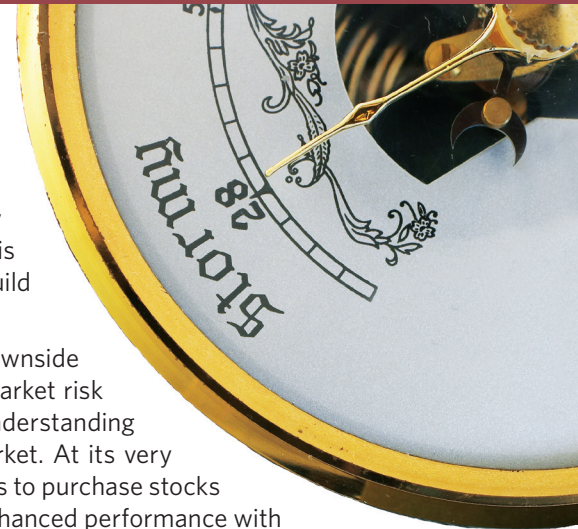


U.S. Large Cap Select

Risk Managed Investing for Volatile Markets

U.S. Large Cap Select is a separately managed account strategy investing in highly liquid U.S.-listed equities. Advanced Equities Asset Management (AEAM) designed this sophisticated program for investors seeking a risk-managed approach that strives to build and maintain wealth.

U.S. Large Cap Select seeks to outperform the S&P 500 index with a bias toward downside risk management. The strategy is designed to accommodate growing concern over market risk while still providing the participation in growth available through equity investing, understanding that diversification alone has deteriorated in its ability to mitigate risk in today's market. At its very core, U.S. Large Cap Select employs a disciplined methodology to identify opportunities to purchase stocks in large U.S. companies that the portfolio management team believes are poised for enhanced performance with a favorable risk/reward tradeoff.



Overview

U.S. Large Cap Select provides:

- A sophisticated equity portfolio in a separately managed account
- Rigorous forensic accounting analysis
- Continuous oversight and active management

Objectives

U.S. Large Cap Select seeks to:

- Offer clients a strategy to handle volatile markets
- Provide returns comparable to the S&P 500
- Deliver an equity portfolio with reduced risks

Disciplined Opportunism

U.S. Large Cap Select follows a GARP (“growth at a reasonable price”) approach, employing proprietary methodologies for forensic analysis of balance sheets and peer comparisons. Investments are centered in large companies deemed inexpensive based on financial yardsticks such as earnings growth, strong management performance (i.e., return on assets or inventory turnover), and cash vs. accrual earnings. Holdings are concentrated in approximately 40-to-60 securities with strong balance sheets and consistent earnings growth. Managers use technical analysis to help identify opportunistic, lower-risk entry points, and will intentionally overweight or underweight certain S&P 500 sectors and styles, although excessive sector/style bets are avoided through broad diversification.

The strategy maintains a constant hedging strategy (by buying instruments designed to go up in value as the market declines, usually in the form of select Exchange Traded Funds, or ETFs) to partially offset some of the portfolio’s market exposure. The amount of hedging is regularly adjusted based upon the manager’s market outlook but the effective hedge is not less than 20% of the account’s market value at any point in time.

An investor should carefully consider investment objectives, risks, charges and expenses before investing in an Exchange Traded Fund (ETF). This information and more complete information, including potential risks, is included in each ETF prospectus, which can be obtained from Advanced Equities Asset Management, Inc. by calling (866) 299-4864. Read prospectus carefully before investing. There is no certainty that any investment or strategy will be profitable or successful in achieving investment objectives.

ETFs may have investment objectives other than matching a particular market index, may have a tendency to trade below net asset value (NAV) and are subject to liquidity risk. Exchange traded funds are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that an investor’s shares, when redeemed or sold, may be worth more or less than their original cost. Inverse funds should lose money when their benchmark indexes rise. Inverse funds also entail certain risks, including inverse correlation, leverage, market price variance and short sale risks. There is no certainty that any investment or strategy will be profitable or successful in achieving investment objectives. Past performance is no guarantee of future results.

Here's how it works:



Systematic Stock Selection Process

AEAM portfolio managers begin the equity inspection process with a universe of 1,000 large cap stocks that are filtered through rigorous fundamental evaluation. Focusing on forensic accounting, this practice involves close examination of cash vs. accruals accounting, looking at more than 40 financial statement metrics, including asset turnover, inventory and receivables data.

Approximately 400 (of the original 1,000) equities that meet AEAM's stringent evaluation criteria are given the all-clear and are then subjected to a GARP assessment that compares the companies' earnings growth and valuations to their closest peers. This second "filter" reduces the universe of target equities to 100 stocks.

The final 100 stocks are ranked in order of preference, based on factors such as the earnings growth and surprise history as well as recent analyst revisions. Lastly, a technical analysis identifies those securities that are at lower-risk entry points to allow portfolio managers to determine the 40-to-60 stocks with the most attractive risk-to-reward characteristics.

U.S. Large Cap Select's stock selection process is repeated weekly, with daily monitoring, trading, and adjustments as necessary. Similarly, the firm's macro market model, which analyzes several key economic, technical, valuation, fundamental, and sentiment indicators, is updated weekly and is used to set the target hedge exposure, typically varying between 20-40%.

Account Structure

Each client portfolio is established in a separately managed individual account, and subsequent gains and losses generated are exclusive to the individual account holder alone. The wrap fee of this separately managed account is inclusive of all fees, including commission costs.

Investment Team

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