

Lara, Shull & May, Ltd. and Morningstar Investment Services, Inc.

Working Together for Non-Profit Organizations



Managing your organization's endowment is an intricate responsibility. The decisions you and your investment committee make can affect strategic direction, project allocations and future opportunities. You need a solution that understands and shares your fiduciary responsibility to your organization, your constituents, and your benefactors, provides oversight control, and manages risk—all for a good value.

It's time you considered the Lara, Shull & May and Morningstar Investment Services solution for non-profit organizations.

The Morningstar® Managed PortfoliosSM Program

The Morningstar Managed Portfolios Program for Non-Profit Organizations is a powerful investment solution. It is built on astute portfolio management strategies, the objective selection of proven fund managers, and active management that helps keep portfolio performance in line with your organization's objectives and on your way to achieving your long-term investment goals.

The key to long-term investment success is growing and preserving your capital. The principles that drive these are: establishing and adhering to a long-term investment plan designed around your needs and preferences, selecting the best investment options for the portfolios, providing results that meet your expectations, and keeping a close eye on the costs of managing your account.

Rigorous Security Selection

Morningstar® Managed PortfoliosSM puts the power of some of the best minds in the investment world to work for you. Each portfolio includes investments that meet stringent selection requirements and portfolio managers who have been selected for their talent and experience in managing money.

We dig deep into the underlying funds we choose for each portfolio. Direct contact with hundreds of fund managers allows us to make decisions based on pertinent first-hand information. Regular interviews with the investment teams of our chosen funds allows us to maintain a thorough understanding of each fund's strategy, investment process, performance nuances, resources, and company stability.

Not only do you benefit from gaining access to managers who have been thoroughly reviewed, but you also get access to institutional managers and other investments that may not otherwise be available to you.

Portfolio Construction the Morningstar Way

One of the most important factors in delivering results is fund research—the hallmark that has made Morningstar a household name. Morningstar Managed Portfolios provides completely objective and unlimited access to funds. All fund selections are made based on the independent fundamental manager research conducted by Morningstar for over 25 years. Because we are not restricted to certain groups or types of funds, we select from the greatest universe of funds available to find the most talented fund managers for your portfolio. Our goal is to construct and manage your portfolio through all market environments, so it withstands the test of time and delivers the results you expect.

Disciplined Portfolio Management

Delivering solid investment results requires adhering to a distinct investment discipline when managing your portfolio.

The plan you develop with Lara, Shull & May, Ltd. is the blueprint for your account's risk and return profile. Your portfolio will be carefully engineered to keep your account in line with your blueprint. Adjustments are made to take advantage of market opportunities while keeping a tight rein on risks that may influence results. What makes this process unique is our ability to continuously adhere to this discipline.

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Active Management

Each portfolio is constructed to provide the best opportunity to generate returns within specific risk parameters. We actively monitor and manage each portfolio via ongoing manager contact, holdings analysis, rebalancing, and adding or replacing funds as necessary.

Risk Control

Keeping your portfolio in line with your long-term plan means carefully managing investment risk. Investment risk can occur at the portfolio, fund, and market levels.

The specific risk level for your portfolio is based on your investment timeframe and your risk tolerance in an effort to beat the portfolio's benchmark. Portfolios designed for longer-term, more aggressive investors are given more latitude, while portfolios designed for shorter-term investors are managed to minimize volatility.

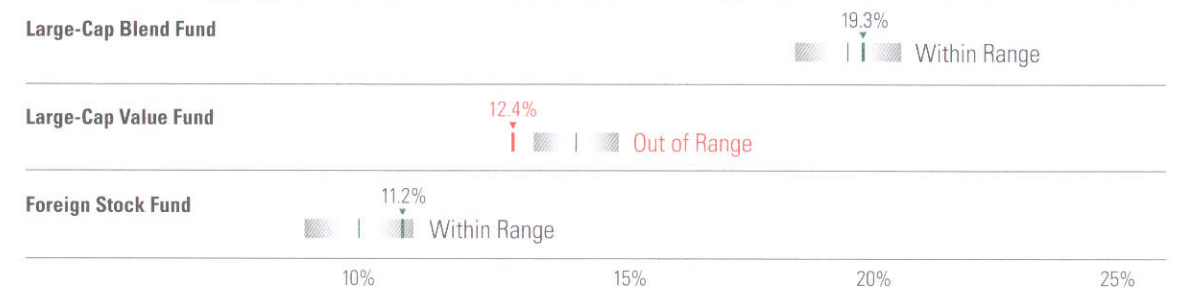
Risk is managed at the fund level by assigning each one a designated threshold to move within. Our team also places a strong emphasis on monitoring market risk. Capital market movements, political actions, and international activities can both provide opportunities and affect future portfolio direction. This type of monitoring is essential to keep your portfolio positioned properly.

Proactive Rebalancing

Monitoring the alignment of your assets compared to your original plan helps keep you marching toward your objectives. Market-related movements, fund performance, and regular activities such as deposits and withdrawals can bring your account out of alignment with your preferences. Our model defines how much each position can deviate from its target and quickly identifies any issues that must be addressed.

Sample Account that Requires Rebalancing

- 1 First, we identify a portfolio with out of balance funds. The graph shows how an account may look before it's rebalanced.
- 2 Next we review any planned account cash flow activities and portfolio reallocation initiatives to determine if the account may soon be naturally brought back into balance.
- 3 Finally, if needed we make adjustments to the account to put it back into alignment with our guidelines.



For illustration purposes only. Not intended to be reflective of actual Morningstar Managed Portfolios accounts. The above graph shows the targets and allowable ranges for various areas of a hypothetical portfolio. The numbers above the bars indicate where this sample account exists at a certain point in time. Because the Large-Cap Value category is out of the designated range, the account may need to be rebalanced.

Accounts that violate these thresholds are analyzed to determine whether planned account activities such as systematic investments or withdrawals may soon take place and cause the account to move back into balance. If these are not scheduled to occur and no portfolio reallocations are pending, we will perform the appropriate adjustments to your account. This individual account attention helps prevent excess tax and expense activities.

Overall Cost Consciousness

The fees and costs of managing your account play a significant role in your long-term returns. Morningstar Managed Portfolios boasts a simple fee structure. You pay one annual fee that covers investment planning, portfolio analysis and management, fund selection, and reporting. Morningstar Managed Portfolios provides you with several unique and significant advantages in your quest for solid long-term wealth creation.

Low-Cost Share Classes

All Morningstar Managed Portfolios strategies contain no-load or load-waived mutual funds. Also, because we group all trades into a single account with the fund companies, the lower cost institutional shares can be purchased for your account.

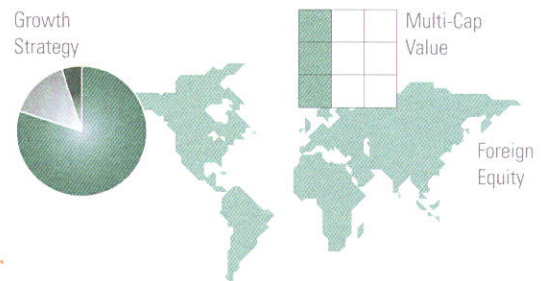
No Transaction Fees

There are no transaction fees with any of the open-end funds in the portfolios. Due to the Morningstar Managed Portfolios intelligent trading system, the normal transaction fees that can affect long-term performance are eliminated.

Minimal Redemption Fees

Many of the funds in this program waive their redemption fees on portfolio changes made by the Morningstar Managed Portfolios investment team. This waiver allows positions to be altered when market conditions warrant without exposing you to these charges.

Investment Strategies Designed to Meet Your Goals



A range of portfolio options enable you and your advisor to determine the best strategy for your situation.

Morningstar Managed Portfolios features several investment strategies designed to meet a range of objectives, time horizons, and risk preferences. Whether your organization requires a fully-diversified strategy, a solution for a certain objective, or exposure to a particular area of the capital markets, Morningstar Managed Portfolios can provide you with a solution that positions you to achieve your desired goals.

A Team Focused on Developing the Ideal Solution for You



Having the right team behind you makes all the difference. While individuals can be stars, it's the group's collective wisdom and talent that delivers the best overall results.

Lara, Shull, & May, Ltd.

Lara, Shull & May, Ltd. is a financial planning firm with offices in Virginia and Colorado. Founded in 1981, they specialize in providing investment management and consulting services to institutions, individuals, and affluent families. Their focus on institutional clients includes helping them integrate business needs with investment strategies, constructing portfolios, preparing investment policies, measuring performance, and distributing client communications.

They can provide you with a number of additional management services, including: planned giving assistance, estate and financial planning, donor fund analysis, charitable remainder trust services, pooled income funds, and deferred compensation implementation for senior staff.

Morningstar Investment Services, Inc.

Founded in 2000, Morningstar Investment Services is a registered investment advisor and subsidiary of Morningstar, Inc., an industry leader in investment research and analysis. Headquartered in Chicago, with over \$1.5 billion in assets under management, we build and run

portfolios of mutual funds and exchange traded funds for individual and institutional accounts across the country.

Working Together to Grow and Preserve Your Capital

The Lara, Shull & May, Ltd. advisors are instrumental to identifying the right investment solution for your needs. They will help you plan your investment strategy, provide ongoing consultation, develop an appropriate solution, continually monitor your account to ensure it remains appropriate for you, and assist you with regular account activities.

Morningstar Investment Services is committed to providing you with a good investment experience and a good value. We will develop and manage the portfolio suited to best fit your organization's requirements. We will actively manage your portfolio to respond to market movements and to accommodate underlying investment activities, provide regular progress reports, perform any necessary activities related to regular cash flow activities, and help conduct annual reviews of your situation to ensure the portfolio continues to deliver what your organization needs.

Take Advantage of this Unique Program Today

We understand your organization's needs and can provide you with an attractive investment solution built to suit your circumstances.

Lara, Shull & May, Ltd. will provide the service, insight, and advice to support the solution offered by Morningstar Investment Services. You will work directly with Lara, Shull & May, Ltd. to define investing goals, select the right strategy, and receive regular progress reports.

Lara, Shull & May, Ltd. will prepare a proposal based on information you provide. It will include your investment goals, risk tolerance, time horizon, and financial status. You will review your profile together and approve the portfolio. Lara, Shull & May, Ltd. will then assist you in opening

the account. Morningstar Investment Services will continually monitor and adjust the portfolio to generate returns within specific risk and return boundaries. You will receive regular updates so you can keep track of your progress. And if your organization's objectives or requirements change, Lara, Shull & May, Ltd. will modify your strategy and direct Morningstar Investment Services to adjust your portfolio accordingly.

Contact Lara, Shull & May, Ltd. today for a complimentary, customized proposal.



LARA, SHULL & MAY, LTD.

Lara, Shull & May, Ltd.
8000 Towers Crescent Drive
Vienna, VA 22182
703-827-2300
www.larashullmay.com