FORMAN, ITZKOWITZ, BERENSON & LAGRECA, P.C.

CPAs and Business Advisors

MEKETA INVESTMENT GROUP, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2009 AND 2008

CONTENTS

FORMAN, ITZKOWITZ, BERENSON & LAGRECA, P.C.
CPAs and Business Advisors

ACCOUNTANTS' REVIEW REPORT

To the Stockholders
Meketa Investment Group, Inc.
Westwood, Massachusetts

We have reviewed the accompanying balance sheets of Meketa Investment Group, Inc. as of December 31, 2009 and 2008, and the related statements of income, retained earnings and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Meketa Investment Group, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles.

Forman, Itzkowitz, Berenson & LaGreca, P.C.

February 18, 2010

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MEKETA INVESTMENT GROUP, INC.

BALANCE SHEETS

(See Accountants' Review Report)

	December 31, 2009	December 31, 2008
ASSETS		
Current Assets:		
Cash	$ 397,810	$ 126,403
Accounts receivable	2,734,495	1,842,581
Current portion of notes receivable	45,786	25,049
Prepaid expenses	342,932	366,812
Prepaid corporate income taxes	-	14,120
Receivables - other	2,529	6,583
Total Current Assets	3,523,552	2,381,548
Property and Equipment	986,306	1,283,585
Notes Receivable, net of current portion	132,456	75,242
Other Assets	75,114	76,852
	$ 4,717,428	$ 3,817,227
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Note payable - bank	$ -	$ 509,594
Accounts payable and accrued expenses	553,890	326,078
Accrued rent	267,004	303,933
Current portion of long-term debt	142,860	100,000
Current portion of capital lease obligations	28,073	21,980
Accrued corporate income taxes	28,310	-
Total Current Liabilities	1,020,137	1,261,585
Long-Term Liabilities:		
Long-term debt, net of current portion	773,805	383,333
Capital lease obligations, net of current portion	16,965	32,835
Total Long-Term Liabilities	790,770	416,168
Stockholders' Equity:		
Common stock:		
Authorized - 300,000 shares		
Issued and Outstanding - 141,750 shares	126,583	126,583
Retained earnings	2,779,938	2,012,891
	2,906,521	2,139,474
	$ 4,717,428	$ 3,817,227

The accompanying notes are an integral part of these financial statements.

MEKETA INVESTMENT GROUP, INC.

STATEMENTS OF INCOME AND RETAINED EARNINGS

(See Accountants' Review Report)

	Year Ended December 31, 2009		Year Ended December 31, 2008	
Revenues:				
Fees	$ 17,139,532	99.4 %	$ 15,408,004	99.2 %
Reimbursed expenses	111,333	0.6	121,220	0.8
Total Revenues	17,250,865	100.0	15,529,224	100.0
Operating Expenses:				
Payroll	10,929,467	63.3	9,645,385	62.0
Related employee expenses and benefits	1,361,817	7.9	1,005,439	6.5
General and administrative expenses	2,391,757	13.9	2,844,076	18.3
Client servicing	1,335,783	7.7	1,202,842	7.8
Total Operating Expenses	16,018,824	92.8	14,697,742	94.6
Income from Operations	1,232,041	7.2	831,482	5.4
Other Income (Expense):				
Interest income	√ 6,924	0.0	5,870	0.0
Interest expense	(44,853)	(0.3)	(44,773)	(0.3)
Loss on disposal of property and equipment	(2,424)	0.0	-	-
	(40,353)	(0.3)	(38,903)	(0.3)
Income Before Income Taxes	1,191,688	6.9	792,579	5.1
Provision for Income Taxes	58,464	0.4	30,090	0.2
Net Income	1,133,224	6.5 %	762,489	4.9 %
Retained Earnings, Beginning	2,012,891		1,766,313	
S Corporation Distributions	(366,177)		(515,911)	
Retained Earnings, Ending	$ 2,779,938		$ 2,012,891	

The accompanying notes are an integral part of these financial statements.

MEKETA INVESTMENT GROUP, INC.

STATEMENTS OF CASH FLOWS

(See Accountants' Review Report)

	Year Ended December 31,	
	2009	2008
Cash Flows from Operating Activities:		
Cash received from customers	$ 16,358,951	$ 14,909,680
Cash paid to vendors, employees, and related employee expenses	(15,393,748)	(14,764,955)
Interest income received	6,924	5,870
Interest paid	(44,853)	(48,242)
Income taxes paid	(16,034)	(75,480)
Net Cash Provided by Operating Activities	911,240	26,873
Cash Flows from Investing Activities:		
Increase in notes receivable	(103,000)	-
Security deposits returned	-	8,543
Acquisition of property and equipment	(94,166)	(420,855)
Payments received - notes receivable	25,049	23,905
Net Cash Used in Investing Activities	(172,117)	(388,407)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	1,000,000	-
Proceeds (payments) from line of credit	(509,594)	509,594
Payments on long-term debt	(566,668)	(113,397)
Payments on capital lease obligations	(25,277)	(21,021)
Distributions to stockholders	(366,177)	(515,911)
Net Cash Used in Financing Activities	(467,716)	(140,735)
Net Increase (Decrease) in Cash	271,407	(502,269)
Cash, Beginning	126,403	628,672
Cash, Ending	$ 397,810	$ 126,403

The accompanying notes are an integral part of these financial statements.

MEKETA INVESTMENT GROUP, INC

STATEMENTS OF CASH FLOWS (Continued)

(See Accountants' Review Report)

Reconciliation of Net Income to Net Cash Provided by Operating Activities

	Year Ended December 31, 2009	Year Ended December 31, 2008
Net Income	$ 1,133,224	$ 762,489
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Loss on disposal of property and equipment	2,424	-
Depreciation and amortization	406,259	390,279
Increase in accounts receivable	(891,914)	(619,544)
(Increase) decrease in prepaid expenses	23,880	(243,999)
(Increase) decrease in prepaid corporate income taxes	14,120	(14,120)
(Increase) decrease in receivables - other	4,054	(2,179)
Decrease in other assets	-	6,948
Increase (decrease) in accounts payable and accrued expenses	227,812	(203,563)
Decrease in accrued rent	(36,929)	(18,168)
Increase (decrease) in corporate income taxes payable	28,310	(31,270)
Total Adjustments	(221,984)	(735,616)
Net Cash Provided by Operating Activities	$ 911,240	$ 26,873

Supplemental Schedule of Noncash Investing Activities:

During 2009, the Company acquired office equipment of $15,501 under a capital lease obligation.

The accompanying notes are an integral part of these financial statements.

Note 1 - Description of Operations

Meketa Investment Group, Inc. provides investment advisory services to individuals and institutions throughout the United States, including corporations, retirement plans and labor unions and is located in Westwood, Massachusetts, and Carlsbad, California.

Note 2 - Summary of Significant Accounting Policies

a) Use of Estimates and Assumptions in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

b) Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest. Trade accounts receivable are periodically evaluated for collectibility and are written off when such receivables are deemed to be uncollectible. An allowance for doubtful accounts has not been established as the Company considers all receivables fully collectible and has historically, due to the nature of their business, not experienced any significant bad debts.

c) Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided using accelerated and straight-line methods over the estimated useful lives of the respective assets.

d) Advertising Costs

The Company charges to operations all advertising costs at the time the obligation is incurred. Advertising costs amounted to $80,567 in 2009 and $77,093 in 2008.

Note 2 - Summary of Significant Accounting Policies (Continued)

e) Income Taxes

The Company, with the consent of its stockholders, has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code, which provides that, in lieu of corporate income taxes, the stockholders are taxed directly on their proportionate share of the Company's taxable income.

The Commonwealth of Massachusetts and the State of California also recognize Subchapter S Corporate tax status. However, Massachusetts imposes a corporate excise tax of 2.8% of taxable income when gross receipts are between six and nine million dollars, and 4.2% of taxable income when gross receipts exceed nine million dollars. California imposes a corporate income tax of 1.5% of S Corporation taxable income.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will significantly change within twelve months of December 31, 2009. Any changes in tax positions will be recorded when the ultimate outcome becomes known. The Company's income tax returns are subject to examination by taxing authorities generally for the years ended December 31, 2006, 2007 and 2008.

f) Deferred Costs

Legal fees incurred in connection with obtaining long-term lease agreements are amortized on the straight-line method over the term of the underlying lease.

g) Rent

Minimum rentals due under long-term leases are charged to expense using the straight-line method over the term of the lease regardless of when the rental payments are due. Rent expense which has been recognized before the payment is due results in a liability for accrued rent.

Note 3 - Prepaid Expenses

Included in prepaid expenses is approximately $146,000 for expenses incurred for the formation of a new private equity fund, the ownership of which is to be determined. The Company expects to be reimbursed for the expenses incurred. They do not anticipate having any ownership interest in this fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2009 AND 2008

Note 4 - Notes Receivable

Notes receivable consist of the following:

	2009	2008
Note receivable - stockholder, due in semi-monthly installments of $1,216 including interest at 4.68% through September 2012.	$ 75,242	$ 100,291
Note receivable - employee, due in semi-monthly installments of $605 including interest at 2.61% through December 2014.	68,000	-
Note receivable - employee, due in semi-monthly installments of $311 including interest at 2.61% through December 2014.	35,000	-
	178,242	100,291
Less current portion	(45,786)	(25,049)
	$ 132,456	$ 75,242

Note 5 - Property and Equipment

Property and equipment consist of the following:

	2009	2008
Automobiles	$ 62,115	$ 62,115
Furniture and fixtures	220,433	199,536
Office and computer equipment	1,140,697	1,095,565
Leasehold improvements	998,777	994,722
	2,422,022	2,351,938
Less accumulated depreciation	(1,435,716)	(1,068,353)
	$ 986,306	$ 1,283,585

Depreciation expense was $404,521 in 2009 and $388,542 in 2008.

Note 6 - Other Assets

Other assets consist of the following:

	2009	2008
Artwork	$ 6,231	$ 6,231
Security deposits	60,772	60,772
Lease acquisition costs, net of accumulated amortization of $5,793 in 2009 and $4,055 in 2008	8,111	9,849
	$ 75,114	$ 76,852

Amortization expense was $1,738 in 2009 and 2008.

Note 7 - Note Payable - Bank

The Company has a $1,500,000 revolving line of credit with Brookline Bank, which bears interest at the adjusted LIBOR rate plus the LIBOR Rate Margin or 4.0% (whichever is greater), is collateralized by all Company assets, guaranteed by three of the stockholders, cross defaulted to covenants in the term loan agreement (See Note 8) and expires May 8, 2011. There was no outstanding balance on this line at December 31, 2009.

Note 8 - Long-Term Debt

Long-term debt consists of the following:

	2009	2008
Term note - Brookline Bank, due in monthly principal payments of $11,905 plus interest of 5.06%, fixed rate until May 2014. The interest rate will be adjusted on May 8, 2014 and monthly thereafter until maturity in May 2016. The note is also guaranteed by three of the Company's stockholders and requires adherence to various financial covenants.	$ 916,665	$ -
Note payable - Citizens Bank, collateralized by all business assets of the Company, due in monthly installments of $8,333, plus interest through November 2013. The interest rate on the debt is LIBOR plus 2%. The note is also guaranteed by a stockholder of the Company and requires adherence to various financial and other covenants. The note was paid in full during 2009 with financing from another institution.	-	483,333
	916,665	483,333
Less current portion	(142,860)	(100,000)
	$ 773,805	$ 383,333

Note 8 - Long-Term Debt (Continued)

Principal payments due on long-term debt over the next five years are as follows:

2010	$	142,860
2011		142,860
2012		142,860
2013		142,860
2014		142,860
Thereafter		202,365
	$	916,665

Note 9 - Capital Lease Obligations

The Company leases certain office equipment under agreements that are classified as capital leases. The cost of equipment under capital leases is included in property and equipment and was $103,190 at December 31, 2009 and $87,689 at December 31, 2008. Accumulated amortization of the leased equipment at December 31, 2009 and 2008 was $25,300 and $22,000, respectively. Amortization of assets under capital leases is included in depreciation expense.

The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of December 31, 2009 are as follows:

2010	$	40,313
2011		23,269
2012		1,829
Total minimum lease payments		65,411
Less: Amount representing estimated executory costs		(18,639)
Net minimum lease payments		46,772
Less: Amount representing interest		(1,734)
Present value of net minimum lease payments		45,038
Less: Current portion of capital lease obligations		(28,073)
Long-term capital lease obligations	$	16,965

Note 10 - Retirement Plan

The Company maintains a profit sharing plan and a 401(k) cash or deferred arrangement plan which covers substantially all full-time employees. The Company matches contributions made by the employees to the 401(k) plan. Additional contributions to the plan are discretionary and determined annually by the Board of Directors. For the years ended December 31, 2009 and 2008, the Company matched $203,560 and $172,617, respectively. The Company made a discretionary contribution of $125,000 in 2009 and $0 in 2008.

Note 11 - Lease Commitments

The Company leases office space in Westwood, MA under a noncancellable lease expiring in August 2014. The lease provides for minimum rent and includes a provision for rent increases based on increases in real estate taxes. Rent expense for this location was $335,262 in 2009 and 2008.

The Company leases office space in Carlsbad, CA under a noncancellable lease expiring January 2013. The lease provides for minimum rent, parking rights plus their proportionate share of operating expenses. Rent expense for this location was $342,541 in 2009 and $344,928 in 2008.

Future minimum rentals under the noncancellable leases at December 31, 2009 are as follows:

2010	$ 715,752
2011	731,424
2012	752,576
2013	426,746
2014	264,698
	$ 2,891,196

Note 12 - Credit Risks

At certain times throughout the year, cash balances in excess of federally insured limits were maintained in one financial institution. As of December 31, 2009, cash in excess of $250,000 is not insured by the Federal Deposit Insurance Corporation. At December 31, 2009 there was $274,270 in excess of federally insured limits.

Note 13 - Reclassification of Prior Year Amounts

Certain 2008 amounts have been reclassified to conform to 2009 financial statement presentation, with no effect on net income.

Note 14 - Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash, accounts receivable, and accounts payable and accrued expenses approximate their fair market value due to the short term maturities of these instruments. The carrying value of notes receivable, capital lease obligations and long-term debt approximate fair value based on current market rates and conditions.

Note 15 - Subsequent Events

In May 2009, standards related to "Subsequent Events," effective for financial periods ending after June 15, 2009, were issued. These standards state that an entity is required to evaluate subsequent events through the date the financial statements are issued or are available to be issued. The company has evaluated subsequent events through the date the report was available for issuance February 18, 2010.