Graystone Consulting℠

Managing Assets

Finding a Compass in Stormy Waters

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Tom McShane, Vice President – Investments
Phone: (312) 917-7541
E-mail: thomas.mcshane@smithbarney.com

Jim Kolbusz, First Vice President – Investments

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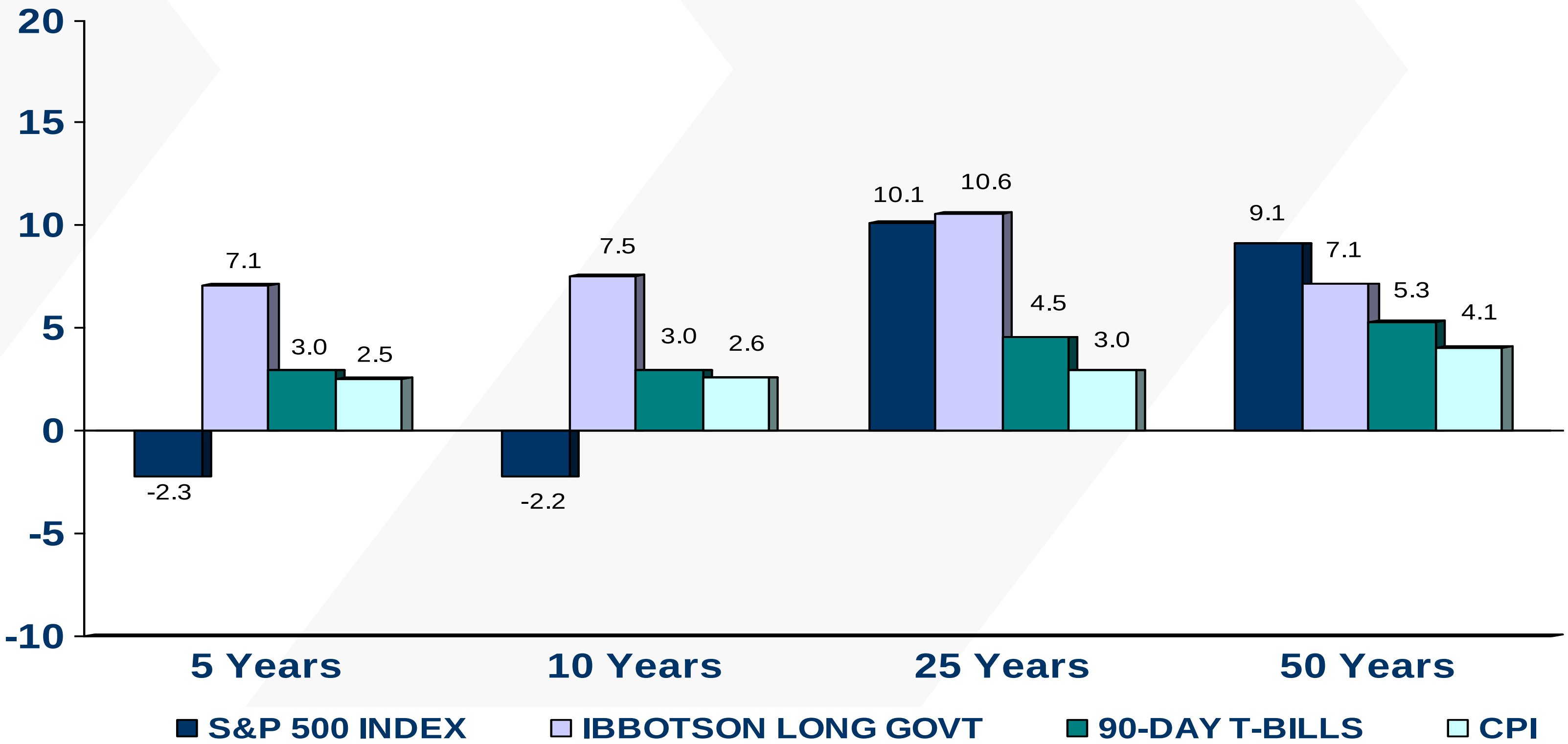
50-Year Illustration of Capital Markets and Inflation



Note: All returns are annualized for the period ending 06/30/2009. Past performance does not guarantee future results. Generally, investing in equities entails greater volatility than investing in bonds. Investors cannot invest directly in an index. The performance of unmanaged indices reflects no deductions for fees, expenses or taxes which would affect performance of actively managed assets. Source: Consulting Group. **See Important disclosures at the end of the presentation.**

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Historical Rates: Last 50 Years

	Assumed Allocation		Rates of Return		
Equity	45%	x	9.10%	=	4.10%
Fixed Income	50%	x	7.10%	=	3.55%
T-Bills	5%	x	4.10%	=	0.20%
					7.85%

versus

Department of Insurance

Assumed Actuarial Rate of Return

7.00%

versus

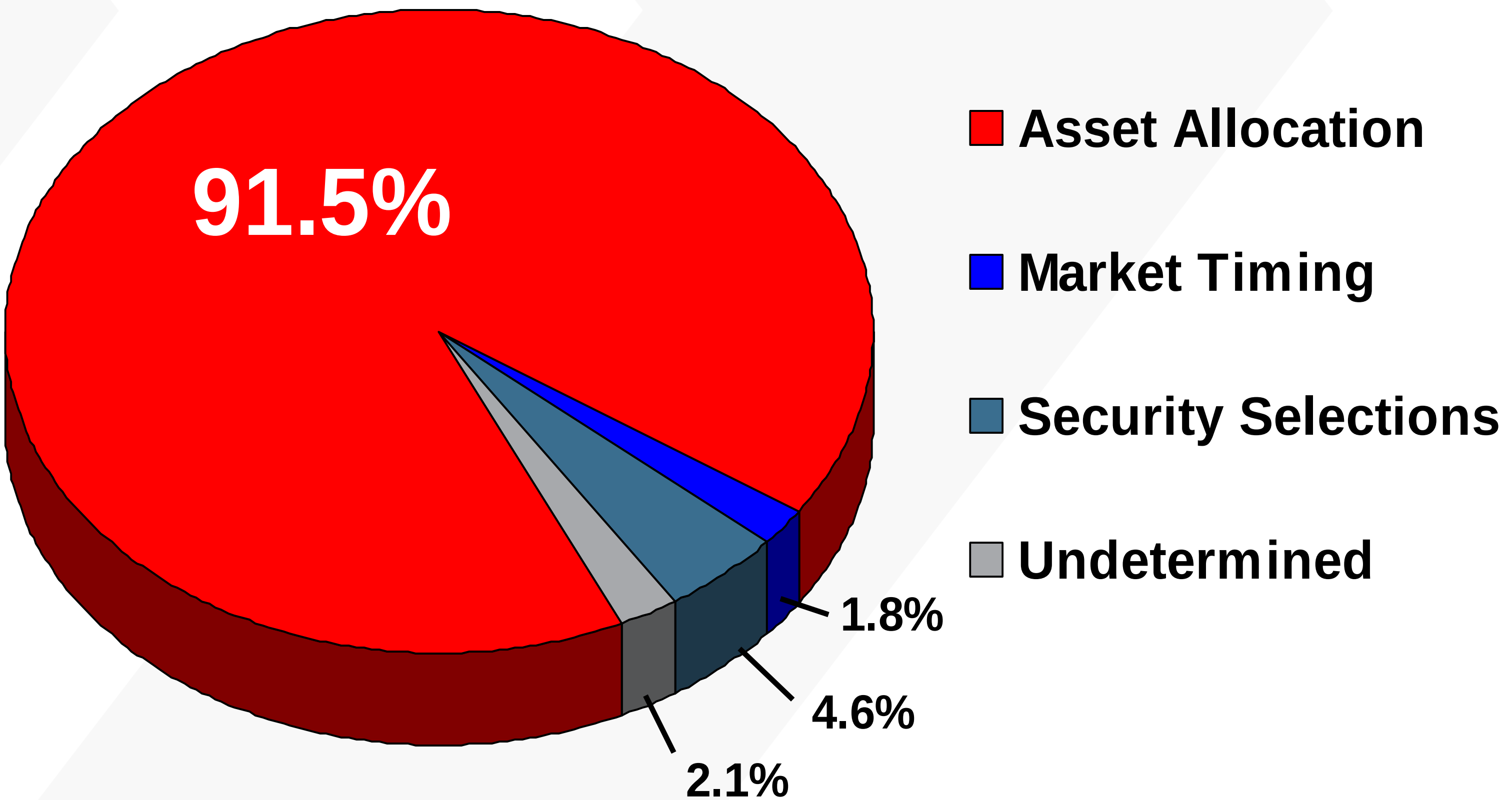
Are These Historical Rates Still Viable for the Future?

Graystone Consulting's Updated Assumptions

	Assumed Allocation		Rates of Return		
Equity	45%	x	9.60%	=	4.32%
Fixed Income	50%	x	5.00%	=	2.50%
T-Bills	5%	x	4.20%	=	0.21%
					7.03%

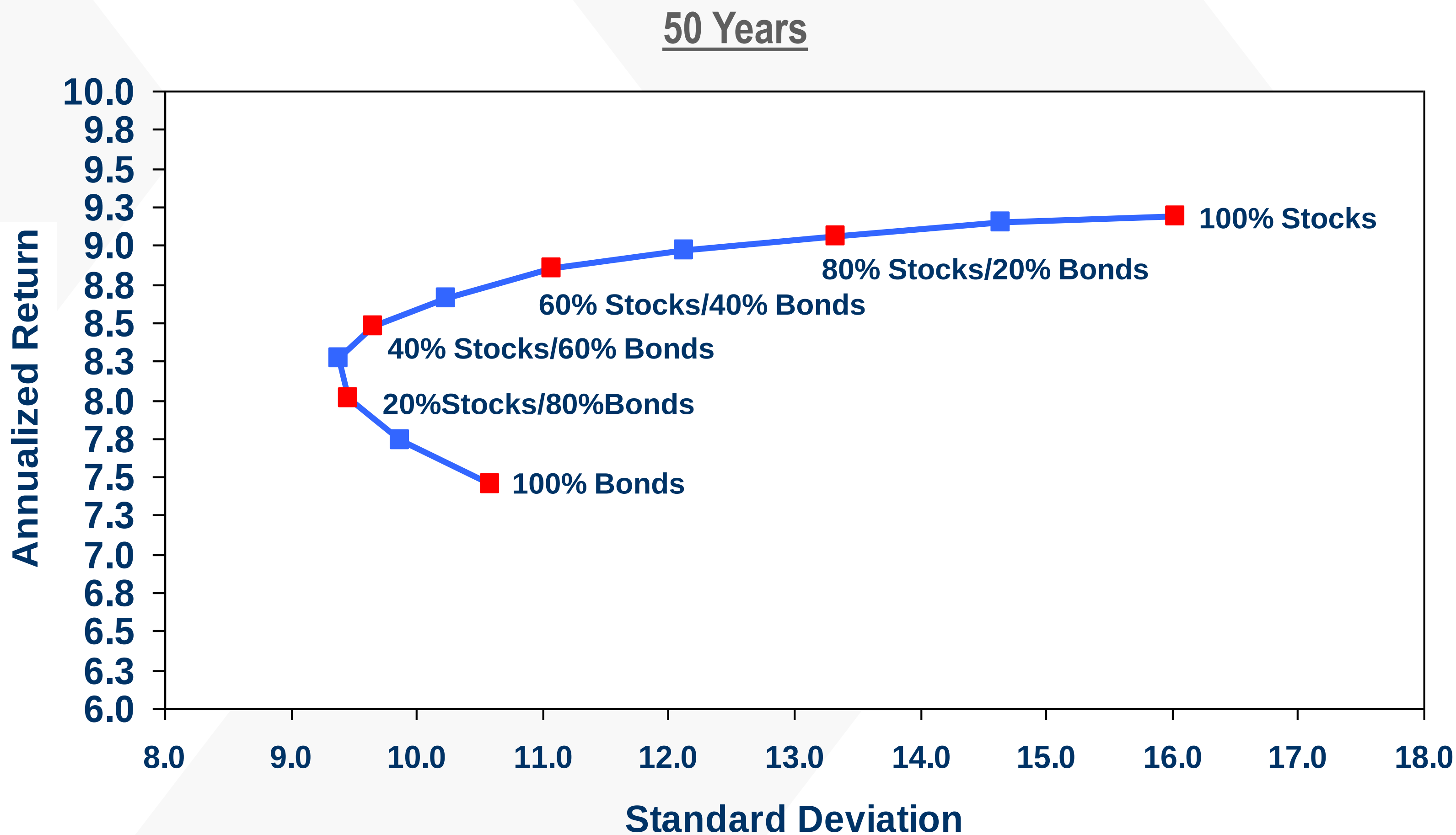
Note: All returns are annualized for the period ending 06/30/2009. Past performance does not guarantee future results. Generally, investing in equities entails greater volatility than investing in bonds. Investors cannot invest directly in an index. The performance of unmanaged indices reflects no deductions for fees, expenses or taxes which would affect performance of actively managed assets. Source: Consulting Group. **See Important disclosures at the end of the presentation.**

The Importance of Asset Allocation



Source: "Determinants of Portfolio Performance", Gary Brinson, Randolph Hood, Gilbert Beebower, May-June 1991 Financial Analysts Journal.

Stock & Bond Blends – Added Value Through Diversification



50 Years ending 12/31/2008
Note: S&P 500 Index represents stock component
Ibbotson Long Gov represents bond component
Past performance does not guarantee future results. Diversification does not ensure against market loss. Generally, investing in equities entail greater volatility than investing in bonds. Source: Consulting Group. **See Important disclosures at the end of the presentation.**

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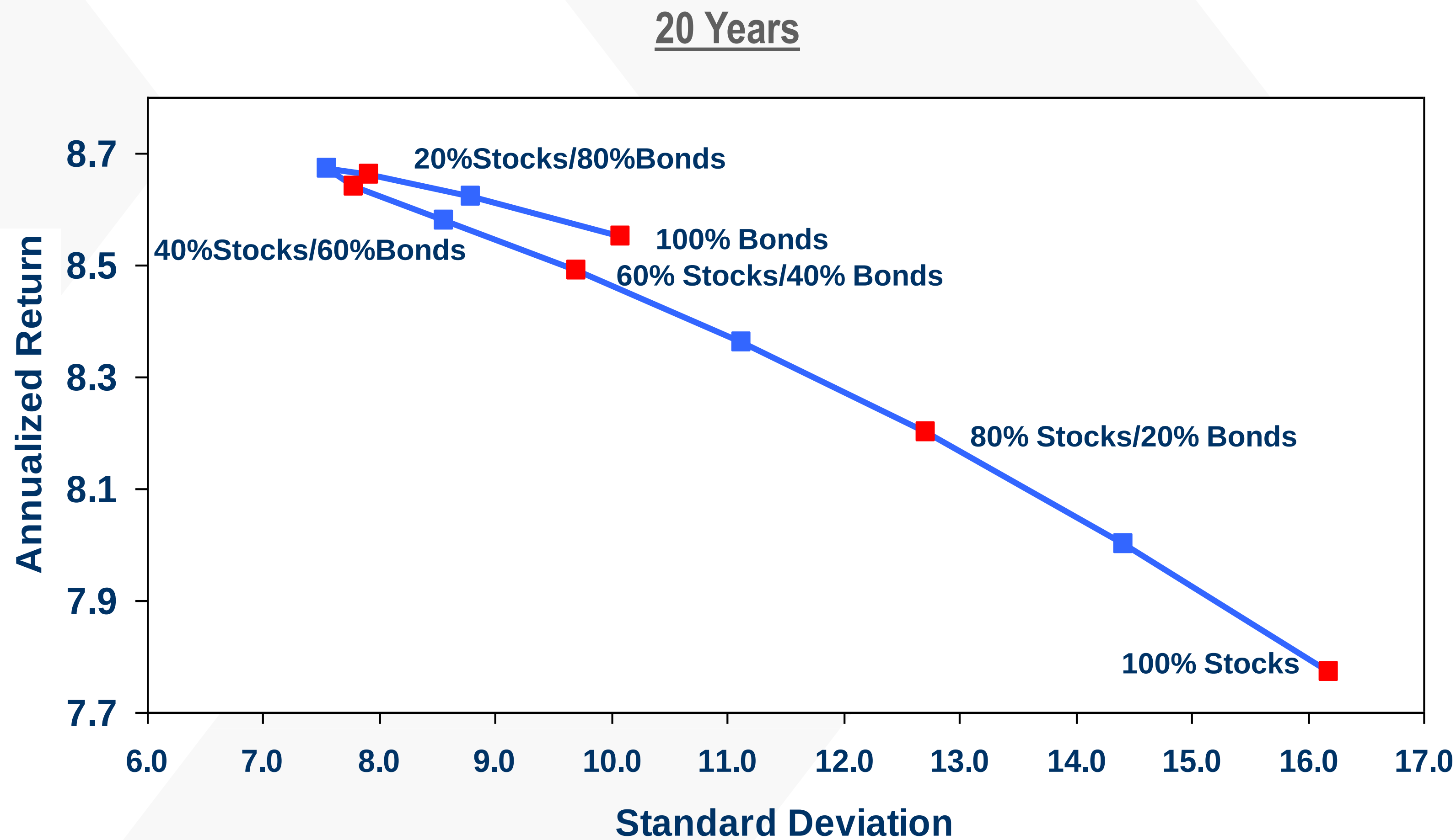
Stock & Bond Blends – Added Value Through Diversification



20 Years ending 12/31/2008
Note: S&P 500 Index represents stock component
Ibbotson Long Gov represents bond component
Past performance does not guarantee future results. Diversification does not ensure against market loss. Generally, investing in equities entail greater volatility than investing in bonds. Source: Consulting Group. **See Important disclosures at the end of the presentation.**

Glossary of Indices & Important Disclosures

90-Day T-Bill

Short-term obligations issued by the United States government. T-Bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference or "discount" is the interest earned. T-Bills are issued in denominations of $10,000 (auction) and $1,000 increments thereafter.

Ibbotson Long Government

The total returns from 1977-present are constructed with data from The Wall Street Journal. The data from 1926-1976 are obtained from the Government Bond File at the Center for Research in Security Prices (CRSP) at the University of Chicago Graduate School of Business. To the greatest extent possible, a one bond portfolio with a term of approximately 20 years and a reasonably current coupon-whose returns did not reflect potential tax benefits, impaired negotiability, or special redemption or call privileges-was used each year. Where "flower" bonds (tenderable to the Treasury at par in payment of estate taxes) had to be used, the term of the bond was assumed to be a simple average of the maturity and the first call dates minus the current date. The bond was "held" for the calendar year and returns were computed.

CPI

In economics, a Consumer Price Index (CPI, also retail price index) is a statistical measure of a weighted average of prices of a specified set of goods and services purchased by wage earners in urban areas. It is a price index which tracks the prices of a specified set of consumer goods and services, providing a measure of inflation. The CPI is a fixed quantity price index and a sort of cost-of-living index. The CPI can be used to track changes in prices of all goods and services purchased for consumption by urban households. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included. Income taxes and investment items (like stocks, bonds, life insurance, and homes) are not included.

S&P 500

Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities, it is also an ideal proxy for the total market.

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Note: Investors cannot invest directly in an index. The performance of unmanaged indices reflects no deductions for fees, expenses or taxes which would affect performance of actively managed assets.