

INVESTMENT PROPOSAL

(Client Name)

(Date)

prepared by
(Advisor Name)

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INTRODUCTION

A personal investment proposal for
(Client Name)
(Date)

prepared by (Advisor Name)
phone (555.555.5555)
email (advisor@stanfordeagle.com)

THE STANFORD FAMILY HERITAGE



Lodis B. Stanford founded the Stanford Insurance Company in Mexia, Texas in 1932 during the Great Depression, the most difficult U.S. economic era. Later joined by his son, James A. Stanford, together they added real estate to the family business ventures. Today, Lodis' grandson, R. Allen Stanford, oversees the Stanford Financial Group of companies, a global network of financial affiliates.

Lodis Stanford established his business with a philosophy of providing the highest level of service possible to his clients. Though times and tools have changed, the fundamentals that built our strength are practiced every day. The Stanford heritage of hard work, clear vision and valuable service to clients continues to be the guiding force behind today's Stanford companies.

STANFORD FINANCIAL GROUP OF COMPANIES

United States	Aruba	Switzerland
>> Atlanta	>> Oranjestad	>> Zurich
>> Austin	Canada	Venezuela
>> Baton Rouge	>> Montreal	>> Caracas
>> Boca Raton	Colombia	>> Maracaibo
>> Boston	>> Bogota	>> Valencia
>> Dallas/Ft. Worth	Ecuador	Virgin Islands
>> Denver	>> Guayaquil	>> Coolidge
>> Houston (World Headquarters)	>> Quito	>> St. John's
>> Long Boat Key	Mexico	
>> Memphis	>> Mexico City	
>> Miami	>> Monterrey	
>> New York	>> Puebla	
>> Panama City	Peru	
>> San Diego	>> Lima	
>> Washington DC		



STANFORD GROUP COMPANY

INVESTMENT PROCESS OVERVIEW

A personal investment proposal for
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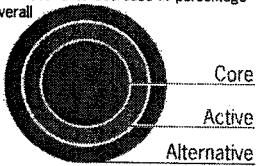
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INVESTMENT PHILOSOPHY

Assets should be invested in a well-balanced global portfolio of marketable financial instruments, namely U.S. and international securities and fiduciary placements. The investment strategy is set by the consultations that takes place between the Financial Planner/Consultant/Money management team and the Client, and structured to be in concert with the Strategic Investment Allocations that are prepared for both the accredited and non-accredited investor within the following three major targeted returns: (1) Income, (2) Balanced, (3) Growth.

About Investment Categories

A portfolio's composition usually includes a blend of Core, Active and Alternative investment categories. Active and Alternative investments will comprise more of a portfolio's percentage as goals become more aggressive; conversely, as goals become less aggressive, Active and Alternative investments decrease in percentage to the overall portfolio.



INVESTMENT CATEGORIES

- Core**
- >> Larger-Cap Stocks
 - >> Mid-Cap Stocks
 - >> Investment-Grade Bonds
 - >> Developed International Stocks

- Active**
- >> Smaller-Cap Stocks
 - >> High-Yield Bonds
 - >> Global High-Yield
 - >> Emerging Market Stocks
 - >> TIPS

- Alternative**
- >> Special Opportunities
 - >> Alternatives
 - >> Commodities / Metals
 - >> Natural Resources
 - >> Real Estate

INVESTMENT PORTFOLIOS, GOALS & TOLERANCES

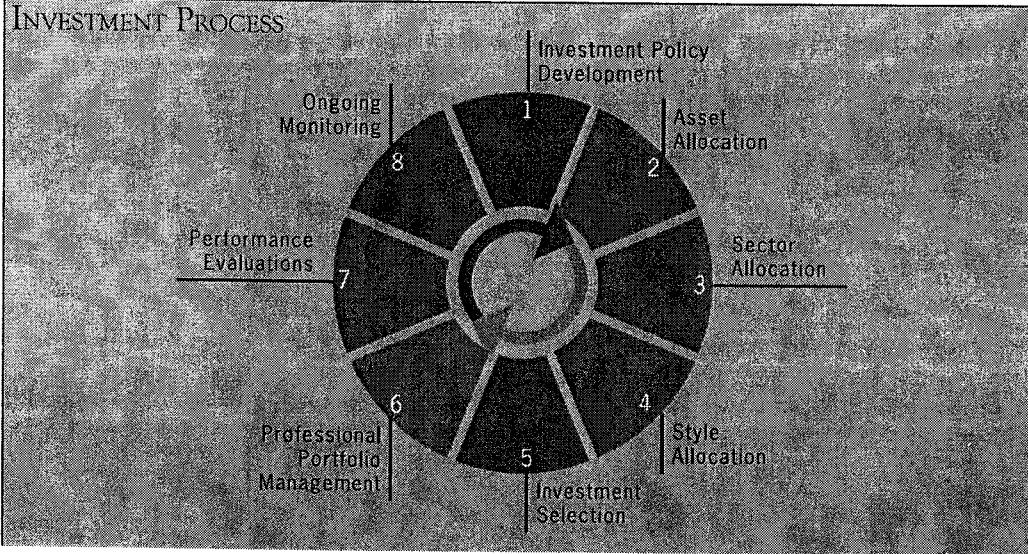
	Income	Balanced	Growth
Portfolio Strategy Target:	annual yield of CPI to CPI plus 300-500 bps	annual return of 6 - 10%	annual return in excess of 10%
Cash & Fiduciary Deposits:	20 - 50%	10 - 30%	10 - 30%
Government Bonds:	20 - 50%	10 - 30%	5 - 20%
Corporate Bonds:	10 - 20%	10 - 20%	10 - 20%
Equity:	0 - 20%	10 - 40%	20 - 60%
Alternative Investments:	0 - 20%	0 - 20%	10 - 30%
Coins & Bullion:	0 - 10%	0 - 10%	0 - 10%
Real Estate:	0 - 10%	0 - 10%	0 - 10%
Private Equity:	0 - 10%	0 - 10%	0 - 10%



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OVERVIEW

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OVERVIEW OF MUTUAL FUND PARTNERS PLUS

Features of our Mutual Fund Partners Plus program include the following:

- >> Strategically managed mutual fund allocation
- >> Limited-discretion, advisory, and fee-based accounts
- >> Asset allocation recommendation reflecting client's rate of return expectation and volatility tolerance
- >> Mutual fund selections based on qualitative and quantitative screening and ongoing due diligence
- >> Active account management
- >> Quarterly performance reviews
- >> Trade Confirmations
- >> Monthly account statements
- >> Continuous research and oversight of the managed account
- >> Automatic rebalancing
- >> All trades done by IAG

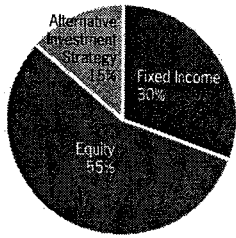


ASSET ALLOCATION

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Proposed Macro Allocation

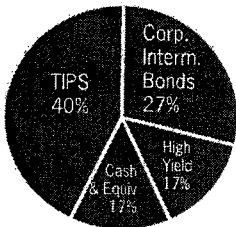


MACRO ASSET ALLOCATION

The first step in the selection process is the Broad, or Macro, Asset Allocation, which determines how your portfolio will be divided among key asset classes of stocks, bonds, alternative investments, and cash. Studies have shown that greater than 90% of the variation in portfolio returns can be attributed to the asset allocation policy. Asset allocation is based on the proven theory that the type or class of security you own is much more important than the particular security itself. Asset allocation is a way to control risk in your portfolio. Over longer term periods, aspects such as security selection, market timing and other factors have had little impact on a portfolio's overall performance.

Asset Class	Percent	Dollar Allocation
Fixed Income	30.0%	\$14,700.00
Equity	55.0%	\$26,950.00
Alternatives	15.0%	\$7,350.00
Total	100.0%	\$49,000.00

Proposed Micro Allocation



MICRO ASSET ALLOCATION

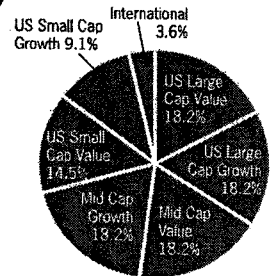
To enhance returns and reduce risk, Stanford Group recommends further diversifying your broad asset classes into more defined asset classes, or Micro Asset Allocation. This methodology has its foundation in the tenets of Modern Portfolio Theory, which was developed in the 1950's by Professor Harry Markowitz. This concept earned Markowitz the 1990 Nobel Peace Prize in Economic Science.

Fixed Allocation

Assets allocated to the fixed income portion of the portfolio attempt to reduce portfolio volatility, maintain capital preservation, and provide for income needs. Historically bond prices have maintained an inverse relationship with equities. This non-correlated relationship with equities allows for additional additional portfolio diversification due to the fact that their prices do not move in tandem.

Further, bonds can be separated into additional types of fixed income asset additional types of fixed income asset classes (i.e. high-yield, munis, corporate, government, and global). Each of these asset classes responds in a different way to any given market condition.

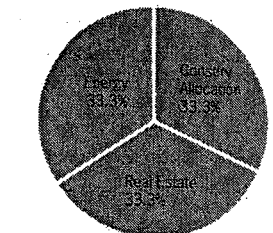
Investment	Style	Allocation %	Allocation \$
Managers Fremont Bond	Intern. Corp. Bond	26.7%	\$3,920.00
Pioneer Global High Yield	High Yield	16.7%	\$2,450.00
Cash	Cash	16.7%	\$2,450.00
Vanguard Int. Bd.	Intern. Govt Bond	10.0%	\$1,470.00
Total		100.0%	\$14,700.00



Equity Allocation

Stocks are often grouped by the size of the companies they invest in — large or small. Size is defined as a company's value on the stock market, the number of shares it has outstanding multiplied by the share price. This is known as market capitalization, or cap size. Big companies tend to be less risky than small businesses, but smaller companies can often offer more growth opportunities.

Manager	Style	Allocation %	Allocation \$
Hancock Classic Value	Large Value	18.2%	\$4,900.00
Marsjob Growth	Large Growth	18.2%	\$4,900.00
Artisan Mid Cap	Mid Value	18.2%	\$4,900.00
Calamos Growth	Mid Growth	18.2%	\$4,900.00
Keely Small Value	Small Value	14.5%	\$3,920.00
Touchstone Growth	Small Growth	9.1%	\$2,450.00
EuroPacific	International	3.6%	\$980.00
Total		100.0%	\$26,950.00



Alternative Allocation

Alternative investment strategies are utilized to manage risk while providing upside growth potential through absolute returns. Skill-based managers add value to the portfolio diversification process by actively participating in inefficient markets. Their skill and flexibility is what differentiates these strategies from the traditional market based approach. The results delivered are an uncorrelated set of returns which, when combined in a fund of funds approach, reduce overall portfolio volatility (i.e. combining differing skills and techniques).

Investment	Style	Allocation %	Allocation \$
Permanent Portfolio	Conservative Allocation	33.3%	\$2,450.00
Alpine Realty	REITS	33.3%	\$2,450.00
Ivy Energy	Energy	33.3%	\$2,450.00
Total		100.0%	\$14,700.00

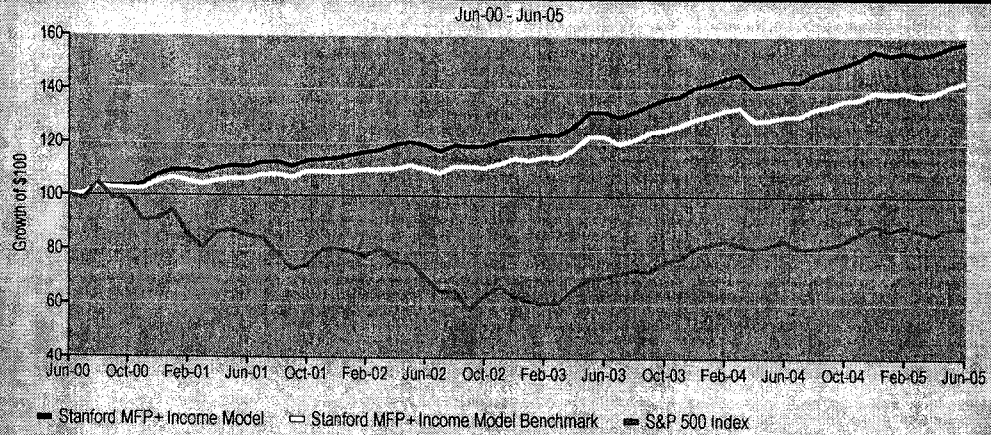
Mutual Fund Partners Plus
Hypothetical Performance

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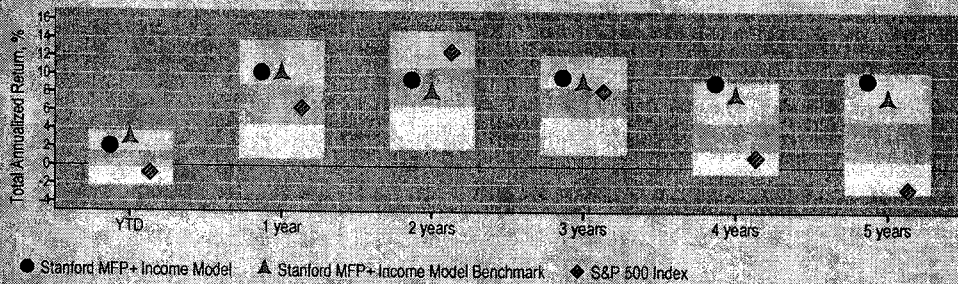
Performance

Growth of Assets



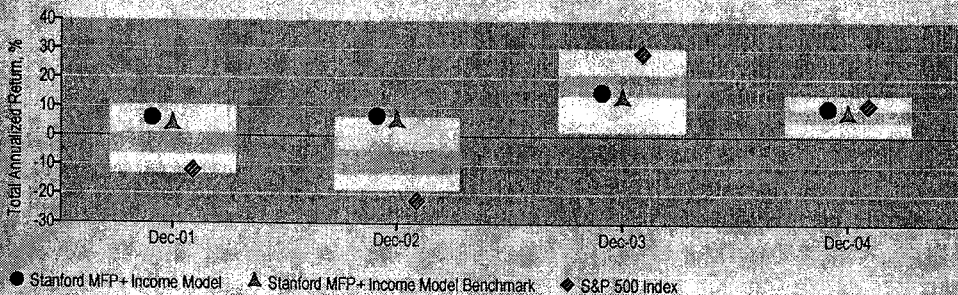
Trailing Returns

	YTD	1 year	2 years	3 years	4 years	5 years
Stanford MFP+ Income Model	9.58	9.23	9.81	9.49	10.22	7.05
Stanford MFP+ Income Model Benchmark	7.44	7.70	9.10	7.99	10.07	2.89
S&P 500 Index	2.37	1.01	8.28	12.53	6.32	-0.81
Morningstar Allocation Universe Median	2.54	3.65	7.00	9.00	6.81	0.67



Calendar Year Returns

	2001	2002	2003	2004
Stanford MFP+ Income Model	6.12	6.92	15.23	9.92
Stanford MFP+ Income Model Benchmark	3.66	4.93	13.01	7.80
S&P 500 Index	11.86	-22.10	28.68	10.68
Morningstar Allocation Universe Median	-3.40	-9.49	18.21	7.98



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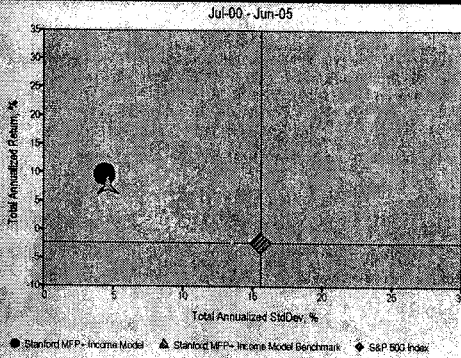
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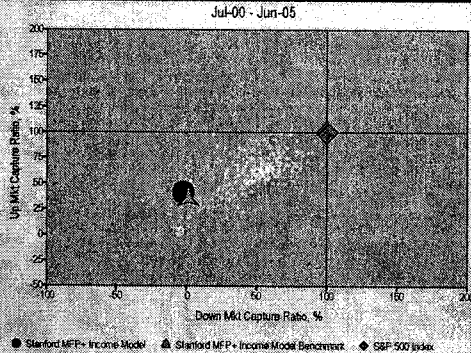
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**Risk &
Risk-Adjusted Return**

RiskReturn vs. Universe



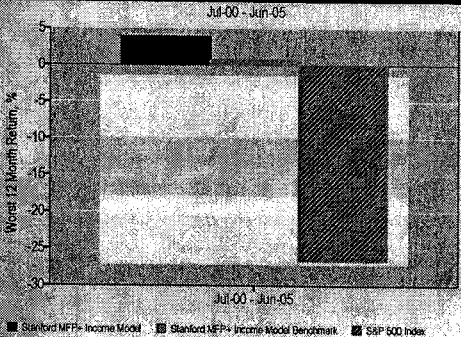
Up/Down Market Capture vs. Universe



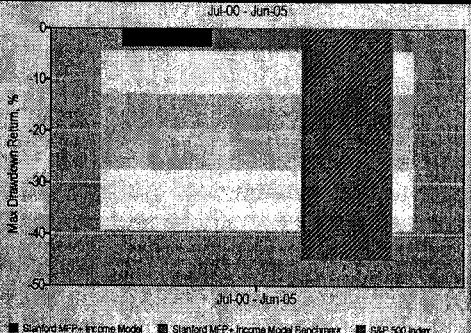
RiskReturn Statistics

Jul-00 - Jun-05	Annualized Standard Deviation (%)	Best Monthly Return (%)	Worst Monthly Return (%)	Up Mkt Capture Ratio (%)	Down Mkt Capture Ratio (%)	Alpha (%)	Beta	R-Squared (%)	Sharpe Ratio
Stanford MFP+ Income Model	4.40	4.24	-3.37	41.52	2.18	7.35	0.15	29.00	1.54
Stanford MFP+ Income Model Benchmark	4.62	4.17	-3.74	35.26	1.48	5.37	0.15	24.57	1.04
S&P 500 Index	15.60	8.80	-10.57	100.00	100.00	0.00	1.00	100.00	-0.23
Morningstar Allocation Universe Median	9.12	5.68	-6.21	63.34	48.52	1.98	0.53	82.75	0.05

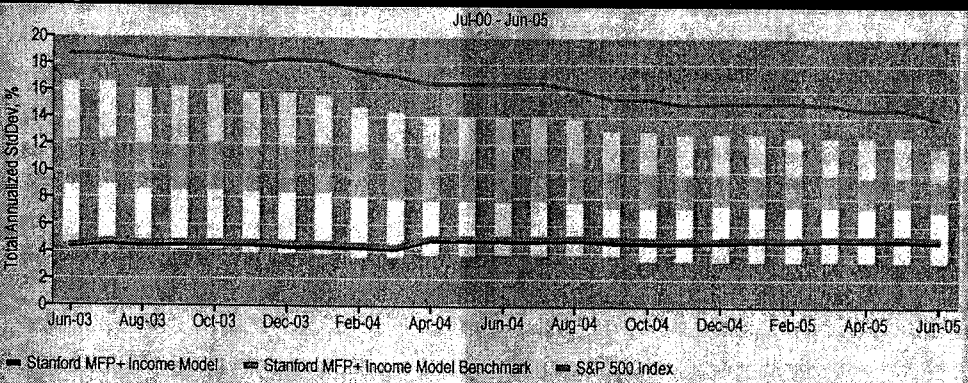
Worst 12 Month Return



Maximum Drawdown Return



Rolling Risk - 36 Month



Manager Profiles
Managers Fremont Bond
MBDFX

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Fund Information

Prospectus Objective	Corporate Bond - General
Morningstar Category	Intermediate-term Bond
Net Assets \$MM	943.20
% Assets in Top 10 Holdings	19.08
Total Number of Holdings	457.00
Avg Eff Duration	6.64
Avg Credit Quality	AA
Manager Tenure	11.00
Inception Date	04/30/1993
Expense Ratio	0.60

Managers Investment Group LLC ("Managers") is an investment advisory firm offering a wide range of investment disciplines and solutions, including mutual funds, separate account strategies, multiple attribute portfolios, and sub-advisory services. The investment disciplines available through Managers span most asset classes and capitalization ranges. Virtually all of the assets are managed by outside investment management firms that are notable for their long-term track record, consistent adherence to investment process, and strength of the management team.

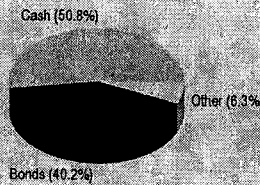
Objectives and Strategies

Philosophy: The Managers Fremont Bond Fund is an actively managed, diversified bond fund that focuses on intermediate-term, investment-grade bonds. The universe for the Fund includes all sectors of the bond market: governments, corporate bonds, mortgages, asset-backed securities, money market instruments and international bonds. The Fund seeks total return consistent with preservation of capital by employing PIMCO's "Total Return" fixed investment philosophy. This philosophy follows three key principles: 1. Major shifts in portfolio strategy are driven by longer-term, or secular, trends as opposed to short-term interest rate fluctuations. 2. Consistent investment performance is achieved by avoiding extreme swings in maturity/duration of a portfolio. 3. Emphasis is placed on adding value through state-of-the-art tools such as futures, options and volatility analysis.

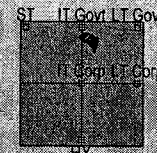
Fund Objective: The Managers Fremont Bond Fund seeks to maximize total return consistent with the preservation of capital by investing in debt securities such as corporate, mortgage backed, international and government bonds. Normally, the Fund will invest at least 80% of its total assets in these types of bonds.

Fund Strategy: The Managers Fremont Bond Fund management's focus on longer-term (three- to five-year) trends recognizes that such factors as demographics, political conditions and structural changes in the economy exert powerful, sustained influences on interest rates. Thus, a secular outlook updated annually determines a general maturity/duration (interest rate sensitivity) range for the portfolio in relation to the market. Management normally keeps duration within a moderate range and utilizes all major sectors of the fixed-income market. The Fund's benchmark is the Lehman Brothers Aggregate Municipal Bond Index.

Asset Allocation



Style Allocation



● Managers Fremont Bond ▲ Lehman US Aggregate Bond

Sector Allocation

US Gov/ Agency	0.00%
AAA	66.01%
AA	8.87%
A	10.24%
BBB	8.92%
BB	1.33%
B	0.59%
Below B	0.20%
NRNA	3.84%

Top Ten Holdings as of 06/30/2005

US Treasury Note 4.875%	3.89%
FNMA 5.5%	3.43%
FNMA 5%	3.20%
FNMA 5.5%	2.33%
FNMA 5.5%	1.20%
FNMA 5.5%	1.13%
FNMA 5.5%	1.06%
FNMA 5.5%	1.04%
FHLMG CMO 6.5%	1.01%
Jpn 10y Bond(Tse)	0.79%

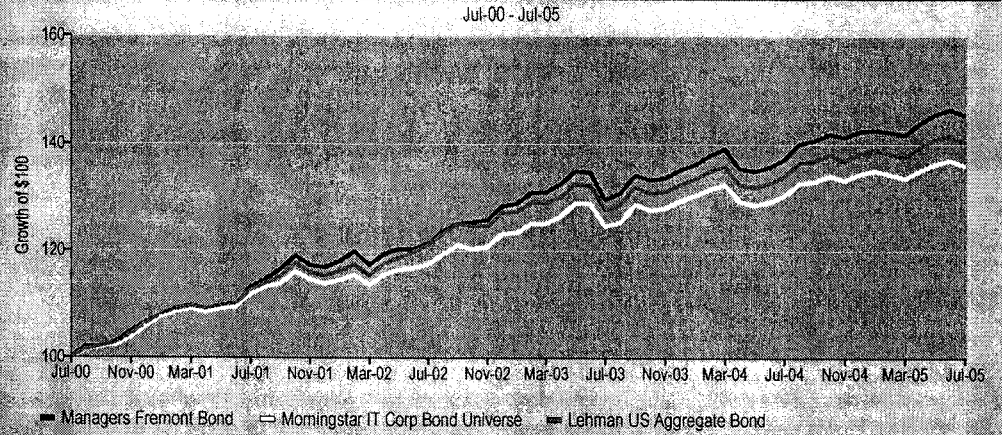
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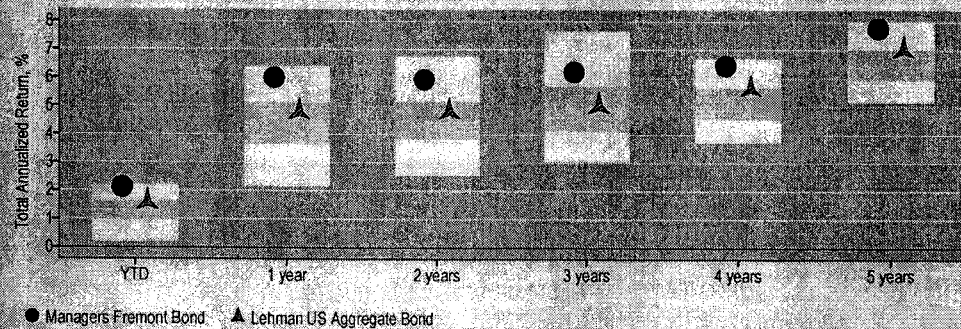
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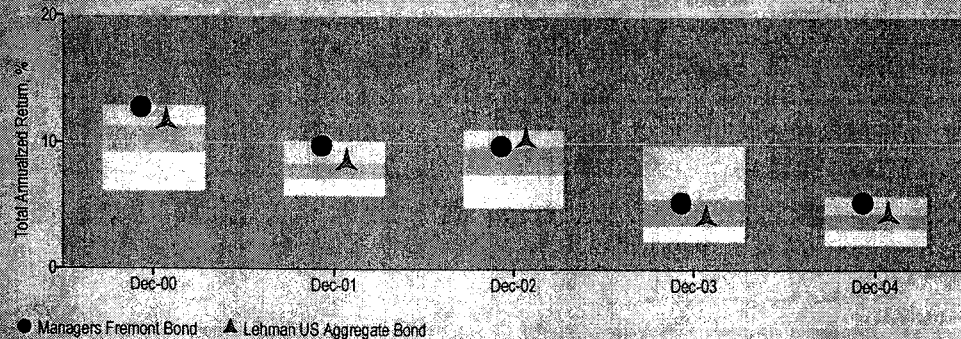
Trailing Returns

	YTD	1 year	2 years	3 years	4 years	5 years
Managers Fremont Bond	2.12	5.99	5.93	6.24	6.43	7.77
Lehman US Aggregate Bond	1.58	4.79	4.81	5.02	5.64	7.01
Momingstar IT Corp Bond Universe Median	1.38	4.54	4.57	4.95	5.12	6.52



Calendar Year Returns

	2000	2001	2002	2003	2004
Managers Fremont Bond	12.77	9.77	9.78	5.32	5.03
Lehman US Aggregate Bond	11.63	8.44	10.25	4.10	4.34
Momingstar IT Corp Bond Universe Median	10.50	7.92	8.80	4.35	4.04



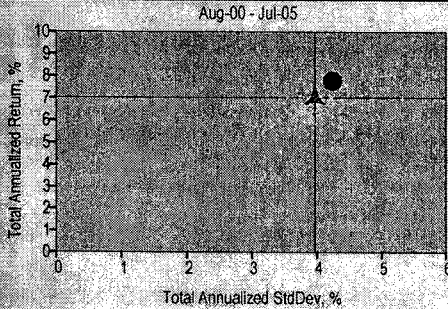
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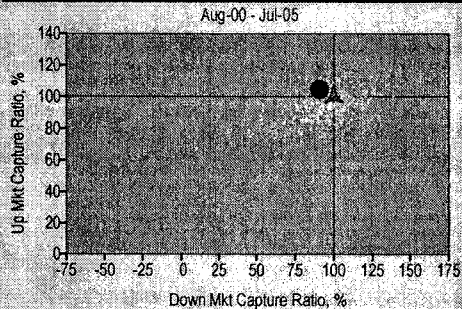
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**Risk &
Risk-Adjusted Return**

RiskReturn vs. Universe



Up/Down Market Capture vs. Universe



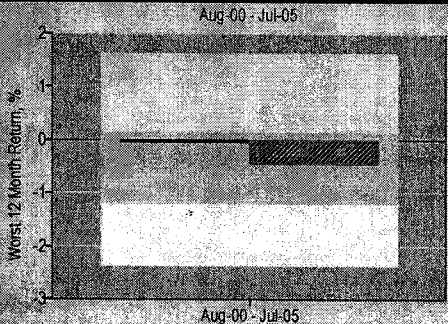
● Managers Fremont Bond ▲ Lehman US Aggregate Bond

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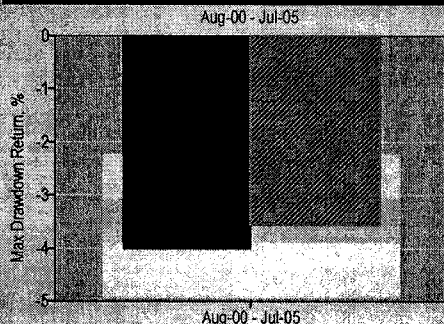
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Managers Fremont Bond	4.25	3.32	-3.77	104.59	90.86	0.58	1.03	92.75	1.24
Lehman US Aggregate Bond	3.97	2.65	-3.36	100.00	100.00	0.00	1.00	100.00	1.14
Morningstar IT Corp Bond Universe Median	3.94	2.70	-3.32	93.47	94.60	-0.32	0.95	93.44	1.09

Worst 12 Month Return



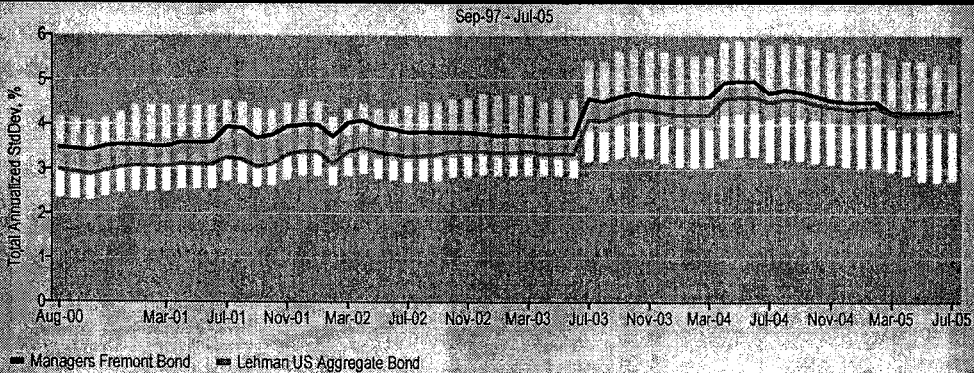
Maximum Drawdown Return



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Rolling Risk - 36 Month



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