>0.07%</i>	<i>1.80%</i>	<i>0.10%</i>

Performance is net of mutual fund fees and Raffa Wealth Management advisory fees. You are encouraged to compare the account information in this report to the account information sent to you from the account custodian.

** Inception date as of: 6/30/2007

Benchmark Comprised of:

06/07 - Pres: Russell 3000 (32.5%), FTSE AW ExUS (17.5%), BarCap Agg (25%), BarCap Gov 1-3 (20%), BofAML US TBill 3M (5%)

SAMPLE Client - Equity Fund Review

Investment Name	Percent	Market Value	Last 12 Months	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank	Last 10 Years	% Rank
US Stock	34.6%	\$ 5,741,544	27.4%		2.4%		N/A		N/A	
DFA US Core Equity 1 I Russell 3000 TR USD	32.9%	\$ 5,452,331	26.6%	6	2.3%	10	2.9%	22	N/A	N/A
			24.0%		0.8%		2.5%		2.0%	
DFA Real Estate Securities I DJ US Select REIT TR USD	1.7%	\$ 289,212	40.5%	34	2.2%	33	1.8%	50	10.8%	33
			40.7%		1.3%		1.5%		10.8%	
Foreign Stock	19.1%	\$ 3,171,479	21.4%		-1.3%		N/A		N/A	
DFA Intl Value I	3.9%	\$ 647,713	22.4%	4	-2.1%	28	3.6%	15	8.2%	7
iShares MSCI EAFE Index MSCI EAFE NR USD	8.3%	\$ 1,371,355	15.3%	92	-3.3%	80	1.6%	1	N/A	N/A
			15.4%		-3.2%		1.7%		3.7%	
Vanguard FTSE All-World ex-US ETF FTSE AW Ex US TR USD	1.0%	\$ 172,618	19.1%	36	-1.5%	50	N/A	N/A	N/A	N/A
			18.8%		-0.6%		4.6%		6.3%	
DFA Intl Small Company I MSCI EAFE Small Cap NR USD	3.5%	\$ 576,462	27.4%	28	2.7%	34	4.3%	55	11.6%	31
			24.2%		2.0%		1.6%		9.2%	
DFA Emerging Markets Core Equity I MSCI EM NR USD	2.4%	\$ 403,333	26.7%	14	6.3%	6	12.4%	4	N/A	N/A
			22.5%		3.3%		9.8%		14.1%	

Please note that while funds may be measured against the same benchmark, their peer groups may be different. Please refer to the Fund Performance Commentary section that will explain the differences in the fund rankings in greater detail.

Past performance is no guarantee of future results and there is always a risk that an investor may lose money. Information contained has been gathered from sources we believe to be reliable, but we do not guarantee the accuracy or completeness of such information. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Expenses would reduce the annualized return illustrated. Performance figures are gross of RWM's investment advisory fee as described in its form ADV which is available upon request. The incurrence or inclusion of the Raffa Wealth Management fee will have the effect of decreasing performance results. For example, an advisory fee of 1% compounded over a ten year period would reduce a 10% return to an 8.9% annual return.

SAMPLE Client - Bond Fund Review

Investment Name	Percent	Market Value	Last 12 Months	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank	Last 10 Years	% Rank
Intermediate Bond	24.0%	\$ 3,981,127	5.3%		5.0%		N/A		N/A	
Vanguard Total Bond Market ETF	17.9%	\$ 2,963,911	5.0%	60	5.3%	83	N/A	N/A	N/A	N/A
iShares Barclays Aggregate Bond	3.0%	\$ 492,399	4.9%	70	5.2%	100	5.6%	1	N/A	N/A
PIMCO Total Return Instl	3.2%	\$ 524,817	7.3%	27	8.0%	7	8.1%	2	7.2%	3
BarCap US Agg Bond TR USD			5.1%		5.4%		5.8%		5.7%	
Short Bond	18.6%	\$ 3,092,799	1.6%		1.6%		N/A		N/A	
Vanguard Short-Term Federal Adm	8.8%	\$ 1,460,371	2.6%	34	3.9%	27	5.0%	14	4.5%	12
DFA Five-Year Global Fixed-Income I	9.8%	\$ 1,632,428	4.3%	n/a	4.4%	n/a	4.6%	n/a	4.6%	n/a
BarCap US Govt 1-3 Yr TR USD			1.8%		2.9%		4.3%		4.0%	
Cash	3.7%	\$ 605,826	0.0%		0.4%		N/A		N/A	
Schwab US Treasury Money	3.7%	\$ 605,826	0.0%		0.4%		1.9%		1.8%	
BofAML US Treasury Bill 3 Mon			0.1%		0.6%		2.4%		2.3%	

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Comment on Individual Fund Performance

Overall the individual mutual funds have performed well in relation to their benchmarks and peer groups. We note a few funds' performances:

-The DFA U.S. Core Equity fund has been ranked consistently high with their lowest ranking of 22. The past year they were able to rank highly due to their overweighting of small and mid cap stocks, which have had a very strong trailing 12 months.

-The DFA International Value has also ranked highly over all time periods compared against a large universe of foreign large cap value funds. The fund has strongly outperformed the benchmark especially over the past year where it has outperformed by 7.0%

-The low rank over the trailing year and 3 year periods for the iShares MSCI EAFE index mutual fund is in part magnified by the limited universe of funds in this category at Morningstar. Also magnified is the very high rank (1) over the 5 year period. The fund is compared against other funds that have exposure to emerging markets, which have outperformed developed markets over recent years. This fund has consistently delivered the returns of the international developed market and we are not considering replacing it at this time.

-The iShares Barclays Aggregate Bond fund has been ranked poorly compared to its universe, however the universe is small consisting of 18 funds and also compares broad bond market funds like the Barclays Agg with corporate specific funds which have performed better over the past three years. However, we feel that the Vanguard Total Bond Market fund is a more efficient fund in this space and we will complete the transition out of the iShares Barclays Aggregate Bond fund this quarter.

-We have removed the ranking for the DFA 5 Year Global as the vast majority of funds in this universe do not hedge their currency exposure, whereas the DFA 5 year does. As the dollar has fallen in recent years against foreign currencies this has helped other funds performance in this space compared to the DFA 5 year and thus it is not a meaningful comparison.

Fund Ranking Universe

The following are the asset class descriptions and universe sizes:

US Stock:

- DFA U.S. Core Equity is included among 2,138 funds in the large blend category.
- DFA Real Estate Securities is included among 293 funds in the real estate category.

Foreign Stock:

- DFA International Value is included among 392 funds in the foreign large value category.
- iShares MSCI EAFE index and Vanguard FTSE All-World ex-US are included among 19 funds in the foreign large blend category.
- DFA Intl Small Company is included among 76 funds in the foreign small/mid value category.
- DFA Emerging Markets Core Equity is included among 476 funds in the diversified emerging markets category.

Intermediate Bond:

- Vanguard Total Bond Market and iShares Barclays Aggregate Bond fund are included among 18 funds in the intermediate term bond category for exchange traded funds.
- PIMCO Total Return is included among 1,270 funds in the intermediate term bond category.

Short Bond:

- Vanguard Short-Term Federal is included among 165 funds in the short government category.
- DFA Five-Year Global Fixed-Income is included among 320 funds in the world bond category.

Recent Trade Actions

We have made several moves in the SAMPLE Client portfolio over the course of 2010.

-Over the course of the year we have been moving out of the PIMCO Total Return fund and iShares Barclays Aggregate Bond fund and into the Vanguard Total Bond Market fund. The Vanguard fund meets the intermediate term bond exposure more effeciently than the other two funds and with less risk than the PIMCO fund. We feel the Vanguard fund is more suited to your needs.

-We moved out of the DFA 2 Year bond fund and into the DFA 5 year bond fund. This fund can invest in any global fixed income market. It looks to maximize risk adjusted return with a maximum effective maturity of 5 years. As the average effective maturity has remained close to 4 years thisfund continues to meet the short term bond allocation.

-We also made several rebalancing trades to move the allocations back to their targets.

We will continue to monitor your holdings for any changes that would be beneficial to your portfolio.

Market Outlook

The passing of the Bush-era tax cuts as well as several other tax benefits helped bolster market performance to end 2010. In addition, the highest level of consumer confidence since 2008 and consumers spending the most over the holiday season since 2005 led many economists to raise their projections for growth in 2011 with expectations of growth accelerating over the course of the year. While there is enthusiasm on Wall Street, there are still many potential stumbling blocks that could derail the fragile recovery. Corporate earnings face an uphill battle after maximizing cost cutting and facing tougher year over year comparisons. The housing and job markets also remain stubbornly weak.

However, whether the market is primed to take off, or will continue to stagnant, we believe your portfolio is positioned to take advantage of the market and deliver an efficient return only taking needed risks.

Disclosures

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