

# Tarrant Portfolio

December 31, 2011



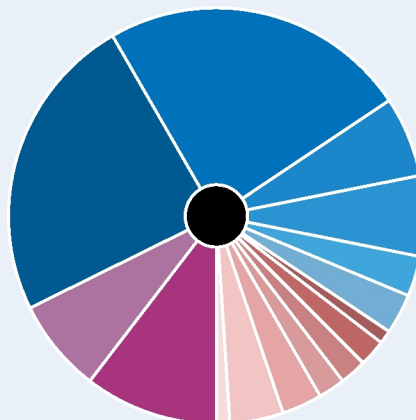
## Asset Allocation

### Stocks 64%

U.S. Large Cap Value	23%
U.S. Large Cap Growth	23%
U.S. Mid Cap Value	6%
U.S. Mid Cap Growth	6%
U.S. Small Cap Value	3%
U.S. Small Cap Growth	3%

### International 17%

International Value	10%
International Growth	7%



### Bonds 15%

Government - Short	1%
Government - Intermediate	2%
Government - Long	2%
Corporate - Short	2%
Corporate - Intermediate	3%
Corporate - Long	4%
International	1%

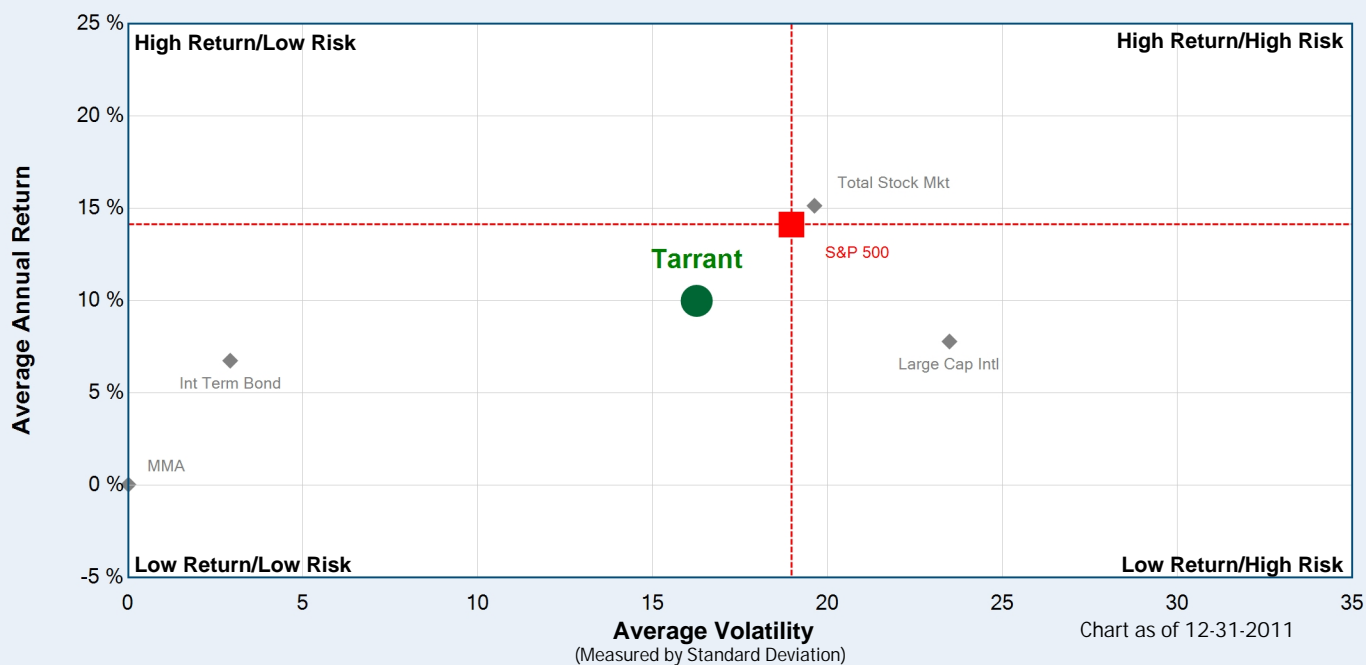
### Other 4%

Cash	4%
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The Tarrant Portfolio invests in pre-selected mutual funds and Exchange Traded Funds (ETFs). The model shown represents the target allocation for a Tarrant Portfolio and does not represent an actual account. Target allocations to cash and other individual securities within the Tarrant Portfolio may vary according to an individual's needs and circumstances. Individual security positions in accounts invested in the Tarrant 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 Tarrant 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.

**2011 Total Return (Net of Fees & Expenses)\* -1.68%**

\*Most recent full calendar year available at time of report.

**Tarrant Composite**  
**Annual Disclosure Presentation**  
Performance as of December 31, 2011

Calendar Year	Total Firm Assets (millions)	Composite Assets (millions)	Number of Accounts	Annual Performance Results Blended Benchmark†	Annual Net Performance Results Composite	Composite Dispersion	Blended Benchmark‡ 3 Yr Standard Deviation	Composite 3 Yr Standard Deviation
2011	6,921	19	1,412	3.70%	-1.68%	0.47%	15.35%	16.23%
2010	5,960	18	1,236	13.74%	12.14%	0.47%	18.06%	18.77%
2009	4,506	16	1,021	23.05%	22.01%	1.32%	16.32%	16.88%
2008	2,998	11	779	-29.51%	-30.87%	0.71%	N.A.	N.A.
2007	3,731	11	455	6.13%	5.62%	0.44%	N.A.	N.A.
2006*	3,226	2	76	11.09%	10.05%	N/A	N.A.	N.A.

Standard deviation calculated trailing 36 months from the end of the period.

\*Performance figures for 2006 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.

N.A. - 36 months of data is not available.

†81% S&P 500 Index / 19% Barclays Aggregate Bond Index

***Tarrant Composite*** - contains all discretionary accounts that have five or fewer total positions and maintain a target Fixed Income allocation of 15% with the remainder in equities and cash. Portfolios within the composite may vary in actual cash balances. For comparison purposes, the Tarrant composite is measured against a blended benchmark comprised of 81% S&P 500 Index and 19% 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 Tarrant 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 Tarrant Composite accounts may correspond with multiple asset classes.

The Edelman Financial Group (Ticker: EF), formerly Sanders Morris Harris Group is majority owner of Edelman Financial Services LLC (EFS) and Ric Edelman is minority owner. EFS serves clients nationwide via its own advisors and unaffiliated registered investment advisers. EFS maintains a complete list of composite descriptions, 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 and expenses. 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 was used. Presentation reports generated prior to December 2009 used an asset-weighted methodology to calculate composite dispersion. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are 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 Tarrant Composite was created in February 2007. Edelman Financial Services LLC (EFS) claims compliance with the Global Investment Performance Standards (GIPS<sup>®</sup>) and has prepared and presented this report in compliance with the GIPS standards. Edelman Financial Services LLC has been independently verified for the periods January 1, 2002 through September 30, 2011 by Ashland Partners & Company, LLP. A copy of the verification report is available upon request.

Verification Assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

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 Adams 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 hypothetical 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 scatter chart as they are particular to the hypothetical EMAP portfolio being illustrated. For purposes of the 3 Year Risk/Reward Profile, each asset class data point is represented by the mutual fund or ETF from the subject asset class that is part of the Tarrant 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.