

F-Squared Alternative Investments, LLC

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Form ADV, Part 2A Brochure

December 31, 2011

This brochure provides information about the qualifications and business practices of F-Squared Alternative Investments, LLC (hereinafter “F-Squared”). If you have any questions about the contents of this brochure, please contact us at 866-288-7657 or info@f2inv.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that F-Squared or any person associated with F-Squared has achieved a certain level of skill or training.

Additional information about F-Squared is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for F-Squared Alternative Investments, LLC is: 158464

Item 2: Summary of Material Changes

Revised December 31, 2011

This Brochure dated December 31, 2011 replaces the November 11, 2011 initial filing. The material changes included are that F-Squared Alternative Solutions, LLC (“F-Squared”) began accepting clients during the fourth quarter of 2011, with the launch of the F-Squared AlphaSector Leveraged Long Short, LP (“Private Fund”), Model Portfolio SMA Indexes (“SMA”) and Sub-Advisory Services (“Sub-Advisory”).

A new 100% owned subsidiary of F-Squared, AlphaSector LLS GP1, LLC was formed and named the General Partner for the Private Fund.

The fee structures have been revised for each product offering as described further below.

F-Squared has maintained its investment strategies, client relations and industry standards.

The initial filing of ADV Part 2A was on November 11, 2011.

Item 3: Table of Contents

Item 1 Cover Page.....	Page 1
Item 2 Material Changes.....	Page 2
Item 3 Table of Contents.....	Page 3
Item 4 Advisory Business.....	Page 4
Item 5 Fees and Compensation.....	Page 5
Item 6 Performance Based Fees.....	Page 7
Item 7 Types of Clients.....	Page 7
Item 8 Methods of Analysis, Investment Strategies, and Risk of Loss.....	Page 8
Item 9 Disciplinary Information.....	Page 13
Item 10 Other Financial Industry Affiliations.....	Page 13
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	Page 14
Item 12 Brokerage Practices.....	Page 15
Item 13 Review of Accounts.....	Page 16
Item 14 Client Referrals.....	Page 16
Item 15 Custody.....	Page 17
Item 16 Investment Discretion.....	Page 17
Item 17 Voting Client Securities.....	Page 18
Item 18 Financial Information.....	Page 18

Item 4: Advisory Business

Description of our Firm:

Founded in 2011, F-Squared Alternative Solutions, LLC (“F-Squared”) is an index manager and SEC registered investment management firm located in Newton, Massachusetts, that provides investment advisory and portfolio management services for a wide range of clients

F-Squared is a wholly owned subsidiary of F-Squared Investment Management, LLC. F-Squared Investment Management, LLC is a privately owned company with no one individual shareholder owning 25% or more of the company as of December 31, 2011.

Types of Advisory Services We Offer:

F-Squared provides active index solutions and offers investment management services to a wide range of clients. F-Squared offers both long only as well as long/short strategies.

F-Squared provides investment management and model management services on a discretionary basis to the Private Fund (“Private Fund”), Separately Managed Accounts (“SMA”) and Sub-Advisory Services (“Sub-Advisory”).

F-Squared offers investment solutions utilizing our AlphaSector™ strategies:

- **AlphaSector™ Strategies:** Investment portfolios designed to create long-term value by seeking to limit losses in down markets while participating when markets are positive. These portfolios track our family of AlphaSector Indexes, and are actively offered to Advisors, Brokers, Wealth Managers, Family Offices, Trust Companies, and Institutional Investors. Individual investors can access the strategies through one of our sub-advised mutual funds or our many distribution partners. Investment portfolios are delivered in multiple formats and through many operational means to meet the needs of our clients.

Private Funds

Investments for the Private Fund are managed in accordance with the investment objectives set forth in the Confidential Offering Memorandum for each private fund and are not tailored to the individual needs of any particular investor. The investment services to the Private Fund are provided by AlphaSector LLS GP1, LLC (“General Partner”), which is a 100% owned subsidiary of F-Squared.

Separately Managed Accounts, Model Portfolios, and Institutional Separate Accounts

F-Squared creates multiple investment strategies eligible for sale as Separately Managed Accounts (SMAs), Institutional Separate Accounts, or Model Portfolios. These strategies typically track one of our AlphaSector Indexes.

Sub-Advisory Services

F-Squared creates multiple investment strategies eligible for sale as sub-advisory solutions to mutual funds, exchange traded funds (ETFs) and variable annuities (VAs). The fees charged by F-Squared for sub-advisory solutions for these vehicles are negotiated.

Although there are currently no existing relationships, F-Squared will typically receive advisory fees monthly from the net assets of the Sub-Advisory investment vehicle, computed and accrued daily. Investors in the Sub-Advisory vehicle bear their proportionate shares of each vehicle's fees and expenses, including their pro rata share of F-Squared's Sub-Advisory fees.

Information concerning the Sub-Advisory relationship, including a description of the services provided and the fees charged for those services, is generally contained in each investment vehicle's prospectus.

The minimum for these services is \$25 million.

Tailored Advisory Services:

F-Squared is an index provider and model manager, offering investment strategies that track our AlphaSector and AlphaCycle Indexes. Although our primary business is that of index provider and model manager, F-Squared may offer custom advisory services to Institutional Investors. As the majority of our investment services involve model management, we generally do not allow clients to impose restrictions on investing in certain securities or types of securities.

Wrap Fee Programs:

F-Squared does not currently participate in any wrap fee programs by providing portfolio management services.

Assets under Advisement:

As of 12/31/2011, the total assets under advisement for F-Squared are as follows:

<i>Discretionary:</i>	\$1,606,804
<i>Non-Discretionary:</i>	\$ 0
<i>Total:</i>	\$1,606,804

Item 5: Fees and Compensation

Fee Schedule:

F-Squared receives an investment management fee for its advisory services based on the market value of the assets under advisement. The most typical pricing options for providing SMAs or Model Portfolios, excluding operational costs, are shown below.

Management Fees and Compensation

F-Squared receives an investment management fee for its advisory services based on the market value of the assets under advisement. The most typical pricing options for providing portfolios, excluding operational expenses, are as follows:

- **Private Fund:** The private fund will pay to the General Partner a management fee calculated at an annual rate of 1.5%, paid quarterly in advance. The General Partner is a 100% owned subsidiary of F-Squared.
- **SMA Portfolio:** The SMA provider will pay to F-Squared a management fee calculated at an annual rate of up to 1.00% of the daily average of the Client's account. Specific management fee schedules may be separately negotiated with the relevant platform or intermediary. Therefore the fees may be more or less than a similar strategy depending upon the platform the account resides.
- **Sub-Advisory Vehicles:** Fee schedules for clients participating in sub-advisory programs may be separately negotiated with the relevant client or intermediary. Therefore the fees may be more or less than a similar strategy depending on the Sub-Advisory investment vehicle the individual is invested.

How Fees are Paid:

Generally, firms are billed at the end of each quarter on any assets under management that utilize our investment strategies. Firms that utilize our investment strategies may choose different billing methods for applying fees to the underlying investors.

Other Types of Fees or Expenses:

F-Squared provides investment advisory services in the form of model portfolios or indices. Such arrangements are not uniform and fees are separately negotiated.

In addition to the advisory fees charged by F-Squared, clients may also incur fees and expenses charged by custodians and imposed by broker dealers, including but not limited to any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). See item 12 which describes our brokerage practices and details the process for reviewing and recommending a broker dealer for clients' transactions in applicable situations.

Costs of trading and operations for the SMA and Model Portfolio are determined by the SMA platform sponsor or trading platform. Fee collection schedules are typically assigned by the platform sponsor. These fees may be negotiable based on operational support and expected future asset growth.

All fees paid to F-Squared are for investment advisory services and are separate and distinct from the fees and expenses charged by the underlying Exchange Traded Funds used in our models. Sub-Advisory investment vehicle expenses are described in each vehicle's prospectus. Accordingly, clients should review both the fees charged by the ETFs and the fees charged by F-Squared to fully understand the total amount of fees to be paid and evaluate the advisory services being provided.

Although F-Squared may bill its clients in arrears, some SMA Platforms or investment advisors that utilize our investment strategies may choose to bill the underlying investor in advance. Investors should refer to their investment advisor or SMA Platform provider for information on billing practices, and where applicable, their policy on refunds for "fees in advance" payment structures.

The fees charged to the Private Fund are usually billed in advance.

Neither F-Squared nor any of its supervised employees receive additional compensation for the sale of securities or other investment products to our clients.

Item 6: Performance-Based Fees

F-Squared may receive a performance based fee for its advisory services based upon the results of the assets under advisement. The most typical pricing options for providing these services are as follows:

- Private Fund: An Incentive Allocation is paid to the General Partner. The General Partner will receive 20% of gross profits (less management fees and losses and expenses incurred by the Partnership) if returns exceed a non-cumulative hurdle rate of 8% per annum.
- SMA Portfolio: Performance fees are calculated either at the individual account or index level based upon the capabilities of the platform. F-Squared will generally receive 20% of the net return calculated quarterly with up to a 2% quarterly hurdle rate.

Item 7: Types of Clients

F-Squared provides investment advisory services to a number of clients which may include private funds, wealth management and investment advisory firms, registered investment companies, pensions, endowments, trusts, other business entities, and individuals.

There are minimums for accounts, varying by account type.

The minimum initial investment for the Private Fund is \$5,000,000 and \$250,000 for subsequent investments, both subject to the discretion of the General Partner. The minimums for the SMAs are typically determined by the SMA platform sponsor or operational provider, and can range from \$50,000 to \$250,000 for individual accounts. Institutional accounts typically have a minimum of \$10,000,000. Costs of trading and operations for the SMA and Model Portfolio are determined by the SMA platform sponsor or trading platform.

Fee collection schedules for SMA and Sub-Advisory relationships are typically determined by the platform sponsor. These fees may be negotiable based on operational support and expected future asset growth.

F-Squared creates multiple investment strategies eligible for sale as sub-advisory solutions to private funds, mutual funds, exchange traded funds (ETFs) and variable annuities (VAs). The fees charged by F-Squared for sub-advisory solutions for use within commingled vehicles are negotiated and the minimums for these services are \$25 million.

F-Squared may waive any and all minimum account requirements at their sole discretion.

Item 8: Method of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis:

The AlphaSector Strategies use a purely technical analysis model that seeks to modestly outperform its assigned benchmark in growth markets and seeks to significantly outperform its benchmark during bear markets. Our model is based on three primary components:

- Historical Price Return
- Volatility
- Changing Levels of Volatility

Our model analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially forecast performance of a particular sector relative to cash returns. This results in a binary decision that determines whether a sector is either invested into or removed from the portfolio.

F-Squared also receives data input into the process from outside investment firms, data providers, or consultant firms for our AlphaSector Indexes. These firms include Morningstar, Standard & Poors, New Found Research, and Active Index Solutions.

Investment Strategies:

Long/Short Strategy:

The investment objective of the Long/Short Strategy employs a similar systematic approach to construct a portfolio of ETFs with varying degrees of exposure. The portfolios are rebalanced to weight toward those ETFs that are priced at the largest discount for our long positions and those that are priced at the largest premium for our short positions, as determined by F-Squared's proprietary "AlphaSector" model ("Model"). The objective is to achieve capital appreciation through both long and short investments in exchange-traded funds. The Model identifies industry sectors that are predicted to have positive or negative price movement, and the investment portfolio will be positioned with long and short sector exposures accordingly. The portfolio will also use dynamic leverage to seek to increase long exposure when the Model predicts that a majority of the sectors will have positive performance. F-Squared will also utilize a proprietary methodology which will seek to remove all short exposure in the portfolio when the market is predicted to rebound.

F-Squared also offers long only suites of products through the AlphaSector strategies.

AlphaSector Indexes are a suite of investments that are designed to meet the REAL needs of investors: relative performance in rising markets, and significant risk controls in declining markets. Limiting losses has been proven to both improve wealth creation and increase the success rate of systematic withdrawal programs for either individual or Institutional Investors.

All of the AlphaSector Indexes (currently eleven) utilize exchange traded funds (ETFs) with all security decisions made with the intent of limiting losses during negative markets, in particular during significant market declines. In periods of extreme market distress, a partial or complete allocation to short-term

bonds (a “cash equivalent” investment) is allowed. A cash equivalent is viewed as the only safe haven in times of significant bear markets.

This approach to investing is taken for two reasons. First, losses have an exponentially negative impact on long-term returns (a 50% loss requires a subsequent 100% gain to return to breakeven). Second, when comparing the frequency and extent of extreme losses versus extreme gains of most equity asset classes, the extreme losses are both much more frequent and cumulatively greater than the extreme gains. Focusing all decisions on limiting losses creates an “odds-in-your-favor” approach to investing.

The investment models, portfolio design, and ETFs within the portfolio for our flagship US equity versions of the Indexes have been used to manage actual clients assets since April, 2001 (primarily in the form of SMAs), and are therefore stress-tested across two bear markets and a bull market.

The core philosophy and methodology behind our AlphaSector strategies and Indexes were designed to meet the REAL needs of individual and wealth investors. This means that our AlphaSector suite of Indexes and strategies is designed to modestly outperform their benchmarks in normal bull markets, but dramatically outperform in significant down markets or bear markets.

The Long Only Strategy of AlphaSector strategies seek to provide superior downside risk management, especially in weak markets. The long-only strategy represents a powerful but simple story, and use NO derivatives, leverage, or shorting.

Portfolio Construction and Design

AlphaSector US Equity strategies model utilizes exchange traded funds (ETFs) representing the 9 sectors of the S&P 500 or short-term Treasuries. The implementation of the strategy is through ETFs, which are low cost, highly liquid index-linked vehicles tracking the performance of each respective sector. The ETFs most often used are published by State Street Global Advisors, and include the Select Sector SPDRs and an ETF tracking short term Treasury securities as the proxy for a cash equivalent. As such, there are a maximum number of 9 securities in the portfolio at any one time, resulting in operational ease and lower transaction costs.

The Private Fund utilizes the AlphaSector US Equity Strategy as its foundation.

AlphaSector Global and International strategies include ETFs that represent MSCI EAFE (EFA) and Emerging Markets (EEM).

AlphaSector Allocator strategy is a diversified portfolio adding in ETFs tracking traditional fixed income asset classes and “alternative” asset classes such as gold and REITs.

All monthly AlphaSector Index portfolios are rebalanced monthly. All Premium Indexes are reviewed weekly for reconstitution and rebalancing.

Default “position” within each Index is to have all available ETFs (other than cash equivalents) invested and equally weighted within that index or sleeve at the time of rebalancing. Decisions to remove a sector, asset class or short position from the portfolio at any time are based on a probabilistic determination that that sector or asset class is viewed as likely to lose money on a forward looking basis.

For example, the flagship US Equity AlphaSector Indexes determine when to “turn off a sector” through analysis from a proprietary analytical engine that evaluates “true” sector trends while adjusting for

market “noise” and for changing levels of volatility within each sector. ETFs are included in the portfolio based on a binary model: A positive signal results in inclusion in the portfolio, and a negative signal results in complete removal from the portfolio. All sectors, or asset classes included in an index or sleeve of the Global and Allocator indexes, are equally weighted at the time of rebalancing. The maximum allocation to any one sector within the domestic equity indexes is capped at 25% of the portfolio at the time of rebalancing.

When our models signal a Bear Market (defined as having 6 or more of the 9 US sector ETFs removed due to the expectation of future losses) AlphaSector will begin to build a position in short-term Treasuries, which can include up to 100% of the portfolio. This ability to automatically shift to a defensive position in times of broader market weakness is critical to the portfolio's ability to manage downside risk exposures and protect client returns.

For more information about the philosophy, methodology and construction of any individual AlphaSector Index, please see our website at www.f2inv.com.

Risk of Loss:

All investments in securities include a risk of loss that clients should be prepared to bear. This includes the risk of capital (invested amount) and any profits that have not been realized. Stock and bond markets may fluctuate substantially over time, and performance of any investment is not guaranteed.

Our investment strategies may not achieve their objectives, and they are not intended to be a complete investment program.

The principal risks of our strategies are:

- **Market Risk:** The risk that the value of the securities in which the strategies invest may drop in reaction to tangible and intangible events and conditions, independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may cause a change in the value of the securities. Price changes may be temporary or may last for extended periods.
- **Equity Securities Risk:** The risk that events or circumstances at a particular industry, or a particular company within an industry will impact the value of the stocks and ETFs held by the strategy and thus, the value of your investment over short or extended periods.
- **Interest-Rate Risk:** The risk that fluctuations in interest rates may cause investment prices to fluctuate and impact the value of Fixed Income securities or ETFs held by the strategy. For example, when interest rates rise, yields on existing bonds become less attractive causing their market values to decline.
- **Exchange-Traded Funds (ETFs) Risk:** The risk that the value of an ETF that the strategies invest in will be more volatile than the underlying portfolio of securities the ETF is designed to track, or that the costs to the fund of owning shares of the ETF will exceed those the fund would incur by investing in such securities directly.

- **Sector Concentration Risk:** The risk that events negatively affecting an industry or market sector in which the strategy invests will cause the overall value of the strategy to decline. To the extent that some of our investment strategies invest significant portions of their strategy in ETFs representing particular markets or sectors (such as Energy, Healthcare, Real Estate, etc.) or in an ETF representing U.S. Treasuries, the strategy is more vulnerable to conditions that negatively affect such sectors as compared to investment strategy that is not significantly invested in such sectors.
- **Turnover Risk:** The risk that frequent trading will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains that can negatively impact your overall investment as compared to investments in strategies with low turnover. Some of our investment strategies may involve frequent trading and/or turnover and investors should carefully consider the impact of taxes and brokerage costs on their investment portfolio.
- **U.S. Government Securities Risk:** The risk that U.S. Government securities in the strategy will be subject to price fluctuations, or that an agency or instrumentality will default on an obligation not backed by the full faith and credit of the United States.
- **Quantitative Risk:** The risk that the effectiveness of the quantitative model used for the strategy can dissipate over time as similar strategies are adopted and as the market becomes more efficiently priced.
- **Programming / Modeling Risk:** F-Squared's research and modeling process is extremely complex and the results of that process must then be translated into computer code. Although F-Squared seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raises the chances that the finished model may contain an error; one or more of such errors could adversely affect a client's portfolio and likely would not constitute a trade error under F-Squared's policies.
- **System Risk:** F-Squared relies extensively on computer programs and systems in its proprietary modeling to evaluate securities, to monitor its portfolio, and to generate reports that are critical to oversight of its activities. In addition, certain systems operated by third parties, including the private fund's prime brokers and market counterparties and their sub-custodians and other service providers, may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on F-Squared's activities. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect F-Squared's ability to monitor its investment portfolios and its risks.
- **Operational Risk:** F-Squared has developed systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar

disruption in F-Squared's operations may cause F-Squared to suffer financial loss; the disruption of its business; liability to clients or third parties; regulatory intervention; or reputational damage. F-Squared relies heavily on its financial, accounting and other data processing systems.

- **Counterparty Risk:** Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Should counterparty fail to fulfill its obligations to F-Squared, clients could potentially incur a loss as a result of counterparty credit exposure.
- **Prime Broker Risk:** Private fund positions may be held in accounts maintained for F-Squared or its affiliates by its prime brokers. The prime brokers, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the private fund securities positions are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, it is impossible to generalize about the effect of a prime broker's insolvency on the private funds and its securities positions. The insolvency of any private fund's prime broker could result in the loss of all or a substantial portion of the private fund's securities positions held by such prime broker, or could result in substantial disruption of the private fund's operations, including withdrawals by investors.
- **Swaps and Derivatives Risk:** F-Squared may make use of swaps and other forms of derivative contracts. In general, a derivative contract (including options) typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Depending on the strategy, many of the derivative contracts used by F-Squared may be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty or the counterparty's guarantor. These transactions may also involve significant transaction costs and may expose a portfolio to counterparty risk.
- **Short Selling Risk:** A short sale involves the sale of a security that a portfolio does not own in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. To make delivery to the buyer, the portfolio must borrow the security, and the portfolio is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the portfolio. In some cases, the lender may rescind the loan of securities and cause the borrower to repurchase shares at inflated prices, resulting in a loss. When a portfolio makes a short sale in the United States, it must leave the proceeds with the broker and it must also deposit with the broker an amount of cash or marketable securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are affected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. The extent to which a portfolio will engage in short sales depends upon F-Squared's investment strategy and perception of market direction. In addition, global regulatory prohibitions on short sales may impair F-Squared's

ability to implement its investment process. Bans may add additional constraints to a strategy, which may increase transaction costs as well as the time required to monitor compliance with the restrictions.

- **Leverage Risk:** Certain of F-Squared's strategies utilize varying amounts of leverage, which involves the borrowing of funds and may also be embedded in financial instruments, including short sales, over-the-counter derivatives, options, swaps, and forwards, which enable investors to gain exposure to assets whose value exceeds the amount of capital necessary to obtain such exposure. The use of leverage allows F-Squared to increase its exposure to assets, such that total assets may be greater than capital invested. However, the use of leverage may also magnify the volatility – or the likelihood of short-term changes in value – of any portfolio. The effect of the use of leverage in a portfolio may result in losses to the portfolio that exceed losses to the portfolio if such portfolio did not utilize leverage.

Item 9: Disciplinary Information

F-Squared has no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer Affiliations

F-Squared is not registered nor does it have an application pending to register as a broker-dealer. One of its management persons is a registered representative of a broker-dealer.

Futures/Commodities Affiliations

F-Squared, nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Investment Company Affiliations

F-Squared Investments, LLC and subsidiaries maintain a relationship with Virtus Investment Partners of Hartford, Connecticut and serves as sub-advisor for several open-end mutual funds registered under the Investment Company Act of 1940. Those mutual funds are the Premium AlphaSector Fund, the Global Premium AlphaSector Fund, the Allocator Premium AlphaSector Fund and the AlphaSector Rotation Fund. F-Squared Investment Management, LLC and subsidiaries also sub-advises the Virtus Variable Annuity Trust.

F-Squared Investment Management, LLC and its subsidiaries also maintain a relationship with Caldwell Trust Company of Sarasota, Florida and serves as sub-advisor for the Sector Allocation Model Fund, an open end mutual fund registered under the Investment Company Act of 1940.

F-Squared Investment Management, LLC and its subsidiaries also maintain a relationship with Risk Paradigm Group, LLC of Austin, TX and serves as sub-advisor for RPg Emerging Market Sector Rotation Fund, an open end mutual fund registered under the Investment Company Act of 1940.

F-Squared Alternative Investments, LLC's 100% owned subsidiary AlphaSector LLS GP1, LLC is the General Partner and provider of investment services to the Private Fund (F-Squared AlphaSector Leveraged Long Short, LP), as set forth in the Confidential Offering Memorandum.

Investment Adviser Affiliations

F-Squared is a subsidiary of F-Squared Investment Management, LLC. Other subsidiaries of F-Squared Investment Management, LLC include F-Squared Institutional Advisors, LLC, F-Squared Retirement Solutions, LLC, F-Squared Investments, Inc., F-Squared Institutional Solutions, LLC and AlphaSector LLS GP1, LLC.

The relationships or arrangements described above do not create a material conflict of interests with any of our clients.

F-Squared does not recommend or select other investment advisers for our clients and receive compensation directly or indirectly from those clients.

Item 11: Code of Ethics, Participation in Client Transactions and Personal Trading

F-Squared has adopted a Code of Ethics which sets forth high ethical standards of business conduct for our employees and governs a number of potential conflicts of interest that we may encounter when providing investment advisory services. This Code is based on the principle that F-Squared owes a fiduciary duty to the investors for which we serve as an adviser. In adherence with this Code, F-Squared and its employees must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of our Clients. The Code seeks to place the interests of F-Squared Clients over the interests of the firm and any of its employees, and to comply with the applicable Federal Securities Laws and other applicable law.

F-Squared distributes the code to each employee at the time of hire and annually thereafter. Each employee is required to sign the Code acknowledging that they have read, understand, and will abide by the Code and its requirements. Our Chief Compliance Officer conducts training and monitors employee activity to ensure compliance with the Code.

F-Squared will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code includes, but is not limited to the following:

- Requirements on fiduciary duty
- Prohibitions on the acceptance of gifts and entertainment that exceed our policy standards
- Prohibitions on insider trading and communication of material non-public information
- Requirements on the handling of confidential information
- Requirements for pre-clearance of employee transactions
- Identification and pre-clearance requirements on accounts where employees have beneficial interest

- Requirements for reporting all personal securities transactions

Personal Securities Transactions Requirements

All Access Persons must not engage, and must not permit any other person or entity to engage, in any purchase or sale of a Reportable Security in which such Access Person has, or by reason of the transaction will acquire any direct or indirect Beneficial Ownership, unless (i) the transaction is an Exempt Transaction (as set forth below) or (ii) he/she has have complied with the provisions set forth below.

Pre-clearance

Access Persons must seek to obtain pre-clearance trading approval from the Chief Compliance Officer to purchase or sell any Reportable Security which has been placed on the “Restricted List” for which the person has or will have by reason of the trade a Beneficial Ownership and that the Adviser actively engages in trading, advisory services or performs research on such Reportable Security.

Finally, Access Persons must seek to obtain pre-clearance trading approval from the Adviser before directly or indirectly acquiring Beneficial Ownership in any Security in an Initial Public Offering or in a Limited Offering.

Exempt Securities

Access Persons are required to report all transactions in Reportable Securities. The following are generally not considered Reportable Securities:

- Direct obligations of the Government of the United States;
- Bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements;
- Shares issued by money market Funds;
- Shares issued by open-end Funds except Reportable Funds.

Item 12: Brokerage Practices

F-Squared’s objective in selecting brokers and dealers and in effecting portfolio transactions is to seek the best combination of price and execution with respect to its accounts’ portfolio transactions.

For SMA and Sub-Advisory relationships, any selection or recommendation of broker-dealers for client transaction is generally made by the SMA or Sub-Advisory platform manager and not F-Squared.

For institutional accounts, F-Squared may from time to time recommend a broker-dealer to execute the trading of underlying securities. In those circumstances, F-Squared will use best efforts to select and recommend a broker dealer that will provide the best services at the lowest commission rates. Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker is appropriate if the difference in cost is reasonably justified by the quality of the service offered. When reviewing a brokerage firm and the services they provide, our assessment includes, but is not limited to the following:

- Reputation/Stability of brokerage firm
- Ability to execute trades in a timely and efficient manner

- Ability to interface with client's custodian bank
- Competitive Commission Rates

F-Squared currently does not receive soft dollar benefits from broker dealers for any of its activities including the Private Fund.

For SMA and Sub-Advisory relationships where F-Squared acts as a model manager, practices surrounding Research and Other Soft Dollar Benefits are not applicable. F-Squared does not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions.

The Private Fund trades on different days with varying model outputs than the SMA and Sub-Advisory platforms where F-Squared acts as a model manager. Therefore, practices surrounding aggregation of purchase or sale of securities for client accounts are not applicable. Any aggregation of orders would be done only by the SMA Platform Manager.

Item 13: Review of Accounts

For the AlphaSector Leveraged Long Short, L.P., F-Squared will review unaudited holdings and cash weekly and review the unaudited portfolio monthly. For the SMA accounts, F-Squared generally does not have access to client accounts.

F-Squared generally does not have access to client accounts for SMA or Sub-Advisory relationships. In limited circumstances, F-Squared will manage a limited number of accounts for friends and family or institutional clients. These accounts are reviewed quarterly to ensure that all transactions are in accordance with model instructions and that any tracking error to the index is within a reasonably acceptable threshold. All institutional accounts are also reviewed post any trading activity to ensure proper trade execution and settlement. These accounts receive confirmation of activity reports post any trading activity and on receive account statements on a quarterly and annual basis. These reports are provided by the custodian or SMA Platform provider that administers the account.

Item 14: Client Referrals and Other Compensation

Other Compensation

F-Squared does not have any compensation agreements where we receive cash or other economic benefit from someone who is not a client of ours in connection with providing services to our clients.

Client Referrals

F-Squared does not directly or indirectly compensate any person for referrals of individual person accounts. If an Institutional Client or model manager relationship is introduced to F-Squared by an unaffiliated or an affiliated solicitor, F-Squared may pay that solicitor a referral fee. Any such referral fee shall be paid solely from F-Squared's revenue and shall not result in any additional charge to the

Client. If the Client is introduced to F-Squared by an unaffiliated solicitor, the solicitor shall provide the Client with a copy of F-Squared's ADV Part 2 Brochure and a copy of the solicitation arrangement including compensation.

Item 15: Custody

The Private Fund will have its assets custodied at Merrill Lynch Professional Clearing Corp.

For SMA and Sub-Advised portfolios, it is generally F-Squared's policy not to take custody of clients' securities. As such, F-Squared is not granted access to our clients' accounts and does not have permission to withdraw, transfer, or otherwise move funds or cash from any client account (other than limited access to a small number of "friends and family" and institutional accounts as described below). Custodians are typically selected by the investment advisor, institutional client, or SMA Platform Manager.

F-Squared maintains a small number of "friends and family" accounts through Folio Advisors, an SMA Platform Manager for which it has limited access to view balances and execute trades consistent with our models.

The Private Fund will receive unaudited reports of the performance of the Private Fund monthly and quarterly and audited year-end financial statements annually, with the Private Fund's first audit to be completed after the fiscal year ending December 31, 2011.

F-Squared does not send out any statements to SMA or Sub-Advisory clients.

Item 16: Investment Discretion

F-Squared manages the Private Fund on a discretionary basis. The discretion is constrained by the investment model as outlined in the Limited Partnership Agreement.

For SMA and Sub-Advised clients, F-Squared does not accept discretion over individual clients' accounts. F-Squared may have limited investment discretion over the assets that it sub-advises. This discretion is limited to advising on the trade allocations within the fund to match our investment models as outlined in the sub-advisory agreement with the investment company.

F-Squared also maintains limited discretion over a small number of "friends and family" accounts through Folio Advisors, and SMA Platform Manager. The discretion for these accounts involves limited access to balance inquiries and execution of trades in accordance to the models for which the clients have subscribed.

F-Squared also may maintain limited discretion over a small number of institutional accounts. The discretion for these accounts involves limited access to balance inquiries and execution of trades in accordance to the models for which the clients have subscribed.

Item 17: Voting Client Securities

The Private Fund invests exclusively in ETFs. Voting authority for all corporate actions of underlying security holdings of the ETF remain with the ETF provider. In rare instances where the actual ETF has a corporate action, the voting authority will remain with F-Squared.

For SMA and Sub-Advised clients, F-Squared serves as a model manager and as a matter of firm policy and practice, does not accept authority to vote proxies on behalf of clients. Clients may receive a copy of our proxy voting policy and procedure upon request. As a model manager, underlying securities are held in the name of the client and under this structure they will retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Generally, proxies or other solicitations will be received by the client directly from the custodian or transfer agent. Clients are encouraged to contact their SMA Platform Manager or Investment Adviser or Custodian with questions related to proxies and solicitations. If clients need further assistance with this process, they may contact F-Squared at 866-288-7657 with any questions related.

Item 18: Financial Information

Not applicable.

F-Squared has never been the subject of a bankruptcy petition.

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F-Squared Alternative Investments, LLC

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2221 Washington Street, Suite 201
Newton, MA 02462
857-404-0840
www.f2inv.com

Part 2B of Form ADV: Brochure Supplement

December 31, 2011

- Howard B. Present, Chief Executive Officer
- George D. McClelland, Vice Chairman
- Richard B. Weed, CFA, Managing Director
- James T. Celico, Managing Director
- Mark A. Marinella, CFA, Managing Director, Investments
- Thomas W. Hagstrom, CFA, Senior Vice President, Investments
- John J. Harrington, CFA, Senior Vice President, Investments
- Kevin R. Orr, Senior Vice President, Investments
- Vadim Fishman, Managing Director and Chief Technology Officer

This brochure supplement provides information on our personnel listed above and supplements the Brochure. This document should accompany the Brochure (Part 2A of Form ADV).

If you have not received the brochure or have any questions about the content of this supplement or the professional qualifications of our investment professionals, please contact us at 866-288-7657 or info@f2inv.com.

Additional information about F-Squared Alternative Investments, LLC and/or our investment personnel is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number.

The CRD number for F-Squared Institutional Advisors is 154802.

Item 2: Educational Background and Business Experience

Howard B. Present – Chief Executive Officer

Year of Birth: 1961

Education:

- Masters of Business Administration, Emory University
- Bachelors of Science Petroleum Engineering, University of Texas at Austin

Business Background:

Prior to F-Squared Investments, Mr. Present was Founder and President of Helicon Partners LLC, a boutique management firm specializing in new business development within the financial services industry.

Previously, Mr. Present was Managing Director at Evergreen Investments where he was a member of Executive Committee. Mr. Present ran global product management and strategy for the firm, led the successful multi-billion dollar business launch into closed end funds, and was business owner of the Alternative Investments, Managed Accounts, and 529 businesses. He was also a lead participant in the firm's M&A efforts.

Prior to joining Evergreen, he was a Managing Director at Putnam Investments, where he founded the firm's Corporate Product Management department. He also was Partner and Director of Strategy for the Boston Financial Group, a leader in the real estate investment industry, and spent 6 years at Chase Manhattan Private Bank where he ran the firm's offshore fund business.

Item 3: Disciplinary Information

Howard Present has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Howard Present is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

Howard Present does not receive any additional compensation for providing advisory services beyond the compensation he receives as Chief Executive Officer

Item 6: Supervision

Howard Present reports directly to the F-Squared Investment Management, LLC's (the parent company of F-Squared Alternative Investments, LLC) Board of Directors. You may contact the Vice-Chairman of the Board, George McClelland directly at 857-404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Mr. Present's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

George D. McClelland – Vice Chairman

Year of Birth: 1946

Education:

- Masters of Business Administration, Harvard Business School (with distinction)
- Bachelors of Arts in Economics, Trinity College (cum laude)

Business Background:

Mr. McClelland is Co-Founder, Vice Chairman, and Director of Business Development for F-Squared Investments. Mr. McClelland has experience in the computer, software, telecommunications, financial services, Internet auction, nanotech and medical delivery fields. Mr. McClelland has held senior positions at Data General, Fidelity Investments, University of Massachusetts Medical Center and United Asset Management. He has founded, or co-founded The Charitable Gift Fund and eSecLending companies, where he was Chairman and CEO.

He currently serves on the board of Safeguard Scientifics, Inc. and Friends of the Children, Boston; and is member of the Board of Advisors for Executive Resources International. He has previously served on the boards of Windward Investments (now Windhaven), Riverstone Networks, Storage Networks, The Campbell Group, OSV Partners, Acadian Asset Management, Dwight Asset Management, Clay Finlay, Rogge Partners, Pallydyne, Murray Johnstone, L&B Realty Advisors, C S McKee, Advisory Committee of the Group of Thirty, and others.

Item 3: Disciplinary Information

George McClelland has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

George McClelland is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

George McClelland does not receive any additional compensation for providing advisory services beyond the compensation he receives as Vice Chairman.

Item 6: Supervision

George McClelland reports directly to the F-Squared Investment Management, LLC's (the parent company of F-Squared Alternative Investments, LLC) Board of Directors. You may contact Howard Present, Chief Executive Officer directly at (857) 404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Mr. McClelland's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Richard B. Weed, CFA – Managing Director

Year of Birth: 1963

Education:

- Bachelors of Science, Worcester Polytechnic Institute
- Masters of Science, Northeastern University
- Masters of Science, M.I.T

Business Background:

Mr. Weed is Managing Director and Co-Head of F-Squared Alternative Investments, LLC a subsidiary of F-Squared Investment Management, LLC. F-Squared is a privately held SEC registered investment advisory firm providing investment advisory and portfolio management services for financial professionals, wealth managers, and institutional investors.

Mr. Weed has over 20 years of investment management experience with extensive portfolio management, risk-control, quantitative modeling, product research and design expertise. Previously, Mr. Weed was the CIO of Vernon Square Capital, a long-short, market neutral hedge fund based in Boston. Prior to founding Vernon Square Capital, Mr. Weed spent 9 years at Putnam Investments, where he led the Small and Emerging Growth Equities Team. He also spent 8 years at State Street Global Advisors, where he was a Senior Portfolio Manager in the US Active Equities team. Mr. Weed received a Bachelor of Science degree in Chemical Engineering from Worcester Polytechnic Institute. He received a Masters of Science in Chemical Engineering from Northeastern University and a Masters of Science from the MIT Sloan School of Management.

Item 3: Disciplinary Information

Richard Weed has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Richard Weed is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

Richard Weed does not receive any additional compensation for providing advisory services beyond the compensation he receives as a Managing Director and Co-Head of F-Squared Alternative Investments, LLC.

Item 6: Supervision

Richard Weed reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at (857) 404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Mr. Weed's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

James T. Celico – Managing Director

Year of Birth: 1970

Education:

- Bachelors of Science in Accounting, Pepperdine University

Business Background:

Mr. Celico is Managing Director and Co-Head of F-Squared Alternative Solutions, a subsidiary of F-Squared Investment Management, LLC. F-Squared is a privately held SEC registered investment advisory firm providing investment advisory and portfolio management services for financial professionals, wealth managers, and institutional investors.

Prior to joining F-Squared, Mr. Celico co-founded 3 affiliated financial services firms in New York, HRC Partners, Liberty Street Advisors and Liberty Street Securities. Jim was the thought leader behind HRC and led the business development team responsible for raising over 8 billion dollars for a variety of asset managers. He was a seed investor and CFO for Liberty Street Advisors, a Registered Investment Advisor to a series of mutual funds, and Liberty Street Securities, a broker dealer distributing hedge funds and other investment products. Prior to creating HRC, Jim held positions in the defined contribution group at Brentwood Asset Advisors and the Asset Management Services and Investment Divisions of The Hartford. He began his career with Fortis Investors.

Mr. Celico is the founder of The RIA Network Group, a consultancy providing strategic guidance to Single/Multi Family Offices and other investment advisors to some of the country's wealthiest families and institutions.

Item 3: Disciplinary Information

James Celico has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

James Celico is also currently Managing Member of The RIA Network Group (described above). No investment advisory services are provided by The RIA Network.

Item 5: Additional Compensation

James Celico does not receive any additional compensation from his other business activities related to providing investment advisory services nor does he receive any additional compensation from F-Squared beyond the compensation he receives as a Managing Director and Co-Head of F-Squared Alternative Investments, LLC.

Item 6: Supervision

James Celico reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at (857) 404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Mr. Celico's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Mark Marinella, CFA – Managing Director, Investments

Year of Birth: 1958

Education:

- Masters of Business Administration in Finance and Marketing, Boston College
- Bachelors of Arts in Economics, University of Massachusetts, Boston, MA

Business Background:

Mr. Marinella is a Managing Director of the firm and is a member of F-Squared's Management Team and Investment Committee. Mark has more than 25 years of fixed income, cash, currency, and capital markets experience.

Previously, Mr. Marinella spent 5 years as an Executive Vice President of State Street Global Advisors. He was the Global Chief Investment Officer of Fixed Income and Currency, with responsibility for all fixed income and currency strategies and products as well as for extending SSgA's leadership position in new innovative areas such as liability driven investments (LDI). Mark was a member of SSgA's Executive Management Group as well as a Senior Member of SSgA's Investment Committee. He was also a member of State Street's Asset Liability and Capital Committee.

Prior to joining State Street, Mr. Marinella was head of cash management and a member of the Management Committee at BlackRock, providing leadership for over \$75 billion in Institutional Money Market assets and responsible for portfolio management, business development and client service. Between 2000 and 2005 he was CIO for State Street Research and Management, in charge of over \$30 billion of fixed income assets, where he provided significant leadership and is credited with delivering excellent investment results and developing an inclusive and highly customer-focused culture. Mr. Marinella spent almost 10 years at CS First Boston in the fixed income sales and trading area, where he was responsible for expanding CSFB's institutional fixed income business before becoming a fixed income portfolio manager in 1991.

Item 3: Disciplinary Information

Mark Marinella has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Mark Marinella is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

Mark Marinella does not receive any additional compensation for providing advisory services beyond the compensation he receives as a Managing Director.

Item 6: Supervision

Mark Marinella reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present directly at (857) 404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Mr. Marinella's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

John J. Harrington, CFA – Senior Vice President, Investments

Year of Birth: 1955

Education:

- Masters of Business Administration in Finance, University of Connecticut at Storrs
- Bachelors of Arts in English, University of Michigan in Ann Arbor
- Awarded the Chartered Financial Analyst designation in 1991.

Business Background:

Mr. Harrington has spent over 24 years in the investment management industry. Previously, Mr. Harrington was Director of Investments at Rampart Investment Management in Boston, a firm focused on enhanced income and protective strategies via the use of derivatives.

Prior to joining Rampart, Mr. Harrington spent nine years at Wellington Management Company where he co-managed the firm's Mid Cap Growth investment approach for a number of years. His work experience also includes over five years in the product management area at major global investment management firms.

Item 3: Disciplinary Information

John Harrington has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

John Harrington is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

John Harrington does not receive any additional compensation for providing advisory services beyond the compensation he receives as a Senior Vice President.

Item 6: Supervision

John Harrington reports directly to Mark Marinella, Managing Director, Investments. You may contact Mark Marinella at 857-404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Mr. Harrington's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Kevin R. Orr – Senior Vice President, Investments

Year of Birth: 1963

Education:

- Bachelors of Arts in Economics, University of Buffalo

Business Background:

Mr. Orr has twenty years of experience in the investment management industry with extensive product development and management expertise. Prior to joining F-Squared, Mr. Orr was Executive Vice President at Structured Investment Management where he led the sales and marketing effort for the boutique investment advisory firm specializing in best in class principal protected strategies. He also held the position of Director of Marketing for Loomis Sayles & Company L.P.

Prior to Loomis Sayles & Company L.P., Mr. Orr was Managing Director of Business Development & Investment Services at PanAgora Asset Management, overseeing global product development and business strategy for the quantitative investment firm. He previously held senior positions at Putnam Investments including Managing Director, Director New & Alternative Product Development and Director of International Product Development & Management.

Item 3: Disciplinary Information

Kevin Orr has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Kevin Orr is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

Kevin Orr does not receive any additional compensation for providing advisory services beyond the compensation he receives as a Senior Vice President.

Item 6: Supervision

Kevin Orr reports directly to Mark Marinella, Managing Director, Investments. You may contact Mark Marinella at 857-404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Mr. Orr's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Thomas W. Hagstrom, CFA – Senior Vice President, Investments

Year of Birth: 1962

Education:

- Bachelors of Science, United States Military Academy
- Masters of Business Administration, University of Chicago

Business Background:

Mr. Hagstrom has over twenty years of experience in the financial markets, with responsibilities in business development, portfolio management, and sales and trading. Prior to joining F-Squared, Mr. Hagstrom was a Managing Director at State Street Global Advisors in Boston, heading Global Business Management, and was a member of the Senior Management Group.

Mr. Hagstrom was a Managing Director and principal in the emerging markets team at State Street Research and Management before its acquisition by Blackrock in 2005. Prior to SSRM, Mr. Hagstrom held senior capital markets roles at RBS, Lehman Brothers and Credit Suisse First Boston, during which time he qualified for a CFA designation

Item 3: Disciplinary Information

Thomas Hagstrom has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Thomas Hagstrom is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

Thomas Hagstrom does not receive any additional compensation for providing advisory services beyond the compensation he receives as a Senior Vice President.

Item 6: Supervision

Thomas Hagstrom reports directly to Mark Marinella, Managing Director, Investments. You may contact Mark Marinella at (857) 404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Mr. Hagstrom's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Vadim Fishman – Managing Director and Chief Technology Officer

Year of Birth: 1960

Education:

- Masters of Science in Technology, Kharkov Politechnical University in Kharkov, Ukraine

Business Background:

Prior to F-Squared Investments, Mr. Fishman was the Founder and CEO of IntelDM, Inc., a consulting firm providing mathematical and programming services for the financial services and biotech industries.

Previously, Mr. Fishman was Software Project Manager for Artann Laboratories, where he led software development of new medical diagnostic devices. In this capacity, he designed and developed near real-time methods and software for 2D- and 3D-medical image analysis. He has also held analytical and development roles for such firms as Markov Processes, Inc., Minimax Ltd. in Kharkov, Ukraine, and the Kharkov Institute of Industrial Buildings.

Mr. Fishman is fluent in multiple computer and web programming languages, software and database programs.

Item 3: Disciplinary Information

Vadim Fishman has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Vadim Fishman is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

Vadim Fishman does not receive any additional compensation for providing advisory services beyond the compensation he receives as a Managing Director.

Item 6: Supervision

Vadim Fishman reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at 857-404-0840.

F-Squared's Chief Compliance Officer Mitchell Fishman supervises Vadim Fishman's compliance with F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.