



The Roofing Industry – Alliance For Progress National Roofing Foundation

Presentation By
The Krapf Group
Of
Merrill Lynch

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Merrill Lynch member NYSE/SIPC.

Funds Raised and Disbursed by Alliance

■ Total Commitments by Alliance Members		\$ 10,612,332
■ Total Funds Collected by Alliance		10,227,400
Total Funds Disbursed		<u>(4,261,938)</u>
■ Net as of 3-31-09		\$ 5,965,462
■ Funds to be Disbursed		
Helping Our Own	\$ 10,000	
Employee Outreach MVP	765	
Meetings	36,708	
Admin fee to NRCA	45,000	
Melvin Kruger Sch.	- 0 -	
Printing	960	
Postage and Shipping	451	
■ Total Funds to be Disbursed		<u>(93,884)</u>
■ Total Net Collections After Disbursements		\$ 5,871,578

Based on information provided by the client.





Alliance Assets as of 03-31-09

■ Assets held at Merrill Lynch	\$ 6,668,999
■ Assets held at bank In Illinois	<u>21,673</u>
■ Total current assets	\$ 6,690,672

Based on information provided by the client.





Total Dollar Increase In Market Value as of 03-31-09

■ Total Current Assets	\$6,668,999
■ Net Contribution	<u>(5,965,462)</u>
■ Total Increase in Market Value	\$ 703,537

Based on information provided by the client.





Investment Managers

Large Growth — GARP
Aggressive Growth
Large Value-Intrinsic Value
Large Value-Deep Value
Small Growth
Small Value
International Equity-Value
International Equity-Growth
Convertibles
Short Gov't Bonds
Managed Futures

Neurberger Berman
Navalier
Eaton Vance
Eaton Vance
Cadence
Earnest SMID
Philadelphia
NFJ
Calamos Convertible Bonds
Lehman Brothers
Campbell Trust





Target Asset Allocation vs. Current Asset Allocation as of 03-31-09

	Target Asset Allocation	Current Asset Allocation
Large Value	12.50%	11.82%
Large Growth	12.50%	13.12%
Small Growth	5.00%	3.18%
Small Value	5.00%	3.90%
International Equity	20.00%	17.11%
Short Gov't Bonds	20.00%	24.55%
Convertible Bonds	7.00%	8.49%
Managed Futures	10.00%	12.45%
Natural Resources	3.00%	1.25%
Cash-CDs	<u>5.00%</u>	<u>4.15%</u>
Total	100.00%	100.00%



Current Asset Allocation

	Deposits as of 3-1-02	MV as of 3-31-03	MV as of 3-31-04	MV as of 3-31-05
Large Cap Growth	\$ 845,129	\$ 738,990	\$ 922,870	\$ 936,733
Large Cap Value	1,141,157	966,290	1,181,519	979,586
Small Cap Growth	414,838	366,598	551,881	397,735
Small Cap Value	379,056	381,065	608,438	568,811
International Equity	547,101	345,742	747,246	1,259,611
Short Govt. Bonds	1,661,153	1,810,621	1,406,033	1,390,902
Convertible Bonds	554,249	510,574	639,611	649,000
Cash-CDs	801,152	511,868	519,094	474,186
Managed Futures	0	0	431,141	691,320
Hedge Funds	0	0	107,675	109,085
Total	\$ 6,343,835	\$ 5,631,748	\$7,115,505	\$7,456,969
Portfolio Up (Down)		\$ (712,087)	\$1,483,760	\$ 341,464
Portfolio Performance		(10.89%)	26.35%	4.80%
S&P 500		(20.43%)	35.13%	6.69%
Dow Jones Industrials		(21.45%)	32.55%	3.59%
Russell 2000 Growth		(23.97%)	63.16%	.87%
Citi Group Gov.'t 1-3 Years		6.03%	2.68%	(.07%)

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Current Asset Allocation

	Deposits as of 3-1-05	MV as of 3-01-06	MV as of 3-01-07	MV as of 8-31-07
Large Cap Growth	\$ 936,733	\$ 1,077,926	\$1,300,767	\$1,364,675
Large Cap Value	979,586	1,092,332	1,309,563	1,306,142
Small Cap Growth	397,735	600,525	510,542	548,575
Small Cap Value	568,811	679,936	616,206	500,116
International Equity	1,259,611	1,627,302	1,912,251	2,094,813
Short Govt. Bonds	1,390,902	1,408,348	1,478,284	1,515,836
Convertible Bonds	649,000	712,185	757,870	800,810
Cash-CDs	474,186	485,302	527,151	910,761
Managed Futures	691,320	881,391	921,828	830,742
Hedge Funds	109,085	46,858	3,067	0
Total	\$7,456,969	\$ 8,612,105	\$9,337,529	\$ 9,872,470
Portfolio Up (Down)	\$ \$ 341,464	\$ 1,155,136	\$ 725,424	534,941
Portfolio	4.80%	14.56%	8.42%	5.73%
S&P 500	6.69%	8.40%	11.97%	5.70%
Dow Jones	3.59%	3.01%	14.24%	10.06%
Russell 2000 Growth	.87%	9.06%	5.53%	4.65%
Gov.'t 1-3 Years	(.07%)	.37%	5.14%	2.73%

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Current Asset Allocation- through 3-31-09

	Deposits as of 8-31-07	MV as of 9-30-08	MV as of 3-31-09	MV as of 8-31-09
Large Cap Growth	\$ 1,364,675	\$ 1,182,164	\$ 874,674	
Large Cap Value	1,306,142	1,136,552	788,002	
Small Cap Growth	548,575	318,969	211,903	
Small Cap Value	500,116	400,410	260,177	
International Equity	2,094,813	1,704,181	1,140,760	
Short Govt. Bonds	1,515,836	1,581,433	1,637,551	
Convertible Bonds	800,810	613,957	565,867	
Cash-CDs	910,761	416,473	276,605	
Managed Futures	830,742	846,780	829,975	
Natural Resources	0	134,642	83,484	
Total	\$9,872,470	\$ 8,335,561	\$ 6,668,999	
Portfolio Up (Down)	\$ \$ 534,941	(1,536,909)	\$450,000 Dis (\$1,666,562)	\$90,000 Disbursed
Portfolio	5.73%	(10.11)	(19.00%)	
S&P 500	5.70%	(17.73)	(30.54%)	
Gov.'t 1-3 Years	2.73%	6.03%	4.82%	
Dow Jones	10.06%	(15.36%)	(28.57%)	

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Return Comparison Through 3-31-09

	<u>YTD</u>	<u>Inception 3-1-02</u>	<u>Standard Deviation Inception</u>
Portfolio Performance	(5.84%)	1.57%	10.51
S&P 500	(11.01%)	(2.66%)	15.48
CitiGroup 1-3 year Govt.	1.97%	2.20%	2.80
Morning Star Moderate	()		8.78

Past performance cannot guarantee future results. The **S&P 500** is an unmanaged, weighted index of 500 stocks providing a broad indicator of price movement, and is calculated on a total return basis with dividends reinvested. **The Citigroup 1-3 Treasury/Government Sponsored Index** is derived from the Citigroup Broad Investment Grade Bond Index and includes only Treasury and Government Sponsored bonds with an average life of 1-3 years. Prior to April 7, 2003, the index was called the Salomon 1-3 Treasury/Government Sponsored Index.





Tactical Reallocation 2002

- Raised cash in September 2002
 - Dow breaks 9000
- Reinvested cash
 - Dow around 7600
 - S&P around 775





Tactical Reallocation 2003

- Portfolio received \$300,000 in February
- Reinvested cash in April
- Transferred \$450,000 from bond manager to cash CD portfolio in July 2003
- Reduced large value allocation \$200m in Nov. 2003 and moved assets to international market
- Invested \$350,000 in managed futures and \$100,000 hedge funds November 2003
- Shortened duration of bond manager and converted portfolio to government bonds only in November 2003





Tactical Reallocation 2004

- Liquidated \$100,000 from Small Cap Growth, \$100,000 from Small Cap Value, \$100,000 International Managers
- Invested additional \$300,000 into Managed Futures Manager





Tactical Reallocation 2005

- Liquidated \$400,000 from Large Cap Value Manager and \$100,000 from Small Cap Value Manager.
- Reinvested \$500,000 into Large Value International Manager
- Added Large Growth International Manager and move \$ 600,000 from existing International manager
- Move funds from Hedge fund into Managed Futures





Tactical Reallocation 2006

- June- liquidated \$150,000 from Insights small cap growth and liquidated \$100,000 from Harris small cap value manager
- Moved \$100,000 to Seligman large cap value and \$75,000 to each of our large cap growth managers. Montag Caldwell and Newbridge





Tactical Reallocation 2006

- We replaced Large Growth Montag Caldwell with Renaissance.
- We replaced Large Value Seligman with a Intrinsic Value and Deep Value Manager. Metropolitan West and Northern Trust





Tactical Reallocation 2007

- Raised 10% cash from all equity portfolios in April/May
- Reinvested 1/2 cash raised on August at bottom of market back in Large Growth, Large Value and International Equities
- Reinvested 1/2 cash raised in Money Market and CD's





Tactical Reallocation 2007

- Fall of 07 Raised Cash and invested assets in Natural Resources.





Tactical Reallocation 2008

- Made move to Merrill Lynch and changed Money Managers.





Tactical Reallocation 2009

- Reinvested \$75m Cash at levels around DOW 7800





Macro-Economic Issues

- How did we get here
- Banking system - Leverage
- Fix Banking System and Housing
- Government Policies- I.E. TARP, TALF, Private Public Partnership, GM
- Money Supply--- Velocity of Money
- Concerns of O'Bama Budget
- My Thoughts





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