



GREEN INVESTMENT MANAGEMENT, INC.

POSITIONED FOR TODAY ... PREPARED FOR TOMORROW

“We believe following a consistent investment discipline, void of emotion, is the key to long-term investment success. Through dedication and discipline, our primary objective is to help you achieve your financial goals.”

A collection of cowboy boots and spurs is displayed on a wooden surface. The boots are made of brown leather with intricate white stitching patterns. Several spurs are scattered around, including a prominent one with a large, multi-pointed starburst design. The scene is lit with a warm, golden light, creating a rustic and traditional atmosphere.

*At Green Investment Management
Our Texas Roots Run Deep!*

GREEN INVESTMENT MANAGEMENT, INC.

In 1984, Byron D. Green registered Green Investment Management (GIM) with the SEC. He had a vision to use his background as a stockbroker and computer programmer to develop flexible models and strategies that could better withstand bear markets, while maintaining solid returns during bull markets. A central theme to most of GIM's portfolio strategies is broad asset class diversification consistent with Modern Portfolio Theory.

Byron began to extensively research the markets and test his findings. After weathering the storm of the market collapse in 1987, he began to offer his management services, through GIM, to other investment representatives on a fee basis. In 1990, GIM began tracking its performance, providing an CFA Institute (formerly AIMR) compliant track record.

Byron continues to operate as President and lead portfolio manager and has added a portfolio management team to give depth to research and development and to provide additional expertise to GIM's various strategies. Since the establishment of GIM over two decades ago, we have made significant enhancements to our capabilities to monitor and manage risk – but our primary goal has always remained the same, to supervise your portfolio and monitor the markets daily, so that you don't have to.



Green Investment Management is located in downtown Fort Worth, Texas

Fort Worth, Texas, has long been known for its blend of cowboy heritage, cultural attractions and bustling metropolitan lifestyle.

The city began as a military camp in 1849, named for General William Jenkins Worth. The fort was designed as a bastion of defense for earlier settlers from the harsh elements of Texas life. Fort Worth soon became a stop along the legendary Chisholm Trail (the dusty path where millions of cattle were driven north to market) and the city grew to become the center for the trail's cattle drives and ranching.

In 1876, the Texas & Pacific Railway connected to Fort Worth and transformed the Stockyards into a premier livestock center. When oil began to gush in West Texas, Fort Worth was in the center of the "wheeling and dealing". Despite becoming the nation's 19th largest city and an important hub for business, Fort Worth still celebrates its colorful western heritage today. Known in many circles as "Cowtown" for its rough-and-rowdy roots, Fort Worth bills itself as "Where the West begins."

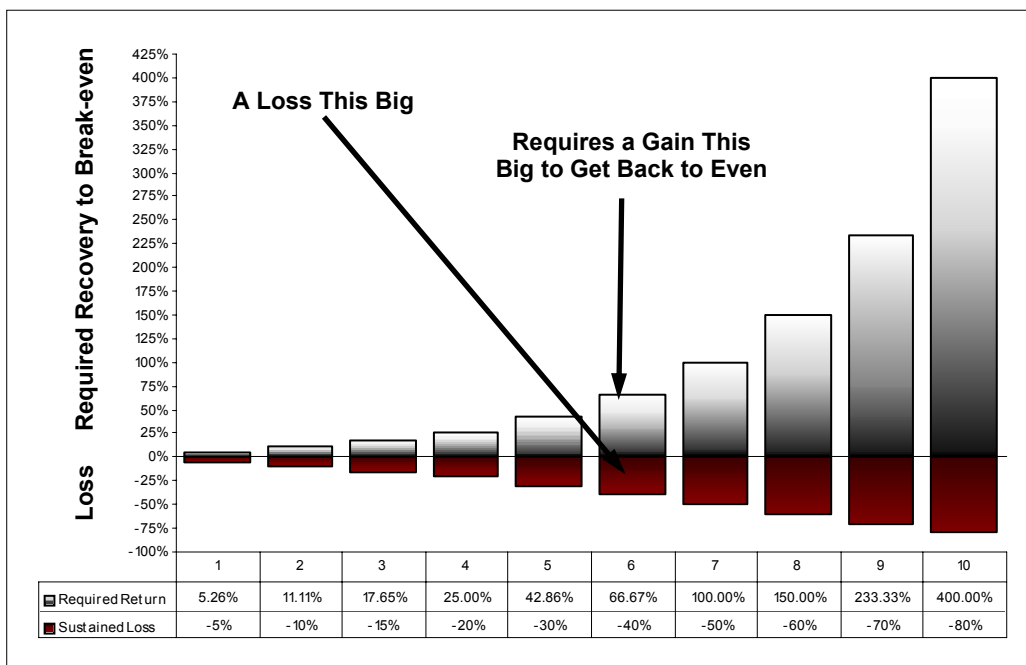
WHAT IS RISK?

Clearly defined, risk is the measure of probability that your investment will result in a loss. The more volatile, or “risky” the investment you select, the higher the likelihood you will suffer a loss.

A good example of market losses occurred during the bursting of the technology bubble from March of 2000 to October 2002. During that bear market decline, the Nasdaq composite declined 79% and resulted in catastrophic losses for many investors.

The magnitude of those losses were more than a temporary problem. Notice in the Law of Losing illustration below that a loss approaching 80% would require a return of 400% just to get back to even. Clearly, this illustration highlights the compelling need for risk management – especially if you are approaching retirement age.

The Law of Losing



STRATEGIC ASSET ALLOCATION

Strategic asset allocation takes place when historical data is used in an attempt to determine how an asset class has performed and is likely to perform over long periods of time. The goal is not to “beat” the market, but to establish a long-term investment strategy using a core mix of asset classes. A core mix might include domestic stock, international stock, bonds and cash.

HOW DOES GIM MANAGE RISK?

GIM believes risk management starts with proper asset allocation and regular rebalancing of the portfolio. This is always our first line of defense.

Supporting our emphasis on asset allocation is an academic study released in 1986 and updated again in 1991 by Brinson, Singer and Beebower. The study entitled *“Determinants of Portfolio Performance”* analyzed 91 large U.S. pension funds and determined that 91.5% of the variation of portfolio performance among those funds was explained by asset allocation. Security selection and market timing represent much smaller percentages (see chart below).

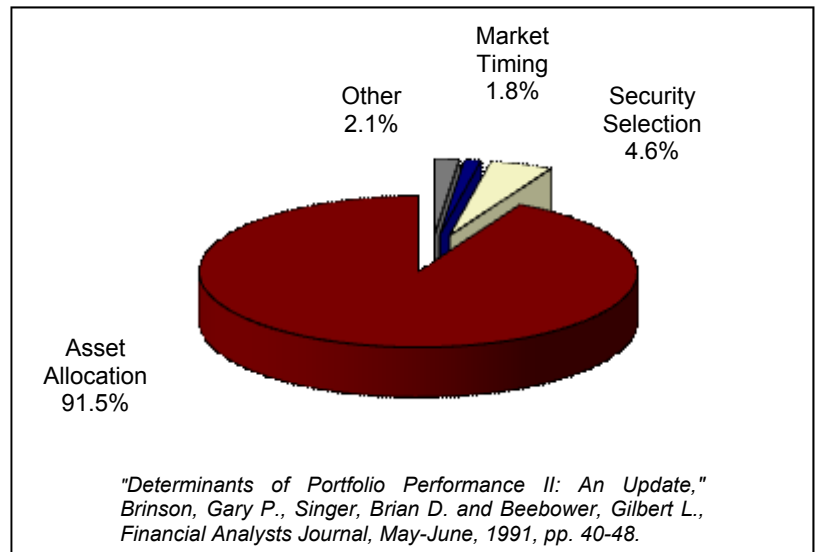
Consequently, each portfolio managed by GIM has a “strategic target” which will be the base allocation for a given portfolio. Below you can see the strategic target for the Guardian Balanced Allocation.

GUARDIAN BALANCED ALLOCATION

The strategic target for the Guardian Balanced Allocation is as follows:

<u>Security Type</u>	<u>Strategic Target</u>
Domestic Equities	40%
Foreign Equities	20%
Domestic Bonds	40%

The Brinson Study



WHAT IS GIM'S METHODOLOGY?

Proper diversification and regular portfolio maintenance are always our first line of defense; however, our methodology takes that one step further.

GIM employs a disciplined management style that seeks better risk-adjusted returns by actively departing from the normal “strategic” target mix of each portfolio (i.e., the designated blend of stocks, bonds and cash). These departures from the strategic mix are confined within “tactical” ranges, which are minimum and maximum exposures that have been predetermined for each portfolio.

This blend of strategic and tactical styles of management distinguishes GIM from many managers. We have the flexibility to take advantage of “fat pitches” (i.e., unusually attractive opportunities that may present themselves in short-term environments) or to reduce exposure to overpriced segments of the markets, while simultaneously maintaining a diversified framework for the portfolio as a whole. Once the risks or opportunities pass, GIM will return the portfolio to its original strategic asset mix.

TACTICAL ASSET ALLOCATION

Tactical asset allocation uses periodic assumptions about asset classes and the economy in general. The fund manager tries to improve portfolio performance by making "mid-course" changes in the long-term strategy, based on near-term expectations.

Foreign Equities (EAFE) Example

1987	1988	1989	1990	1991	1992	1993
EAFE 24.6%	EAFE 28.3%	Large Growth 35.2%	Bonds 6.4%	Small Growth 49.8%	Small Value 30.0%	EAFE 32.6%
Large Growth 7.2%	Small Value 26.1%	Large Value 26.9%	Large Growth -2.4%	Small Value 41.4%	Large Value 11.1%	Small Value 22.1%
Large Value 1.1%	Large Value 22.7%	Small Growth 19.8%	Large Value -5.9%	Large Growth 39.5%	Bonds 8.5%	Large Value 17.0%
Bonds -0.9%	Small Growth 19.8%	Bonds 17.5%	Small Growth -15.8%	Large Value 25.5%	Small Growth 8.5%	Bonds 16.2%
Small Growth -5.9%	Large Growth 11.8%	Small Value 16.2%	Small Value -21.7%	Bonds 19.5%	Large Growth 4.5%	Small Growth 15.9%
Small Value -6.4%	Bonds 9.8%	EAFE 10.5%	EAFE -23.5%	EAFE 12.1%	EAFE -12.2%	Large Growth 3.3%

In the illustration above, notice over the 7 year period shown, the EAFE (foreign equities of developed markets) is either the best or worst performing category. GIM will seek to have larger or smaller positions of this asset class as indicators suggest there may be less risk or greater opportunity.

This graph is used for illustrative purposes only and should not be used to determine an individual investment. On Foreign Equities Example shown above, foreign equities are represented by MSCI EARE ND; Bonds are represented by Lehman Brothers Long Term Government/Credit; Large growth, large value, small growth and small value are represented by Wilshire Stock Indexes.

GUARDIAN BALANCED ALLOCATION

The tactical ranges for the Guardian Balanced Allocation are as follows:

<u>Security Type</u>	<u>Tactical Range</u>
Domestic Equities	0%-50%
Foreign Equities	5%-30%
Domestic Bonds	10%-50%
Foreign Bonds	0%-10%
Money Market	0%-75%
Other	0%-20%

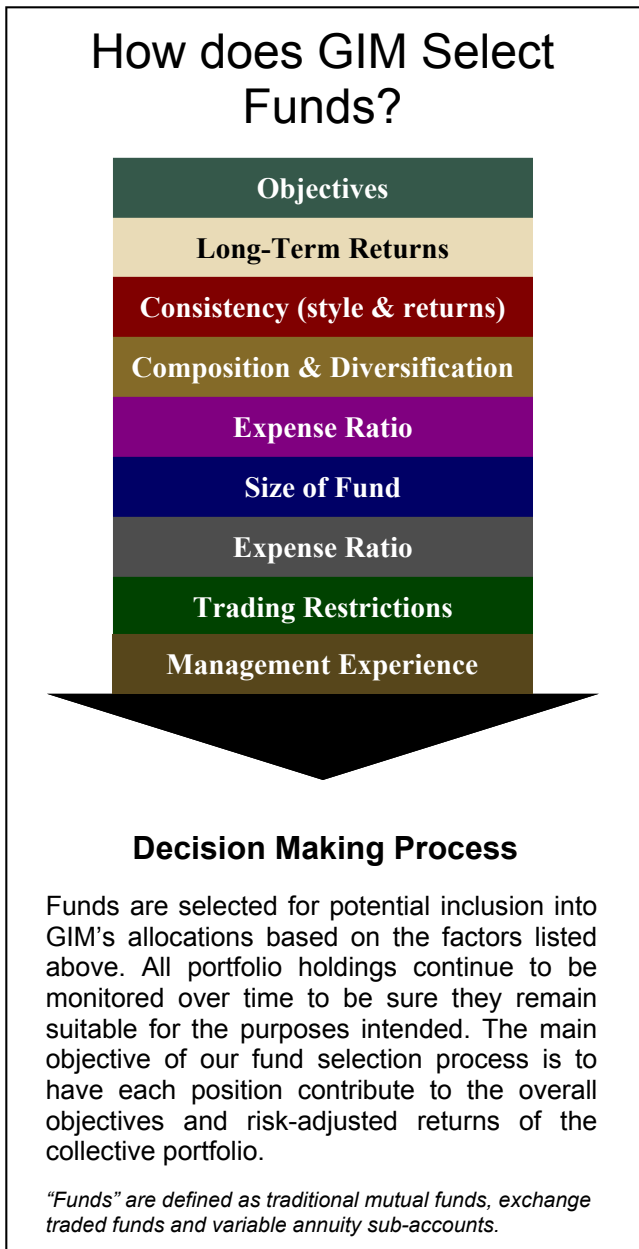
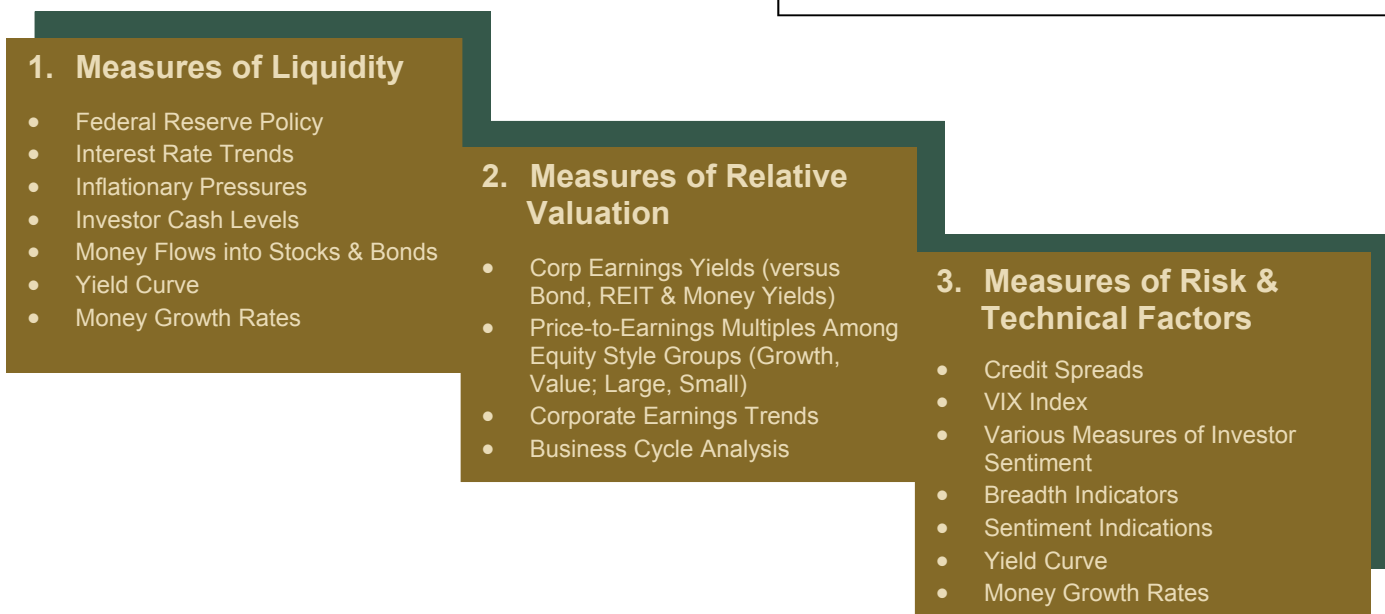
HOW DOES GIM MEASURE RISK?

Benjamin Graham, the father of modern security analysis, once said, “*While enthusiasm may be necessary for great accomplishment elsewhere, on Wall Street it almost invariably leads to disaster.*” He was right! Investing with emotion can lead to disastrous results.

At GIM we believe having a historical perspective of the markets and establishing realistic expectations for the future are crucial to long-term investment success.

For over two decades we have done just that. We have researched the markets and developed and refined a number of different successful investment strategies.

GIM manages each of these strategies or portfolio allocations with a non-emotional, but vigorous and disciplined evaluation of both the risks and opportunities that may lie ahead for the markets. Factors considered vary among our portfolio allocations, but include the following 3 main categories:

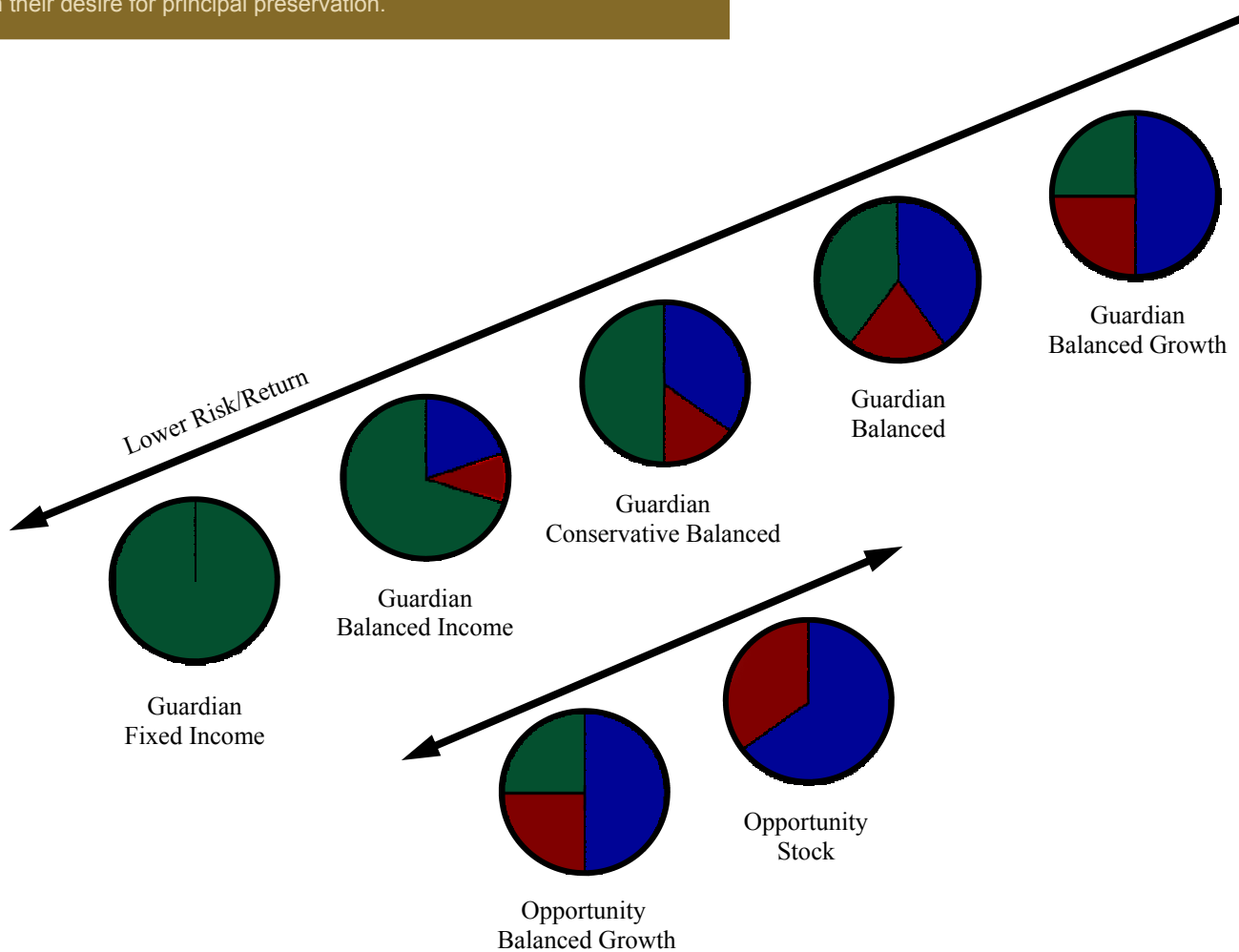


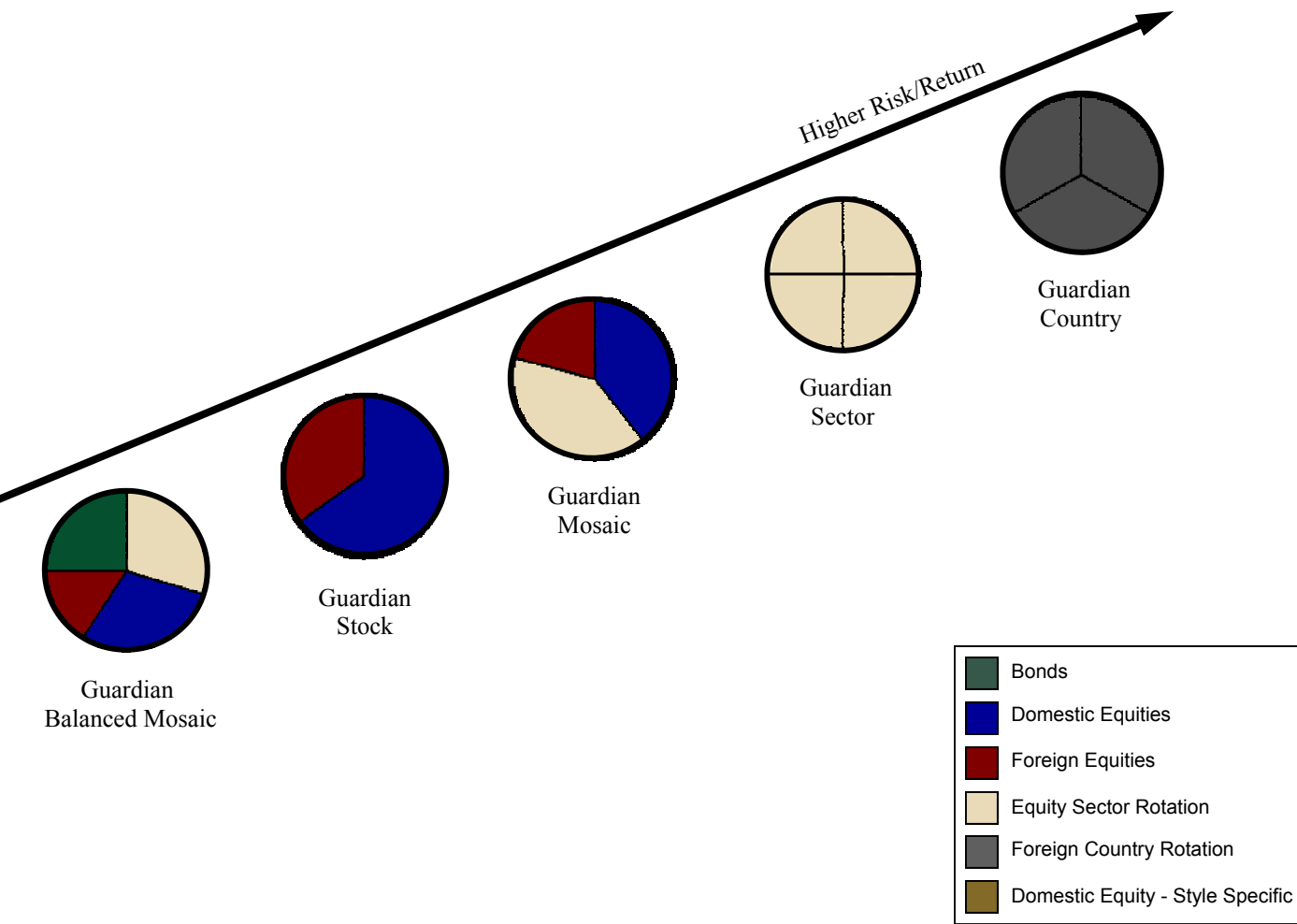
ALLOCATION SPECTRUM

YOUR PORTFOLIO CHOICES

GIM Guardian Allocations

Guardian allocations utilize the active/defensive style GIM has become known for. This diversified style attempts to minimize portfolio loss during difficult or “bear” markets and seeks to provide risk adjusted returns that meet or exceed the returns of similarly allocated passive managers. The Guardian allocations range from the very conservative Fixed Income to the more aggressive Stock and Sector allocations. Guardian allocations are designed for investors who place more emphasis on their desire for principal preservation.





GIM Opportunity Allocations

The Opportunity allocation style is designed for clients wanting to participate in capital appreciation opportunities available in the financial markets through a diversified portfolio. This active/diversified style sees to provide risk adjusted returns that meet or exceed similarly allocated passive managers. Within this style, GIM monitors the market and positions the portfolio to best take advantage of opportunities that exist within the risk parameters of the specific allocation selected.

WHY GIM?

- Disciplined, strategic and tactical asset allocation
 - Daily monitoring of your account
 - Multiple portfolio allocations
 - GIPS compliant track record
- Clear, understandable web-based performance reporting
- Close communication with your investment representative



HOW DO I GET STARTED?

It's simple. Contact your investment representative to request Form ADV Part II, discuss our various portfolio allocations and programs, and determine which may best address your risk tolerance and investment goals. From there, obtain and complete required forms and suitability and return them to your representative.

We look forward to the opportunity to work with you!



*Hard Work, Loyalty
& Discipline*



1-800-950-8004

www.GIMLink.com

Disclosure: Request Form ADV Part II for a complete description of Green Investment Management, Inc.'s management services. Market and economic conditions can change rapidly producing materially different returns (or losses) over different periods. No inference should be drawn that managed accounts will achieve similar performance or will be profitable in the future. Investing involves risk and you may incur a profit or a loss. Past performance is no guarantee of future results.