ASPIRIANT

Performance Perspectives

Clear Thinking on Current Investment Topics | January 2010

An Ongoing Look at Aspiriant's Investment Performance

- Aspiriant is the leading independent wealth management firm, providing investment management that responds to our clients' individual goals and circumstances. To demonstrate whether we are meeting that goal, we regularly show the return and risk characteristics (as defined by the annualized standard deviation of monthly returns) achieved for *all* of our relevant clients. We also present summary information about average (equal-weighted) returns, previewed below.

  Important disclosures about our methodology and technical terms appear at the end of this document.

- Both our investment philosophy and our clients' asset allocation decisions have been important in achieving investment results for our clients. We attempt to optimize the use of our clients' "risk budgets", the *total* investment risk, from whatever sources the client is willing to accept. This optimization results in a combination of "systematic active" strategies in public markets and "traditional active" strategies in private markets. We believe that reducing the traditional *active management* risk allocated to each asset class, and redirecting that part of the total risk budget to increase *market return* risk in higher risk asset classes, allows us to build portfolios with higher expected overall returns for a given level of total risk.

Periods ending 12/31/2009	1 Year	3 years	5 years	7 years	10 years
Portfolios	350	306	256	155	95
Portfolios beating S&P 500	241 (69%)	177 (58%)	220 (86%)	127 (82%)	93 (98%)
Average annual outperformance against S&P 500	2.19%	0.53%	1.35%	2.00%	2.95%
% with higher Sharpe ratio than S&P 500	81%	69%	97%	85%	97%
% with higher return *and* lower risk than S&P 500	23%	32%	29%	17%	47%

Refer to important disclosures on page 10

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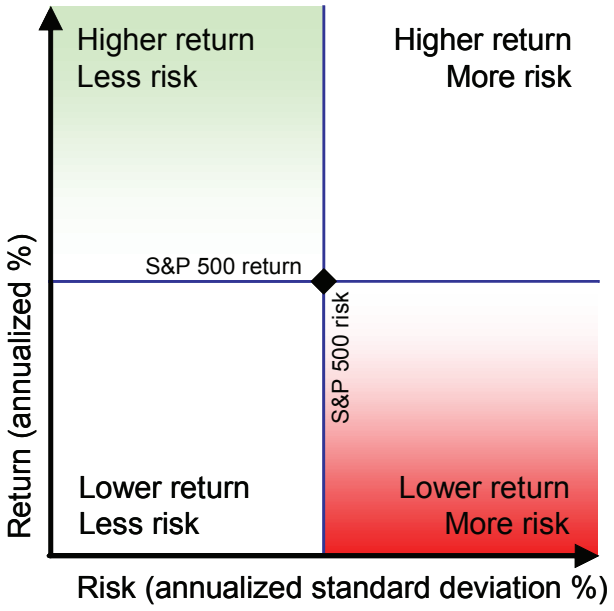
As a wealth management firm that strives to integrate all aspects of clients' financial circumstances, Aspiriant's goal is to help clients articulate, quantify, and then achieve their financial goals. Our work results in a wide range of investment portfolios, reflecting our clients' willingness to bear various levels of risk in the expectation of achieving differing levels of investment returns. It is therefore a challenge to present Aspiriant's overall investment performance as if it were one thing. In fact it is as many things as we have clients. Consequently, we regularly present the returns and risks for *all* relevant clients over various time periods.

The graphs that follow depict the relationship between the annual return (geometric average) and risk for each client portfolio we have managed over the relevant time periods (1, 3, 5, 7, and 10 years ending 12/31/2009).[1] Each dot represents one portfolio. The S&P 500 is offered as a reference point for both performance and risk. While none of the portfolios of course were invested 100% in the S&P 500, the S&P 500 is both well-known and very commonly used because it is representative of the vast majority (c. 85%) of the entire weight of the domestic US market. Also, US investors are able to invest in the S&P 500 at very little cost through index funds and exchange traded funds.

In comparison to the S&P 500, a superior place to be is in the upper left (high return, low risk) and the worst is the lower right (low return, high risk). Many of our portfolios contain sizable allocations to fixed income, up to 60% in some cases. Portfolios with large fixed income holdings have bond-like returns and standard deviations, and we would expect them to appear in the lower left of the below chart.

Sample Performance Chart



[1] There are important disclosures, including how we define "client," at the end of this document.

ONE YEAR RETURNS

In the 12 months ending December 31, 2009, 241 (69%) of the 350 unique portfolios we managed had a higher return than the S&P 500. The average annual outperformance (including underperforming portfolios) was 2.19%, 81% of the portfolios had a higher Sharpe ratio and 23% achieved a higher return with lower risk.

Number of portfolios: 350

Average return: 28.7%

S&P 500 return: 26.5%

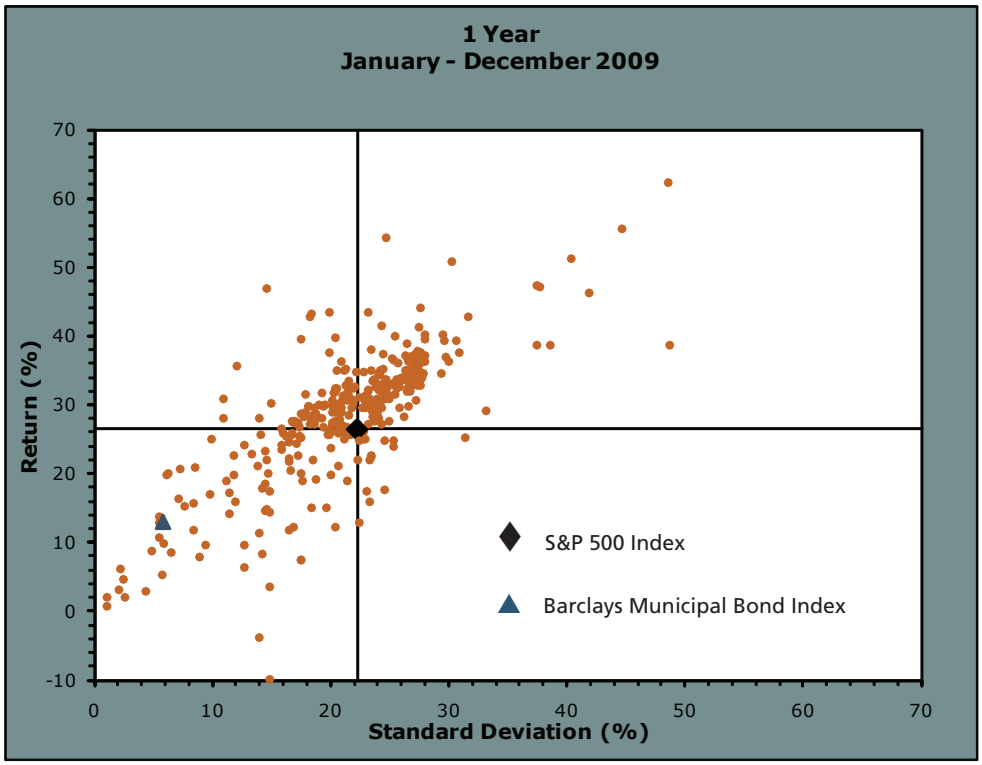
% outperformed S&P 500: 69% (241 portfolios)

% Sharpe Ratio > S&P 500: 81% (284 portfolios)

% upper left quadrant: 23% (81 portfolios)

% in lower right quadrant: 5% (17 portfolios)

Please see important disclosures at the end of this document.



The credit crisis of 2007 ballooned into a full blown global financial crisis in 2008. The US Government stepped in with numerous, unprecedented programs such as the TALF, TARP, CPFF, ABCP and others to restore liquidity and confidence. The S&P500 troughed in March 2009 and regained significant ground, ending the year up 26%.

Portfolios with large allocations to fixed income achieved returns less than the S&P 500 Index. Many portfolios had returns better than the S&P500 Index due to allocations to emerging markets and the use of margin.

THREE YEAR RETURNS

For the past three years ending December 31, 2009, 177 (58%) of the 306 portfolios had a higher return than the S&P 500. The average annual outperformance was 0.53%, 69% had a higher Sharpe ratio and 32% achieved a higher return with lower risk.

Number of portfolios: 306

Average return: -5.10%

S&P 500 return: -5.63%

% outperformed S&P 500: 58% (177 portfolios)

% Sharpe Ratio > S&P 500: 69% (212 portfolios)

% upper left quadrant: 32% (97 portfolios)

% in lower right quadrant: 31% (96 portfolios)

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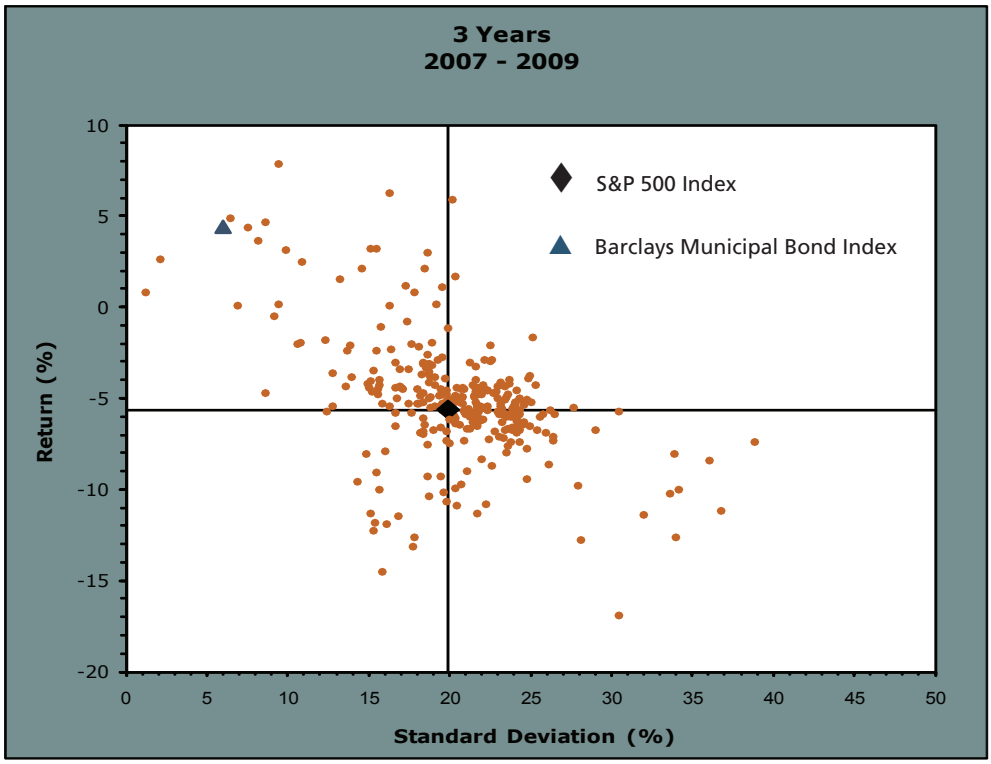

Returns over the past three years were pulled down by the financial crisis of 2008, however allocations to overseas equity markets and fixed income resulted in many portfolios outperforming the S&P 500. The "J Curve"[2] effect, reflecting the outsized burden of expenses in the early stages of a private investment, impacted portfolios holding private equity and private real estate investments, as many capital calls were made during 2007.

[2] The "J Curve" is a term used in private equity to describe the profile of expected returns from a private equity investment. In the early years of a private equity fund when the investments are not mature enough to show any gains, it is common to see negative returns due to the payment of management fees. Because the investments are typically valued using a conservative estimate of market value, the realization of gains in later years may have a significant positive impact on valuations and returns. Therefore, a graph of the expected performance over the term of a private equity fund approximates the letter "J," with time plotted on the x axis and investment return plotted on the y axis.

FIVE YEAR RETURNS

Over the past five years ending December 31, 2009, 220 (86%) of the 256 portfolios had a higher return than the S&P 500. The average annual outperformance was 1.35%, 97% had a higher Sharpe ratio, and 29% achieved a higher return with lower risk.

Number of portfolios: 256

Average return: 1.77%

S&P 500 return: 0.42%

% outperformed S&P 500: 86% (220 portfolios)

% Sharpe Ratio > S&P 500: 97% (249 portfolios)

% upper left quadrant: 29% (74 portfolios)

% in lower right quadrant: 8% (21 portfolios)

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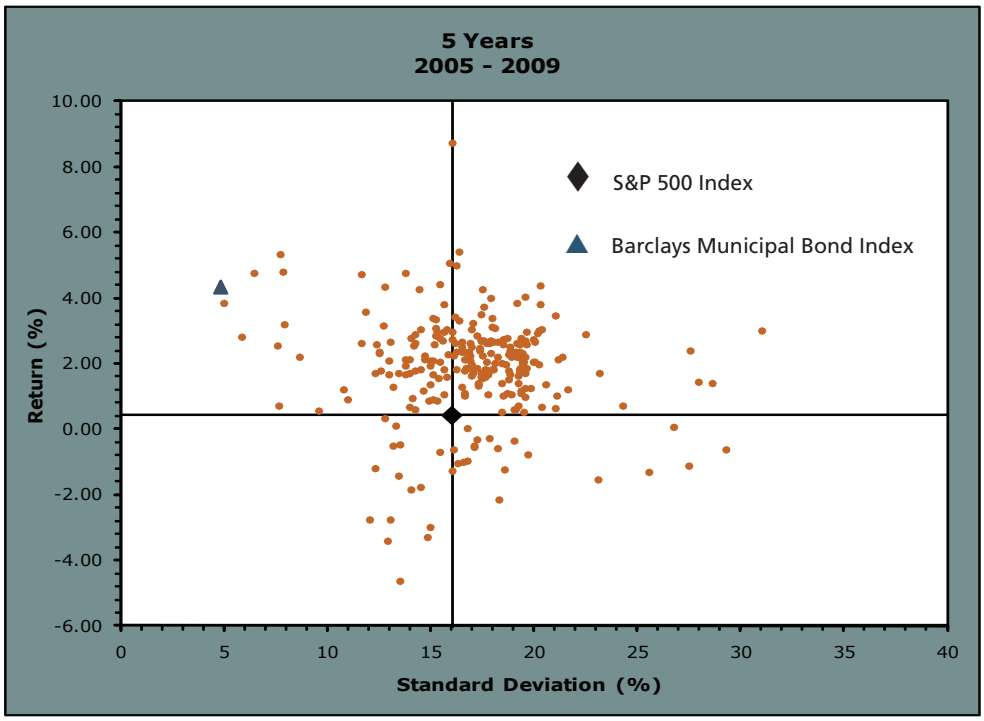


Many portfolios beat the S&P 500 Index because of diversification away from domestic large cap equity. Client portfolios benefited from positions in real estate, domestic small cap, overseas developed and emerging markets. Systematic engineering of public equity holdings towards value companies also provided outperformance against the S&P 500 during 2004 to 2007. Portfolios with heavier weighting towards fixed income performed favorably versus the S&P 500 Index.

SEVEN YEAR RETURNS

Over the past seven years ending December 31, 2009, 127 (82%) of the 155 portfolios had a higher return than the S&P 500. The average annual outperformance was 2.00%, 85% had a higher Sharpe ratio, and 17% achieved a higher return with lower risk.

Number of portfolios: 155

Average return: 7.52%

S&P 500 return: 5.52%

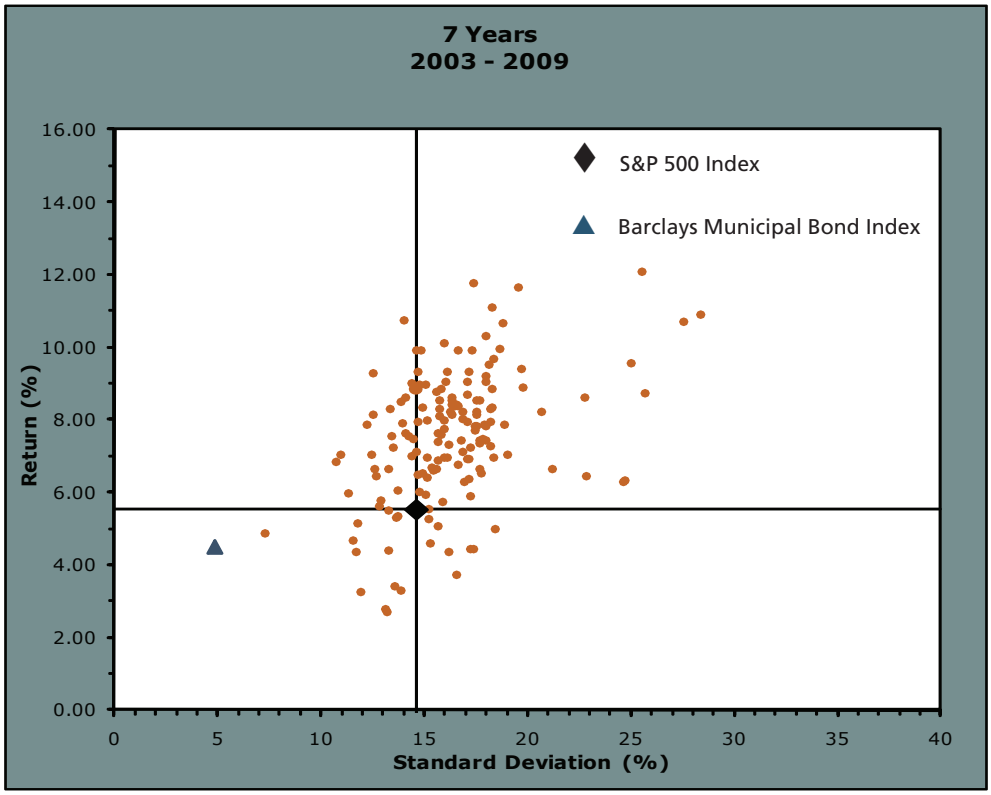
% outperformed S&P 500: 82% (127 portfolios)

% Sharpe Ratio > S&P 500: 85% (152 portfolios)

% upper left quadrant: 17% (27 portfolios)

% in lower right quadrant: 5% (8 portfolio)

Please see important disclosures at the end of this document.



Seven year returns illustrate the benefit of a diversified portfolio over longer periods. Large capitalization companies were a drag on performance during 2002, whereas investments in domestic small cap value and overseas equity boosted returns. Allocations to emerging markets and international small cap in particular raised portfolio returns over the entirety of the time period.

TEN YEAR RETURNS

Over the past ten years ending December 31, 2009, 93 (98%) of the 95 portfolios had a higher return than the S&P 500. The average annual outperformance was 2.95%, 97% had a higher Sharpe ratio.

Number of portfolios: 95

Average return: 2.00%

S&P 500 return: -0.95%

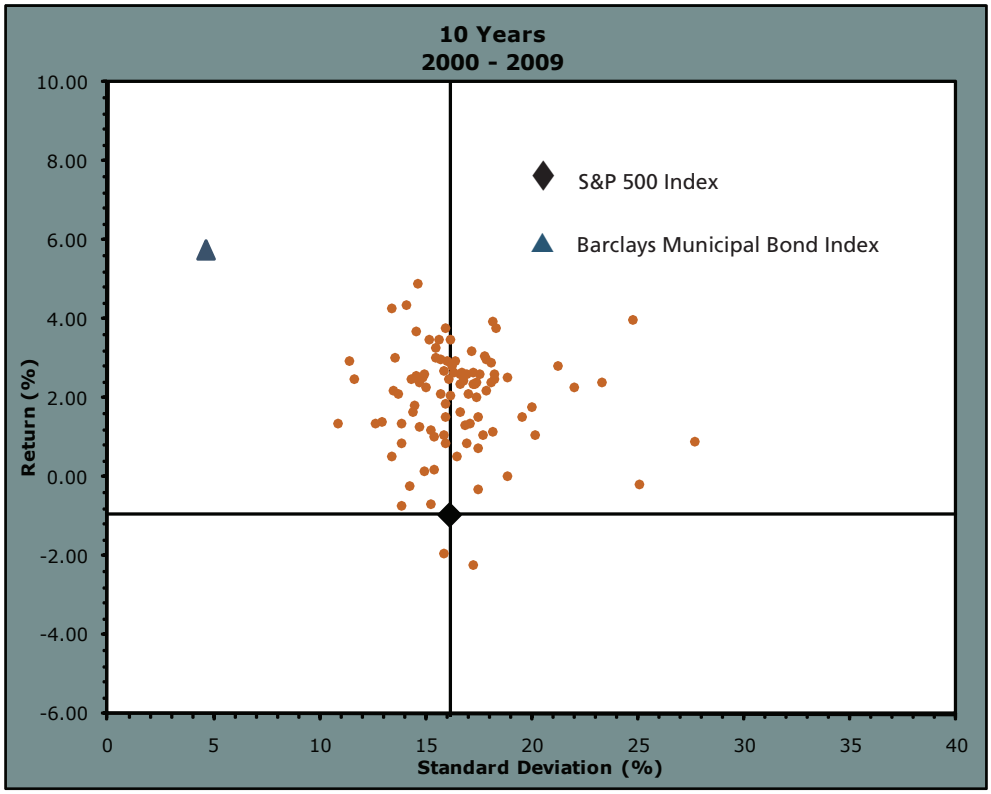
% outperformed S&P 500: 98% (96 portfolios)

% Sharpe Ratio > S&P 500: 97% (92 portfolios)

% upper left quadrant: 47% (45 portfolios)

% in lower right quadrant: 1% (1 portfolio)

Please see important disclosures at the end of this document.



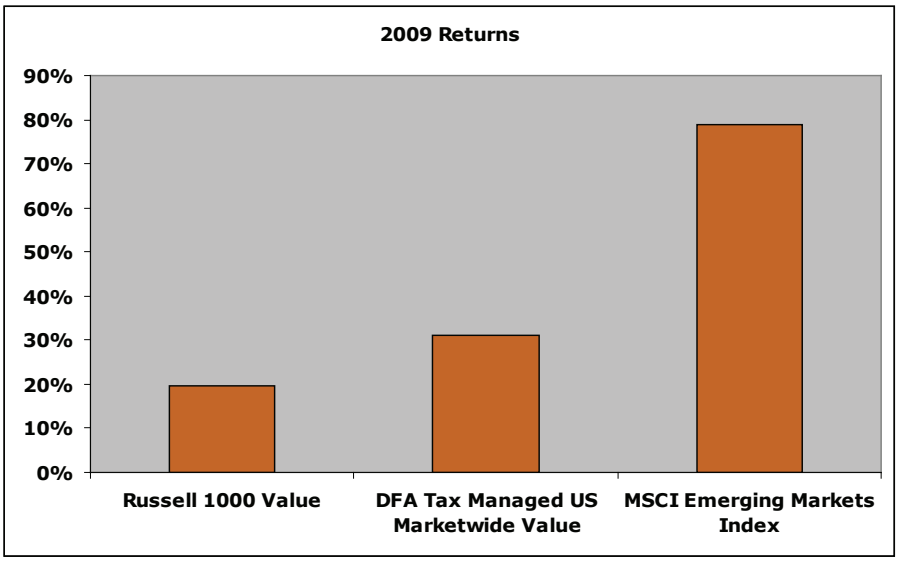
The average return for Aspiriant's portfolios during the so called "Lost Decade" is 2%. Allocations to Emerging Markets, weightings toward the value sector, and fixed income pulled portfolios above the S&P 500 Index return.

THE IMPACT OF ASSET ALLOCATION

There is a connection between an investment philosophy utilizing primarily systematic *active strategies…and the ability to tolerate (and be rewarded by!) exposure to higher risk asset classes.*

Aspiriant's investment philosophy and approach to asset allocation has been important to generating returns for our clients. We believe that asset allocation has a greater potential to increase future returns than does manager selection.

For example, in 2009, the DFA Tax-Managed U.S. Marketwide Value mutual fund beat the Russell 1000 Value index (a popular domestic, large cap value equity index) by 11.38%...an excellent relative result. But choice of asset class had an even bigger impact. The MSCI Emerging Markets index outperformed the Russell 1000 Value index by over 58% in 2009! So while we monitor our managers' performance relative to their own benchmarks, asset allocation decisions have the potential for a much greater impact on portfolio returns.



MAXIMIZING RETURN WITHIN A "RISK BUDGET"

There is a connection between an investment philosophy utilizing primarily *systematic* active[3] strategies (such as the DFA mutual funds prevalent within our clients' portfolios) and overall asset allocation opportunities. Assuming we want to maintain a constant level of overall portfolio risk or volatility (i.e., observe an overall "risk budget") we must choose to allocate that risk between asset class exposures ("market" risk or "beta") and active management ("active" risk) in a given asset class. If we use an active manager for domestic large cap value, for example, we will likely need to reduce our exposure to higher risk asset classes (for example, small cap stocks or emerging markets) in order to keep total risk constant. Alternatively, as we reduce the active risk (which we

[3] Systematic active strategies use technology to gather data and evaluate insights about individual securities, with advanced processes to form these insights into optimal portfolios having minimal uncompensated risks. For more information, please see our whitepaper *Active Management: Our Approach*.

do not believe has an associated expected return) that we allocate to *each* asset class and redirect those risk savings to increase holdings in higher risk asset classes (which we believe do have higher expected returns), we can build portfolios with higher expected returns for a given level of total risk. For a more detailed explanation of our views on active management, please see our July 2005 *Investment Perspectives* white paper titled "Active Management – Our Approach."

Asset allocation decisions that we help our clients make (and persevere in) through our education, coaching, and ongoing reviews and consultations reflect our beliefs but more importantly our careful analysis of clients' needs. Appropriately then, our clients give us credit or hold us responsible, for better or for worse.

INTO THE FUTURE

Over the next year, we will continue to refine and extend our investment platform. First, we are reevaluating our implementation in global public equity markets. We hope to incorporate a number of strategies that are not currently available in traditional mutual funds or separate accounts.

We continue to evaluate the ongoing appropriateness of each of the specific investment vehicles we deploy in each asset class, continuing to work with our existing managers to enhance their offerings, and meeting with investment managers offering additional opportunities or potential alternatives. In select circumstances, we have and will continue to create investment vehicles for our clients to facilitate participation in investment opportunities that are not already publicly available.

One of our goals for 2010 and beyond is to research opportunities for greater downside protection in asset allocation decisions. Capital preservation is a top priority for our research team, in addition to actively seeking out investment managers who can add value to client portfolios. We describe our efforts in our quarterly *Insight* so that clients know that we are constantly looking for new investment opportunities to help them better achieve their goals.

Important disclosures

Performance data is as of 12/31/2009 and is net of all underlying manager fees, and fees charged by Aspiriant and by predecessors to Aspiriant, Kochis Fitz and Quintile Investment Advisors. Performance reflects only assets managed during the entirety of stated time period. Dividends have not been reinvested unless specifically requested by client. Average calculations are equal weighted and may be different from the return and risk of the average dollar under our management (which would require a dollar-weighted performance calculation). Past performance is not a guarantee or necessarily indicative of future results; future clients of Aspiriant will experience different investment returns than those displayed here. All investments may lose value over time.

Data points for former Kochis Fitz clients reflect performance per asset allocation. Former Kochis Fitz performance does not include the most recent performance of alternative investments such as private partnerships, which are reported at a lag. Data points for former Quintile Investment Advisors clients reflect performance per consolidated client asset allocation. Historical Quintile Investment Advisors performance does not include private partnership or hedge fund data. Data points for both former Quintile and former Kochis Fitz includes all client portfolios greater than $500,000. Portfolios smaller than $500,000 are typically not representative of the recommended asset allocations or implementation vehicles.

We exclude client accounts which are dominated (>40%) by single stock positions and client accounts having a long term asset allocations which does not reflect our management style. We also exclude client accounts which solely reflect Separate Account Manager performance and do not reflect our recommended asset allocations.

We exclude clients who have terminated the relationship, which may result in a survivorship bias to the extent that the performance for those clients is substantially different from the broader population. We estimate that the client turnover averaged only 3.2%/year over the time period for this analysis, so any such bias, if present, would be very slight.

The benchmark is the Standard and Poor's 500 Total Return index, which includes both price appreciation and dividends reinvested. The Standard and Poor's 500 is a widely known index of large companies listed on US stock exchanges.

The Sharpe Ratio is a standard measure of the excess return (relative to an investment in a risk-free asset like Treasury bills) per unit of risk (standard deviation of the excess return over time). The Sharpe Ratio is calculated as:

$$S = \frac{R_p - R_f}{\sigma_p}$$

where R_p is the return of the portfolio, R_f is the return to Treasury bills, and σ_p is the standard deviation of the difference between the return of the portfolio and the return to Treasury bills.

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