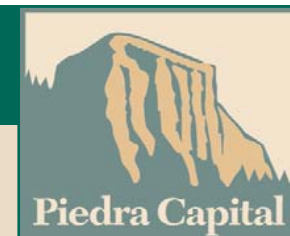


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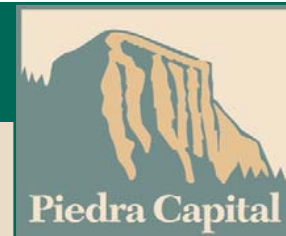
PRUDENT GROWTH™



MARKET CYCLES (ASSET CLASS) WITH PRUDENT GROWTH™ STRATEGY INSERTED

1993 (PARTIAL)	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 YTD	Growth of \$1,000,000 Since Inception
Small Growth 12.2%	INTL 8.1%	Large Value 38.4%	Large Growth 23.1%	Large Value 35.2%	Large Growth 38.7%	Mid Growth 51.3%	Small Value 22.8%	Small Value 14.0%	Gov. Credit 11.0%	Small Growth 48.5%	Mid Value 23.7%	Prudent Growth 16.2%	INTL 26.9%	Large Growth 11.8%	Gov. Credit 1.0%	Prudent Growth 5,971,000
Small Value 11.1%	Prudent Growth 5.9%	S&P 500 37.6%	S&P 500 23.0%	Mid Value 34.4%	S&P 500 28.6%	Small Growth 43.1%	Mid Value 19.2%	Gov. Credit 8.5%	Mid Value (9.7%)	Small Value 46.0%	Small Value 2.3%	INTL 14.0%	Small Value 23.5%	INTL 11.6%	Prudent Growth (5.7%)	Mid Value \$5,351,000
Prudent Growth 10.4%	Large Growth 2.7%	Large Growth 37.2%	Large Value 21.6%	S&P 500 33.4%	Prudent Growth 25.0%	Large Growth 33.2%	Prudent Growth 16.7%	Mid Value 2.3%	Small Value (11.4%)	Prudent Growth 44.1%	INTL 20.7%	Mid Value 12.6%	Large Value 22.3%	Mid Growth 11.4%	Mid Growth (6.8%)	Small Value \$4,719,100
Mid Growth 10.2%	S&P 500 1.3%	Mid Value 34.9%	Small Value 21.4%	Small Value 31.8%	INTL 20.3%	Prudent Growth 29.4%	Gov. Credit 11.8%	Prudent Growth (3.7%)	Large Value (15.5%)	Mid Growth 42.7%	Large Value 16.5%	Mid Growth 12.1%	Mid Value 20.2%	Prudent Growth 7.3%	Mid Value (8.6%)	Large Value \$4,227,800
INTL 7.7%	Small Value (1.6%)	Mid Growth 34.0%	Mid Value 20.3%	Large Growth 30.5%	Mid Growth 17.9%	INTL 27.3%	Large Value 7.0%	Large Value (5.6%)	INTL (15.6%)	INTL 39.2%	Mid Growth 15.5%	Large Value 7.1%	S&P 500 15.8%	Small Growth 7.1%	Small Growth (8.9%)	Mid Growth \$4,025,500
Large Growth 5.4%	Large Value (2.0%)	Prudent Growth 32.8%	Prudent Growth 20.1%	Prudent Growth 26.3%	Large Value 15.6%	S&P 500 21.0%	S&P 500 (9.1%)	Small Growth (9.2%)	S&P 500 (22.1%)	Mid Value 38.1%	Small Growth 14.3%	Large Growth 5.3%	Small Growth 13.4%	Gov. Credit 6.6%	Large Growth (9.1%)	S&P 500 \$3,752,200
S&P 500 5.0%	Mid Value (2.0%)	Small Growth 31.0%	Mid Growth 17.5%	Mid Growth 22.5%	Gov. Credit 9.5%	Large Value 7.4%	Mid Growth (11.7%)	S&P 500 (11.9%)	Prudent Growth (23.4%)	Large Value 30.0%	S&P 500 10.9%	S&P 500 4.9%	Mid Growth 10.7%	S&P 500 5.5%	Small Value (9.8%)	Large Growth \$3,157,900
Large Value 4.7%	Mid Growth (2.2%)	Small Value 25.8%	Small Growth 11.3%	Small Growth 13.0%	Mid Value 5.1%	Mid Value (0.1%)	INTL (14.0%)	Mid Growth (20.2%)	Mid Growth (27.4%)	Large Growth 29.8%	Large Growth 6.3%	Small Value 4.7%	Large Growth 9.1%	Large Value (0.2%)	INTL (10.6%)	INTL \$2,994,000
Mid Value 4.0%	Small Growth (2.4%)	Gov. Credit 19.2%	INTL 6.4%	Gov. Credit 9.8%	Small Growth 1.2%	Small Value (1.5%)	Small Growth (22.4%)	Large Growth (20.4%)	Large Growth (27.9%)	S&P 500 28.7%	Gov. Credit 4.2%	Small Growth 4.2%	Prudent Growth 4.9%	Mid Value (1.4%)	S&P 500 (11.9%)	Small Growth \$2,505,400
Gov. Credit 3.0%	Gov. Credit (3.5%)	INTL 11.6%	Gov. Credit 2.9%	INTL 2.1%	Small Value (6.5%)	Gov. Credit (2.2%)	Large Growth (22.4%)	INTL (21.2%)	Small Growth (30.3%)	Gov. Credit 4.7%	Prudent Growth 2.4%	Gov. Credit 2.4%	Gov. Credit 3.8%	Small Value (9.8%)	Large Value (13.6%)	Gov. Credit \$2,424,000

The Market Cycles chart displays the fluctuations in market cycles by ranking the best to worst performing indices per calendar year from top to bottom. Net of fees, the value of \$1 million invested in PRUDENT GROWTH™ since inception (6/30/1993) would be \$4,417,400. See attached performance disclosure for further details. Period ending 6/30/2008.



PIEDRA CAPITAL, LTD.

PRUDENT GROWTH™

INDEX DESCRIPTIONS

International – Morgan Stanley Capital International Europe, Australia, Far East Index. An arithmetic, market value weighted average of the performance of over 900 securities listed on the stock exchanges of several developed markets around the world, excluding the United States.

Large Growth – Contains those securities in the Russell 1000 Index with greater-than-average growth orientation.

Large Value – Contains those securities in the Russell 1000 Index with less-than-average growth orientation.

Mid Cap Growth – Consists of the smallest 800 securities in the Russell 1000 Index with a greater-than-average growth orientation.

Mid Cap Value – Consists of the smallest 800 securities in the Russell 1000 Index with a less-than-average growth orientation.

Small Cap Growth – Consists of the smallest 2000 companies in the Russell 3000 Index with a greater-than-average growth orientation.

Small Cap Value – Consists of the smallest 2000 companies in the Russell 3000 Index with a less-than-average growth orientation.

S&P 500 – Capitalization-weighted benchmark that tracks broad-based changes in the U.S. stock market. The index is comprised of 400 industrial, 20 transportation, 40 utility, and 40 financial companies. The index is calculated on a total return basis with dividends reinvested.

Gov't Credit – Represents the LB Gov't/Credit Index – a combination of the Government and Corporate Bond indices.

INVESTMENT PERFORMANCE DISCLOSURES

Piedra Capital, Ltd. (PCL) is an independent registered investment adviser. PCL's **PRUDENT GROWTH™** discipline emphasizes medium-sized growth stocks utilizing a bottom-up selection process. The **PRUDENT GROWTH™** strategy focuses on 1) earnings growth faster than the market; 2) reasonable price relative to earnings prospects; 3) strong revenue growth; and 4) conservative financials. PCL has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). PCL has been verified for the periods July 1, 1993 - December 31, 2007 by Ashland Partners & Company, LLP. A copy of the verification report is available upon request.

The **PRUDENT GROWTH™** composite was created on July 1, 1993. Beginning January 1, 2000 the minimum account size for this composite is \$200,000. Results are based on fully discretionary accounts under management, including those no longer with the firm. Non-fee paying portfolios are not included in the composite from June 1997 to present. In Dec. 1993, non-fee paying portfolios represented 2% of composite assets, and from Dec. 1994 to Dec. 1996, non-fee paying portfolios represented less than 1% of composite assets. Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 50% of the portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite the first full month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

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. Net of fee performance was calculated using actual fees. One institutional account has made special arrangements to pay a minimal quarterly base fee, and if earned, a fulcrum fee. If the fulcrum fee is earned, the additional payment will be included in the portfolio's net performance in the quarter in which it is paid. The investment management fee schedule is as follows: For retail portfolios, 1.00% on the first \$5.0MM, 0.85% on the next \$5.0MM, and 0.63% on all amounts over \$10.0MM. For institutional portfolios, 0.75% on the first \$10.0MM, 0.55% on the next \$10.0MM, 0.45% on the next \$20.0MM, and 0.40% on all amounts over \$40.0MM. Actual investment advisory fees paid by clients may vary. 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: 3%; 2006: 2%; 2005: 2%.

In 1999, for comparative purposes PCL selected the S&P 400 Mid Cap (S&P 400) index as our stated benchmark. Effective October, 2002, PCL decided to change the comparative benchmark to the Russell Mid Cap® Growth Index (RMCG). The S&P 400 index was originally chosen due to the unusual period in the market that rendered the logical choice, the RMCG unacceptable. At the time, the Y2K and dot.com phenomenon had created a severe distortion of the valuation factors related to the RMCG. Due to the valuation considerations and the lack of diversification within the RMCG, it was apparent that the RMCG was not an appropriate comparative benchmark for our **PRUDENT GROWTH™** strategy. Due to the change in the characteristics of the RMCG index since this period and the return to the normal premiums that would typically be expected in a growth index, we believe it is the index that meets the test of being representative of the **PRUDENT GROWTH™** strategy. Comparative data for both indices is provided and further information is available upon request. Russell® is a trademark of the Frank Russell Company.

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 PERFORMANCE				
	U.S. Dollars (\$ Mil)	% of Firm Assets	Number of Accounts	Composite (Gross)	Composite (Net)	S&P 400 Mid Cap	Russell MidCap® Growth	Composite Dispersion
2007	217	60%	72	7.3%	6.8%	8.0%	11.4%	0.3%
2006	303	60%	93	4.9%	4.3%	10.3%	10.6%	0.6%
2005	312	68%	85	16.2%	15.6%	12.5%	12.1%	0.7%
2004	503	85%	91	2.5%	2.0%	16.5%	15.5%	0.4%
2003	427	63%	80	44.1%	43.4%	35.6%	42.7%	1.7%
2002	277	76%	74	-23.4%	-23.7%	-14.5%	-27.4%	0.9%
2001	387	87%	80	-3.7%	-4.1%	-0.6%	-20.2%	2.1%
2000	238	78%	74	16.7%	16.1%	17.5%	-11.7%	2.4%
1999	152	60%	66	29.4%	28.3%	14.7%	51.3%	5.7%
1998	40	63%	52	25.0%	23.8%	19.1%	17.9%	7.4%

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