

HEADWATER INVESTMENT CONSULTING, INC.

Review & Outlook

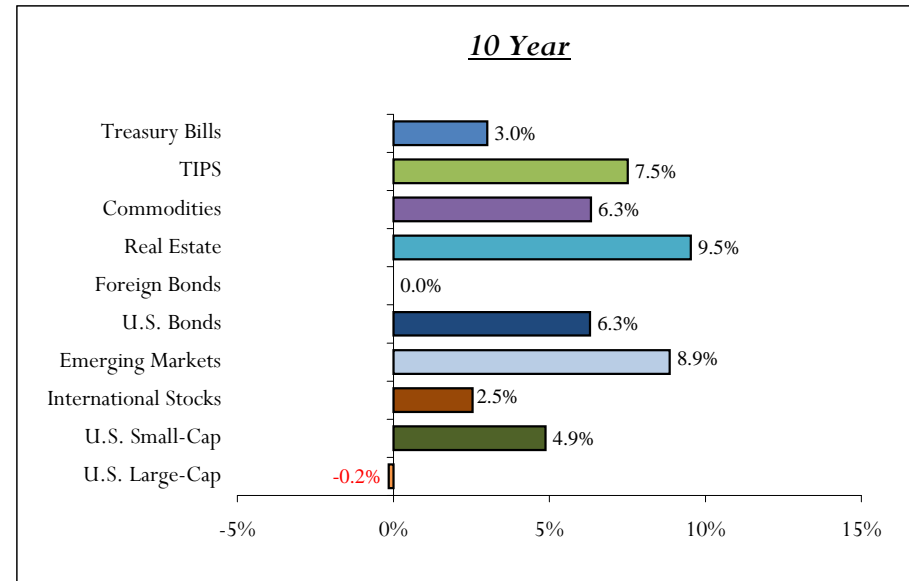
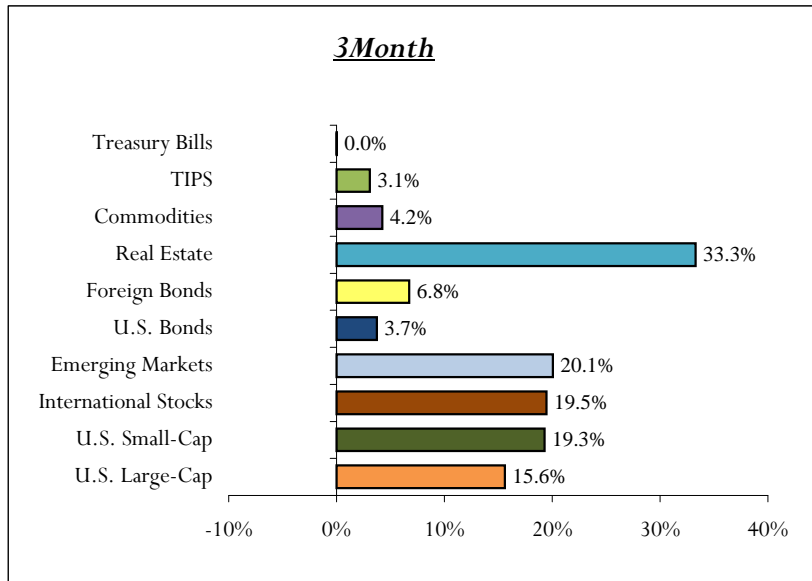
3rd Quarter 2009

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ASSET CLASS PERFORMANCE



Index Performance as of: 9/30/2009

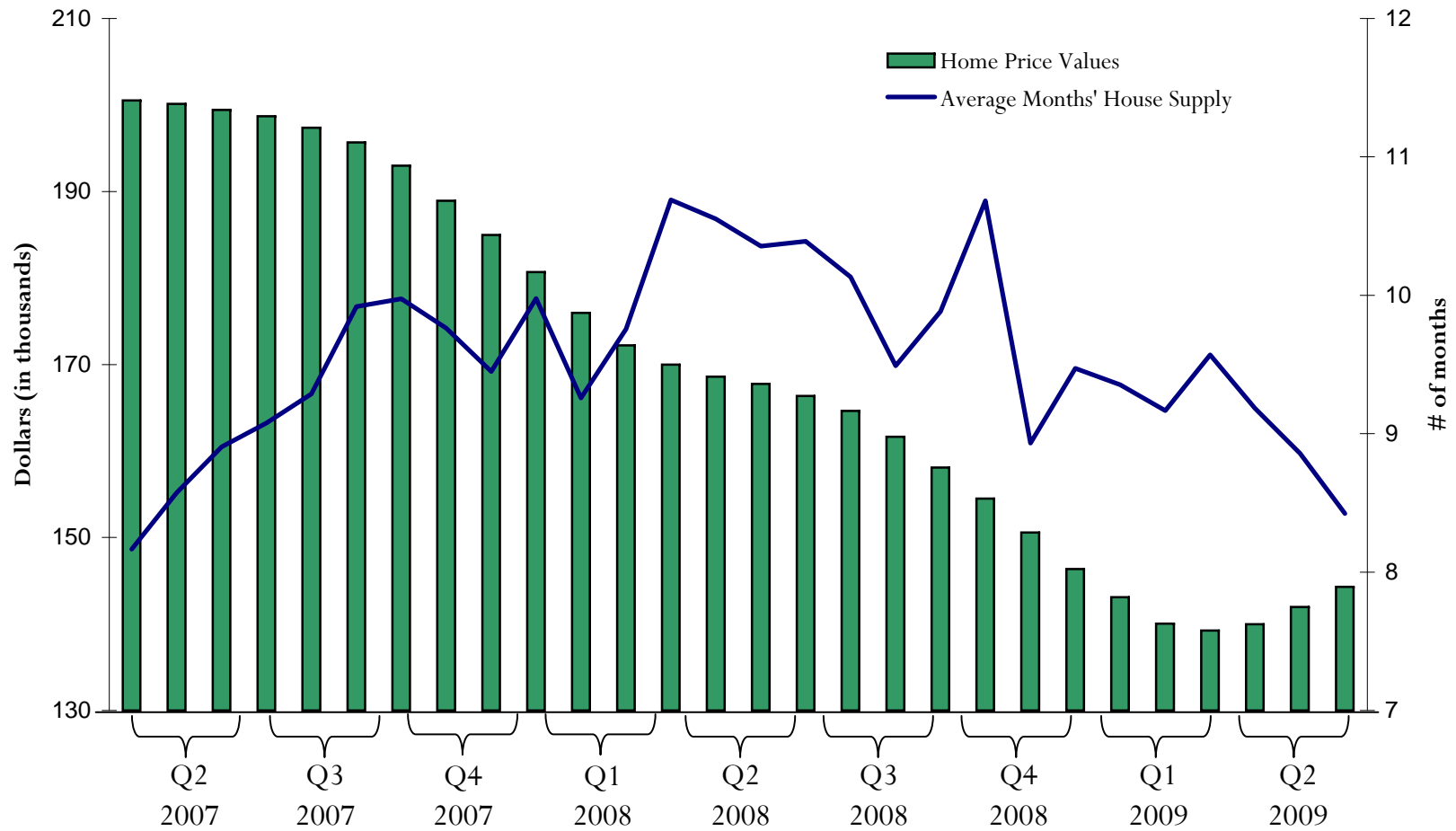
| | <u>1 Mo</u> | <u>3 Mo</u> | <u>YTD</u> | <u>1-yr</u> | <u>3-yr</u> | <u>5-yr</u> | <u>10-yr</u> |
|-----------------------------|-------------|-------------|------------|-------------|-------------|-------------|--------------|
| <i>U.S. Large-Cap</i> | 3.7% | 15.6% | 19.3% | -6.9% | -5.4% | 1.0% | -0.2% |
| <i>U.S. Small-Cap</i> | 5.8% | 19.3% | 22.4% | -9.6% | -4.6% | 2.4% | 4.9% |
| <i>International Stocks</i> | 3.8% | 19.5% | 29.0% | 3.2% | -3.6% | 6.1% | 2.5% |
| <i>Emerging Markets</i> | 8.9% | 20.1% | 61.2% | 16.2% | 5.5% | 14.5% | 8.9% |
| <i>U.S. Bonds</i> | 1.1% | 3.7% | 5.7% | 10.6% | 6.4% | 5.1% | 6.3% |
| <i>Foreign Bonds</i> | 2.3% | 6.8% | 7.9% | 14.6% | 8.4% | 6.2% | - |
| <i>Real Estate</i> | 6.4% | 33.3% | 17.0% | -28.4% | -12.4% | 1.4% | 9.5% |
| <i>Commodities</i> | 1.6% | 4.2% | 9.1% | -23.7% | -4.9% | -0.7% | 6.3% |
| <i>TIPS</i> | 2.1% | 3.1% | 9.5% | 5.7% | 5.6% | 4.8% | 7.5% |
| <i>Treasury Bills</i> | 0.0% | 0.0% | 0.2% | 0.2% | 2.6% | 3.1% | 3.0% |

CAPITAL MARKET HISTORY: OVER 10 YEARS OF RETURNS BY ASSET CLASS

| Year | Inflation | Money Market | Large Co. Stocks | Small Co. Stocks | Int'l Stocks | Emerging Markets | US Bond Market | Foreign Bonds | TIPS | REIT | Home Prices ¹ | Commodities |
|-----------|-----------|--------------|------------------|------------------|--------------|------------------|----------------|---------------|------|-------|--------------------------|-------------|
| 9/30/2009 | 2.0 | 0.2 | 19.3 | 22.4 | 29.0 | 61.2 | 5.7 | 7.9 | 9.5 | 17.0 | -3.0 | 9.1 |
| 2008 | -0.1 | 1.5 | -37.0 | -33.8 | -43.4 | -54.5 | 5.2 | 5.4 | -2.4 | -37.8 | -16.4 | -35.7 |
| 2007 | 4.2 | 4.8 | 5.5 | -1.6 | 11.2 | 36.5 | 7.0 | 10.1 | 11.6 | -17.8 | -9.1 | 16.2 |
| 2006 | 2.5 | 5.1 | 15.8 | 18.4 | 26.3 | 29.2 | 4.3 | 6.5 | 0.4 | 36.0 | 0.7 | 2.1 |
| 2005 | 3.4 | 3.3 | 4.9 | 4.6 | 13.5 | 30.3 | 2.4 | -5.8 | 2.8 | 13.8 | 15.5 | 21.4 |
| 2004 | 3.3 | 1.4 | 10.9 | 18.3 | 20.3 | 22.5 | 4.3 | 9.8 | 8.5 | 33.2 | 16.2 | 9.2 |
| 2003 | 2.0 | 1.1 | 28.7 | 47.3 | 38.6 | 51.6 | 4.1 | 14.4 | 8.4 | 36.2 | 11.4 | 24.0 |
| 2002 | 2.5 | 1.7 | -22.1 | -20.5 | -15.9 | -8.0 | 10.3 | 18.1 | 16.6 | 3.6 | 12.2 | 26.0 |
| 2001 | 1.6 | 3.7 | -11.9 | 2.5 | -21.4 | -4.7 | 8.4 | 0.2 | 7.9 | 12.4 | 7.9 | -19.5 |
| 2000 | 3.4 | 6.3 | -9.1 | -3.0 | -14.2 | -31.8 | 11.6 | -2.6 | 13.2 | 31.0 | 14.1 | 31.8 |
| 1999 | 2.7 | 4.9 | 21.0 | 21.3 | 27.0 | 63.7 | -2.1 | -5.1 | 2.4 | -2.6 | 10.8 | 24.4 |
| 1998 | 1.6 | 5.0 | 28.6 | -2.6 | 19.9 | -27.7 | 8.7 | 17.8 | 4.0 | -17.0 | 9.1 | -27.0 |
| 1997 | 1.7 | 5.3 | 33.4 | 22.4 | 1.8 | -14.0 | 9.7 | -4.3 | --- | 19.7 | 5.4 | -3.4 |
| 1996 | 3.4 | 5.3 | 23.0 | 16.5 | 6.1 | -3.9 | 3.6 | 4.1 | --- | 37.0 | 1.9 | 23.2 |
| 1995 | 2.5 | 5.8 | 37.6 | 28.5 | 11.2 | -6.9 | 18.5 | 19.6 | --- | 12.2 | -0.4 | 15.2 |
| Average | 2.5 | 3.9 | 9.2 | 8.4 | 5.8 | 5.9 | 6.9 | 6.3 | 6.7 | 11.4 | 5.7 | 7.7 |
| Risk | 1.1 | 1.8 | 22.3 | 20.7 | 22.4 | 33.9 | 4.9 | 9.0 | 5.8 | 23.5 | 9.5 | 21.5 |

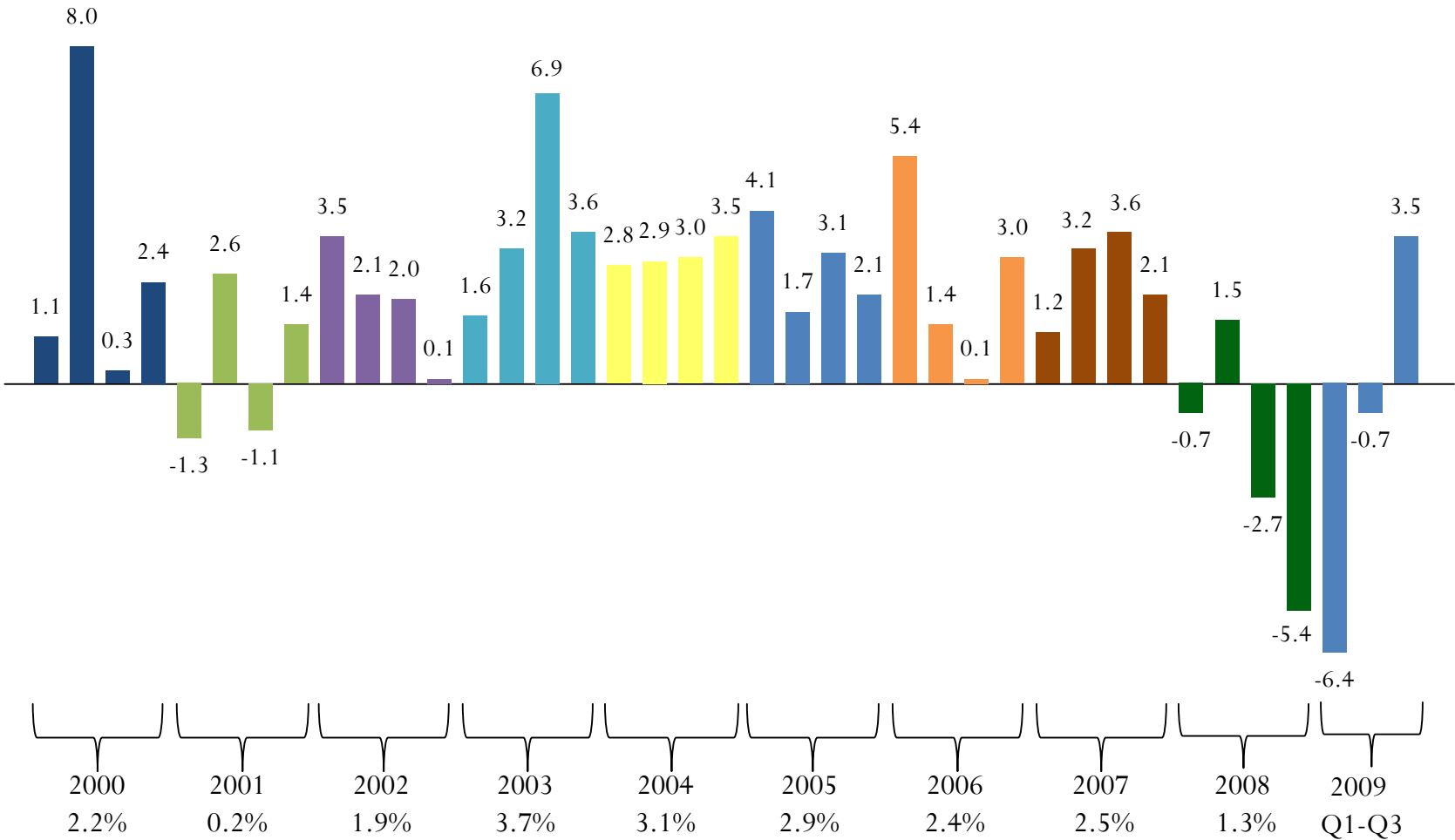
¹ Home Prices through August 2009

HOME PRICE VALUES COMPARED TO HOUSING INVENTORY



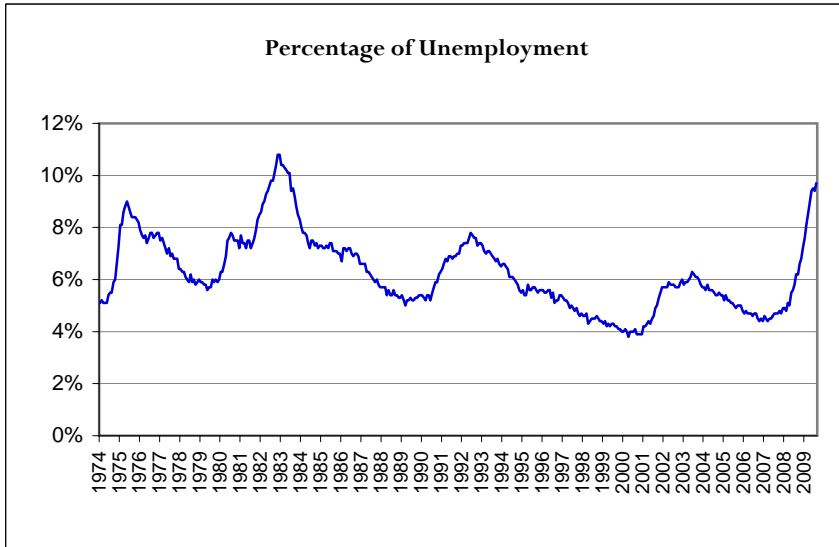
SOURCE: S& P/Case-Shiller Home Price Indices; reported through August 2009; updated November 4, 2009

GROSS DOMESTIC PRODUCT: QUARTERLY AND ANNUAL PERCENTAGE CHANGES (2000 - 2009)

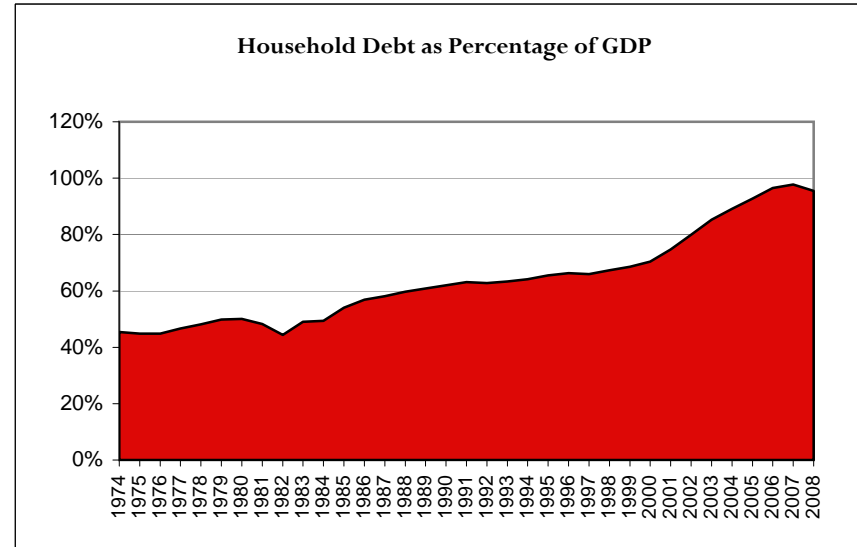


Gross Domestic Product (GDP) is the output of goods and services produced in the United States. Quarterly estimates are expressed as seasonally adjusted annual rates.

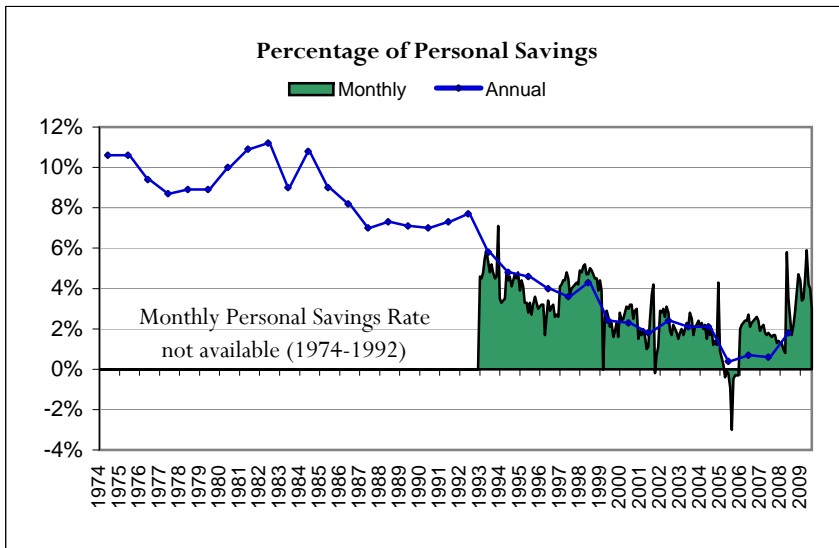
OVERVIEW OF ECONOMIC AND CONSUMER HEALTH



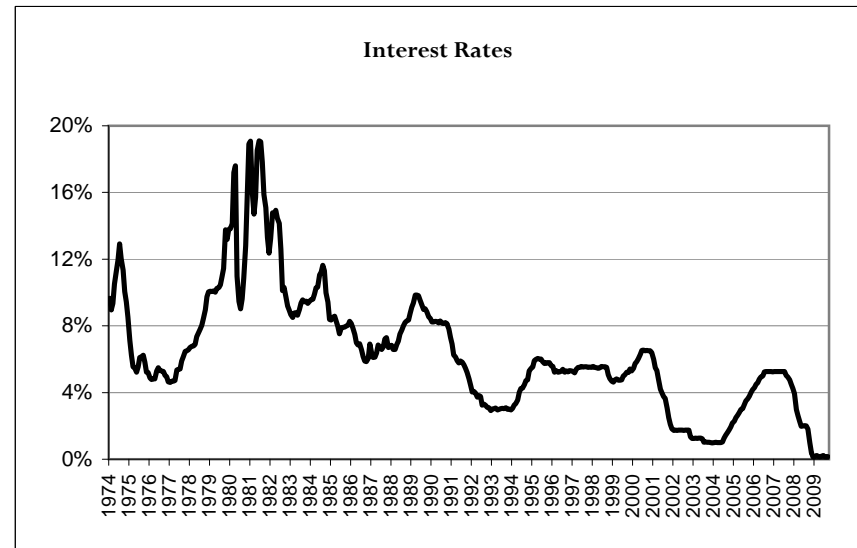
SOURCE: Bureau of Labor Statistics, Current Population Survey, July 2009 release



SOURCE: Federal Reserve, Flow of Funds Accounts, June 11, 2009

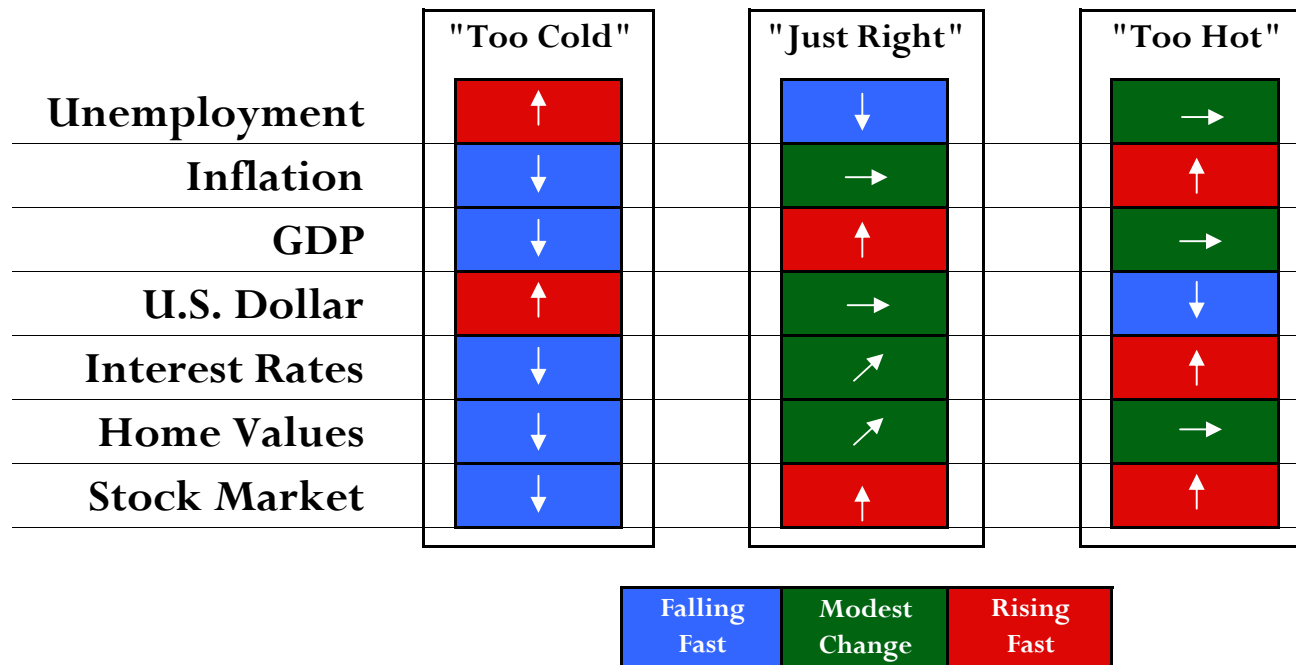


SOURCE: Bureau of Economic Analysis, August 4, 2009



SOURCE: Federal Reserve, Monthly Interest Rates

ROAD TO RECOVERY



The U.S. Treasury and Federal Reserve must strike a delicate balance during the economic recovery.

DISCLOSURES & DEFINITIONS

* Statistical data is gathered from Morningstar Principia and/or the fund manager's web site. All information contained in this document is compiled from sources believed to be reliable and current.

* Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of a portfolio.

* As with any investment, the holder of each fund is subject to various risk factors. These factors can be explained on a fund by fund basis.

* The performance data shown represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the data cited.

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- Large-Cap Stocks -** A U.S. large company stock index measured by the S&P 500. It is made up of a group of 500 of the most widely traded stocks in the U.S., as chosen by Standard & Poor's.
- Small-Cap Stocks-** Measured by the Russell 2000 which is the dominant small-cap index in the U.S. The index is comprised of the smallest 2000 stocks in the Russell 3000 Market Index.
- International Stocks-** An international stock index measured by the MSCI EAFE. It is comprised of stocks from developed markets in Europe, Australia, Asia, and the Far East.
- Emerging Markets -** An international stock index that tracks non-developed markets throughout the world. It is measured by the MSCI Emerging Markets Index.
- U.S. Bonds -** A measure of the Total U.S. Bond Market by the Barclay Capital US Aggregate Bond Index. It takes into account corporate, government, mortgage and asset backed securities.
- Foreign Bonds -** Measured by the Barclay Capital Global Aggregate Bond Index. The fund is comprised of primarily investment grade bonds from around the world.
- Real Estate -** Measured by the FTSE NAREIT Index which is a composite of Real Estate Investment Trusts traded on U.S. exchanges.
- Commodities -** Performance is represented by the Dow Jones UBS Commodity Index.
- TIPS -** Performance is represented by the Barclay Capital US Treasury Inflation Protected Securities Index. TIPS are government bonds that have adjustable coupon payments based on the rate of inflation (as measured by the CPI).
- Treasury Bills -** Short-term government issued securities with maturities less than 90 days. Because they are government issued, T-Bills are free from default risk.

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