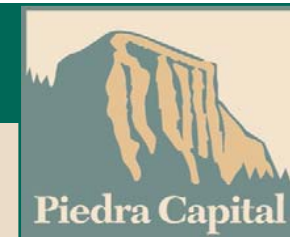


PIEDRA CAPITAL, LTD.

LARGE CAP CORE



Period Ending July 31, 2008

PERFORMANCE LARGE CAP CORE COMPOSITE

TEN LARGEST HOLDINGS

	JUL	YTD	1 YR.	3 YRS.	5 YRS.	7 YRS.	INCEPT		<u>% OF PORTFOLIO</u>
Large Cap Core								BANK OF AMERICA CORPORATION (BAC)	5.6%
Gross of Fees	-2.7%	-16.7%	-18.8%	0.6%	6.0%	0.6%	2.6%	ORACLE CORPORATION (ORCL)	5.5%
Large Cap Core								QUEST DIAGNOSTICS (DGX)	4.8%
Net of Fees	-3.0%	-17.3%	-19.6%	-0.4%	5.0%	-0.3%	1.5%	SYSKO CORP. (SYY)	4.7%
S&P 500	-0.8%	-12.7%	-11.1%	2.8%	7.0%	2.5%	0.6%	DISH NETWORK CORP - A (DISH)	4.5%
								MURPHY OIL CORPORATION (MUR)	3.9%
								CVS CORPORATION (CVS)	3.3%
								COLGATE-PALMOLIVE COMPANY (CL)	3.3%
								FANNIE MAE (FNM)	3.2%
								ZIMMER HOLDINGS, INC. (SMH)	3.2%

MARKET COMMENTARY

July was a difficult month for the portfolio as our holding in Nvidia Corp (NVDA) was pummeled on news of a weaker sales forecast and a product recall. Thus, stock selection was negative in Technology. Consumer Discretionary also lagged the index as JC Penny (JCP) had weaker June numbers prompting analysts to reduce earnings estimates. On a positive note, Energy and Financials provided the biggest boost in sector performance as the portfolio was under and over weighted respectively in both sectors. Although overshadowed by NVDA, July was our strongest month YTD in sector performance (+1.42%).

PIEDRA CAPITAL, LTD.

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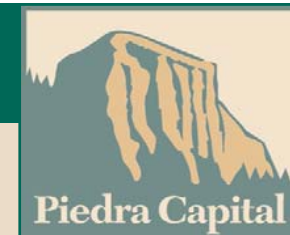
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PIEDRA CAPITAL, LTD.

LARGE CAP CORE



INVESTMENT PERFORMANCE DISCLOSURES

Piedra Capital, Ltd. (PCL) is an independent registered investment adviser. PCL's **LARGE CAP CORE** is a quantitative strategy focusing on mature companies with market values greater than \$10 billion. PCL has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Ashland Partners & Company, LLP has verified PCL's compliance with GIPS® on a firm-wide basis from July 1, 1993 - December 31, 2007 and has conducted a performance examination of the **LARGE CAP CORE** composite from December 1, 1999 - December 31, 2007. A copy of the verification report is available upon request.

The **LARGE CAP CORE** composite was created on December 1, 1999. Results are based on fully discretionary accounts under management, including those no longer with the firm. For comparison purposes, the **LARGE CAP CORE** composite is measured against the S&P 500 Index. From 4/1/2004 to 3/31/2005, non-fee paying portfolios were included in the composite and represented ~3% of composite assets.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns are presented before management and custodial fees but net of all trading expenses. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net returns reflect the deduction of advisory fees, which are based on actual fees paid by portfolios within the composite. The fee schedule for the composite is: 1.00% on the first \$5.0MM, 0.85% on the next \$5.0MM to \$10.0MM and 0.63% on all amounts over \$10.0MM. Actual investment advisory fees paid by clients may vary. PCL's fees are more fully described in the firm's ADV Part II, which is available upon request. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite for the entire year. Balanced portfolio segments are included in this composite and performance reflects the equity segment returns plus 100% cash returns using beginning of period values on an adjusted capital basis. These segments comprise the following percentages of the composite assets: 2007: 39%; 2006: 40%; 2005 39%.

To receive a complete list and description of the firm's composites, visit the firm's website, www.piedracapital.com or contact Terre Williams at (505) 823-4800 Ext. 3 or by email, twilliams@piedracapital.com. Additional information regarding policies for calculating and reporting returns is available upon request.

**PERFORMANCE PRESENTED FOR PERIODS AFTER 12/31/2007 IS PRELIMINARY AND IS SUBJECT TO CHANGE.
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.**

Year End	COMPOSITE ASSETS			ANNUAL DISCLOSURES			
	U.S. Dollars	% of Firm Assets	Number of Accounts	Composite (Gross)	Composite (Net)	S&P 500	Composite Dispersion
2007	7.1	2%	13	8.7%	7.7%	5.5%	0.1%
2006	6.2	1%	11	9.8%	8.8%	15.8%	0.3%
2005	5.7	1%	11	7.0%	5.9%	4.9%	N/A
2004	6.1	1%	9	13.9%	12.9%	10.9%	N/A
2003	0.9	<1%	Five or fewer	24.2%	23.1%	28.7%	N/A
2002	0.7	<1%	Five or fewer	-28.4%	-29.1%	-22.1%	N/A
2001	1.0	<1%	Five or fewer	1.4%	0.5%	-11.9%	N/A
2000	1.0	<1%	Five or fewer	10.5%	9.5%	-9.1%	N/A
1999	0.9	<1%	Five or fewer				

N/A - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.