

Contact Information

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INVESTMENT PHILOSOPHY

In building our equity portfolios, we offer what is called an "All-Cap Core" equity style. Our portfolio offers several levels of diversification: **Style:** We own both value and growth stocks with target allocations of 60% and 40%, respectively. This allows STMM to participate in market trends set by both styles. **Sector:** We own stocks in all sectors with a target limit of 15% in any one sector. **Capitalization:** Our portfolio consists of small-, mid-, and large-cap stocks. **Individual Positions:** Our portfolio is comprised of individual stocks, including international equities (ADR's), as well as ETF's. The goal of this overall discipline is to reduce volatility over a long-term period.

SECTOR WEIGHTINGS* – As of 09/30/09

Consumer Discretionary	12%
Consumer Staples	13%
Energy	10%
Financials	12%
Healthcare	14%
Industrials	9%
Information Technology	12%
Basic Materials	4%
Telecommunication Services	4%
Utilities	5%
Cash & Cash Equivalents	5%

*Weightings for STMM model portfolio; weightings for actual client accounts may vary.

PERFORMANCE – As of 09/30/09

	STMM*	S&P 500
1Q 2009	-10.75%	-11.01%
2Q 2009	9.86%	15.93%
3Q 2009	14.69%	15.61%
4Q 2009		
Year-to-Date	12.46%	19.26%
Last 12 Months	-12.05%	-6.91%
3-Yr Annualized	-5.10%	-5.43%
5-Yr Annualized	1.96%	1.02%

* Net of fees return for Equity Only Core Strategy composite

** Partial period return from 01/31/01 to 12/31/01 non-annualized

*** Inception Date: January 31, 2001

INVESTMENT OBJECTIVE

The objective is to outperform the S&P 500 Index or the Wilshire 5000 Index by 100-200 basis points (1% to 2%) net of fees on an annualized basis over a three to five year period with 20% less volatility than such indexes during the period.

FIRM HISTORY

STMM was founded in November 2000 by Jeanie Wyatt, CFA, a veteran investment professional with more than 30 years of industry experience. We provide investment advisory services to high net worth individuals, trusts, estates, employee benefit plans and endowments. STMM has offices in San Antonio, Austin, Houston and Dallas to serve our clients.



Jeanie Wyatt, CFA
CEO & CIO

OVERVIEW

Assets Under Management (AUM) – 3Q09:	\$1.6 billion
Number of Investment Professionals:	39
Total Number of Employees:	60

	STMM*	S&P 500
Cal Yr 2008	-31.95%	-37.00%
Cal Yr 2007	5.45%	5.49%
Cal Yr 2006	13.77%	15.80%
Cal Yr 2005	9.54%	4.91%
Cal Yr 2004	17.47%	10.88%
Cal Yr 2003	24.66%	28.68%
Cal Yr 2002	-10.81%	-22.06%
Cal Yr 2001**	-0.07%	-14.94%
Annualized Since Inception***	3.19%	-1.07%
Cumulative Return Since Inception	31.26%	-8.94%

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Most recent quarterly performance is preliminary, is subject to change and, along with above sector weightings, is supplemental to a full disclosure presentation, which is available upon request. Updates and/or corrections to performance information are available at <http://stmmlltd.com/performance.php>. Total net of fees return is calculated net of STMM management/advisory fees and brokerage commissions. Returns include reinvestment of dividends and interest, as well as accrued income and capital gain or loss. Prior to January 1, 2005, net of fee returns were calculated net of custody fees.

Past performance is not indicative of future results. There is a possibility of loss. South Texas Money Management, Ltd. claims compliance with the Global Investment Performance Standards (GIPS®). STMM is an independent investment management firm that invests client portfolios predominantly in a Core Equity Style creating an all-capitalization equity portfolio combining both growth and value disciplines or in balanced portfolios using this Core Equity Style along with fixed income instruments.

The Equity Only Core Strategy Composite contains those accounts with an all-equity securities focus. The equity securities in these accounts are described as Core Equity or are comprised primarily of all-capitalization stocks combining both growth and value disciplines. Performance results are expressed in U.S. dollars. Prior to September 30, 2007, the composite was named Equity Only Non-Taxable Accounts Composite, subsequently the name was changed to more closely describe the actual management style utilized. This is a name change only and does not change the investment strategy of the composite. Prior to 06/30/08 the composite was comprised of only non-taxable accounts. Subsequently, accounts from the Equity Only Tax Managed Composite which had more than 90% core holdings were added to this composite. The STMM Claim of Compliance with GIPS® has been verified by Dabney Investment Consulting Associates, Inc. for the period December 31, 2000 through March 31, 2009.

The Standard & Poor's 500 Index (S&P 500®) is an unmanaged market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. The criteria for including a company in the S&P 500 Index may be more restrictive or limiting than the criteria STMM uses in adding companies to its equity portfolios. For example, STMM equity portfolios may include international stocks as well as stocks of companies having a market capitalization below \$4 billion, neither of which would be eligible for inclusion in the S&P 500 Index. Index information is included merely to show the general trend in the equity markets for the periods indicated and is not intended to imply that client accounts will be similar to the index either in composition or risk.

Additional information regarding policies for calculating and reporting returns is available upon request. To receive a complete list and description of STMM's composites and/or a presentation that adheres to the GIPS® standards, contact Lupita Molina, 210.824.8916, and/or lmolina@stmmlltd.com. Although the information contained in this report has been obtained from sources believed to be reliable, its accuracy and completeness cannot be guaranteed.