

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser: Eqis Capital Management, Inc.	
Address: (Number and Street) (City) (State) (Zip Code) 17w220 22nd St, Ste 330, Oakbrook Terrace, IL 60181	Area Code: Telephone Number 800-949-9936

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
 The information has not been approved or verified by any government authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
 are not required to respond unless the form displays a currently valid OMB control number.

FORM ADV**Part II - Page 2**

Applicant:

Egis Capital Management, Inc.

SEC File Number:

801-68642

Date:

6/19/2008

1. A. Advisory Services and Fees. (check the applicable boxes)For each type of service provided, state the approximate
% of total advisory billings from that service.

(See instruction below.)

Applicant:

- ☒ (1) Provides investment supervisory services..... 100 %
- ☐ (2) Manages investment advisory accounts not involving investment supervisory services..... %
- ☐ (3) Furnishes investment advice through consultations not included in either service described above..... %
- ☐ (4) Issues periodicals about securities by subscription..... 0 %
- ☐ (5) Issues special reports about securities not included in any service described above..... %
- ☐ (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices
which clients may use to evaluate securities..... %
- ☐ (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... %
- ☐ (8) Provides a timing service..... %
- ☐ (9) Furnishes advice about securities in any manner not described above %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide
estimates of advisory billings for that year and state that the percentages are estimates.)**B.** Does the applicant call any of the services it checked above financial planning or some similar term? ☐ Yes ☒ No**C.** Applicant offers investment advisory services for: (check all that apply)

- ☒ (1) A percentage of assets under management ☐ (4) Subscription fees
- ☐ (2) Hourly charges ☐ (5) Commissions
- ☐ (3) Fixed fees (not including subscription fees) ☐ (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- ☒ A. Individuals ☒ E. Trusts, estates, or charitable organizations
- ☐ B. Banks or thrift institutions ☒ F. Corporations or business entities other than those
listed above
- ☐ C. Investment companies ☐ G. Other (describe on Schedule F)
- ☐ D. Pension and profit sharing plans

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes

No



(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?

Yes

No



(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services Yes No
and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ☒ ☒

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F for details

B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F for details

Applicant:
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6/19/2008

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|--------------------------|-------------------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Yes | No |
| (2) amount of the securities to be bought or sold? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Yes | No |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Yes | No |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☐ Yes ☒ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions.

If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes
<input checked="" type="checkbox"/> | No
<input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

	Yes	No
Has applicant provided a Schedule G balance sheet?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Egis Capital Management, Inc.	68642	6/19/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Egis Capital Management	IRS Empl. Ident. No.: 68-0540584
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Item of Form

Answer

Item 1. A. (1)

The Registrant provides investment advisory services under a solicitor's platform using a multi-manager, multi-disciplined approach that is intended to meet client's individual needs through the Egis Program ("Program"), including the creation, monitoring and maintenance of various Model Portfolios. These services are offered in the form of managed accounts to individuals, corporations, retirement plans, banks, trusts and other entities. Egis Capital provides investment advisory services to its clients through a wrap fee program (_Program_). As the sponsor of the Program, Registrant is responsible for: (i) assisting clients in developing an investment strategy to meet their investment objectives, (ii) identifying an appropriate asset allocation model for the client's Program account, (iii) investing and monitoring the client's Program account across those Model Manager Portfolios and investments comprising the client's Program account, and (iv) facilitating the execution of brokerage model manager transactions through Foliofn Clearing. The Registrant takes proper care in the due diligence, selection and monitoring of investments, and internal and external model managers participating in the Program.

Regular Wrap Fee Program: (note: 401K / 403B Qualified Plans discussed separately below)

Egis charges an annual _Wrap-Fee_ for participation in the Program. The Wrap-Fee is made up of two separate and distinctive parts, but charged to the client as one fee. The two parts are as follows: Part 1 the Egis Program Fee, and Part 2 the Financial Professional Fee (_FP_ fee). Both parts are detailed below. The Wrap-Fee will be charged as a percentage of assets under management on a blended fee schedule. Clients will be invoiced and fees will be directly debited from client accounts after the end of each calendar month. Where there is not enough cash or funds in an account to pay a fee, the account will be rebalanced so as to generate a sufficient level of cash or funds to meet this expense. As part of this agreement you authorize the Clearing Firm (FolioFn) to deduct the Wrap-Fees from your account as directed by Egis. The fee calculation will be based on the average closing market value of the assets in the client's Program account over the previous calendar month. Value is calculated as the market value, or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Each client Program Account is mutually exclusive for purposes of determining the declining fee schedule. Your Egis account may contain investments that charge a separate fee not included within the Wrap-Fee.

The maximum Wrap-Fee (inclusive of parts 1 and 2) charged to clients is as follows:

Assets Under Management	MAXIMUM Annual Fee (%)
First \$100,000	Up to 2.45%*
Next \$150,000	Up to 2.35%*
Next \$250,000	Up to 2.25%*
Next \$2,000,000	Up to 2.15%*
Amounts Over \$2,500,000	Up to 2.05%*

* The actual Wrap-Fee charged to each client will depend in part on the negotiated _Financial Professionals_ Fee, as detailed in Part 2 below. The exact Financial Professional fee charged to you will be specified in section #9 (Financial Profession's Report) of this Account Application. Similar advisory services may be available from other registered investment advisers for similar or lower fees.

In addition to the Wrap-Fee charged by Egis, clients may also be charged, at the Financial Professional's discretion, an additional Initial Consulting Fee (_IC_ fee) of up to 1% of the initial investment, and of any subsequent investments. The Initial Consulting Fee compensates the Financial Professional for gathering and communicating clients' financial information, as well as assisting in the manager selection process from the Egis Contracted manager list. The Initial Consulting Fee of up to 1% will be deducted upon the deposit of cash, securities or any instrument of value into the client's Program Account at the end of the month in which the deposits were received, and will be paid in full to the Financial Professional's firm. The Initial Consulting Fee will not be assessed until the program account has been established for five days. The Initial Consulting Fee

may be reduced or waived at the Financial Professional's discretion. The Initial Consulting Fee will be considered fully earned upon deduction of the Initial Consulting Fee from the client's Program Account.

The Maximum combined Wrap-Fee and IC-Fee during the first year of program participation is as follows:

Assets Under Management	MAXIMUM First Year Fee (%)
First \$100,000	Up to 3.45%*
Next \$150,000	Up to 3.35%*
Next \$250,000	Up to 3.25%*
Next \$2,000,000	Up to 3.15%*
Amounts Over \$2,500,000	Up to 3.05%*

* The actual First year Fee charged to each client will depend in part on the negotiated Financial Professionals' Fee, as detailed in Part 2 below, as well as the Initial Consulting Fee charged by the Financial Professional. The exact Financial Professional fee and Initial Consultation Fee charged to you will be specified in section #9 (Financial Professional's Report) of this Account Application. Similar advisory services may be available from other registered investment advisers for similar or lower fees.

BREAKDOWN OF WRAP-FEE

Part 1, Program Fee

The Equis Program Fee will be charged as a percentage of assets under management on a blended fee schedule. There are three options that determine the Program Fee. Option 1 (All Equis) includes an account comprised of portfolios managed solely by Equis. Option 2 (Multi Manager) includes managers other than Equis (i.e., managers contracted by Equis), but not excluding Equis. Option 3 (Managed ETF) includes only exchange traded funds (ETF's) and no individual stocks or contracted managers. It will be up to the client and their Financial Professional to determine whether Option 1, Option 2 or Option 3 is best for the client's particular circumstances.

If client invests in an All Equis Managed account, the Program Fee will be:

Assets Under Management	MAXIMUM Annual Fee (%)
First \$250,000	Up to 0.75%*
Next \$250,000	Up to 0.65%*
Next \$1,500,000	Up to 0.55%*
Next \$3,000,000	Up to 0.45%*
Amounts Over \$5,000,000	Up to 0.35%*

If client invests in a Multi Manager Managed account, the Program Fee will be:

Assets Under Management	MAXIMUM Annual Fee (%)
First \$100,000	Up to 0.95%*
Next \$150,000	Up to 0.85%*
Next \$250,000	Up to 0.75%*
Next \$2,000,000	Up to 0.65%*
Amounts Over \$2,500,000	Up to 0.55%*

If client invests in an Managed EFT account, the Program Fee will be:

Assets Under Management	MAXIMUM Annual Fee (%)
First \$250,000	Up to 0.75%*
Next \$250,000	Up to 0.65%*
Next \$1,500,000	Up to 0.55%*
Next \$3,000,000	Up to 0.45%*
Amounts Over \$5,000,000	Up to 0.35%*

Part 2, Financial Professional Fee

The Financial Professional Fee is the portion of the overall Wrap Fee that is used to compensate the Financial Professional. The services that the Financial Professional will be compensated for include: introducing clients to Equis, gathering and communicating clients' financial information, assisting in the manager selection process from the Equis approved manager list, acting as a liaison between Equis and clients, staying in contact with clients and informing Equis of any material changes in clients' financial picture, and other various clerical or administrative duties. The Financial Professional Fee is negotiated between the client, the Financial Professional and Equis. The Financial Professional Fees shall under no circumstances exceed 1.5% per annum. The client may be able to negotiate a higher or lower Financial Professional Fee based on the individual Financial Professional that introduces the client to the program.

Other Wrap-Fee Details

The Wrap-Fee includes the Equis Program Fee that covers all advisory fees, brokerage costs, online performance reporting costs, third party custodial fees, exchange fees, transfer taxes, and any fees that Equis pays to a third party in conjunction with marketing the program (i.e. internal or external wholesalers or platform inclusion fees). In addition, the Wrap-Fee is inclusive of the Financial Professional Fee. The Wrap-Fee does not include certain administrative fees; for example, wire transfers, annual charges for qualified accounts, or certificate issues. A minimum of \$25,000 of assets under management is required to participate in this program. Securities transactions affected for the clients' accounts may also include, mark-ups, mark-downs, or dealer spreads to market makers or other principals from whom securities were obtained by FolioFn. These mark-ups, mark-downs, or dealer spreads will be retained by the market maker or other principal and will not be credited or reimbursed to the client's account.

Some of the model portfolios available to clients are managed by employees and/or principals of Equis. Managers of these model portfolios are paid salary by Equis and therefore do not directly receive any particular percentage of the wrap fee. Other model portfolios are managed by managers who are not employees or principals of Equis. These outside managers that are contracted by Equis receive a percentage of assets under management as compensation. Outside manager compensation is negotiated and based on the asset class, equity style, and tenure of manager, among other various criteria judged by Equis to be important. Contracted Manager compensation is included in the Wrap-Fee of Option 2.

Any client may terminate their participation in the Program within five (5) days of entering into the Asset Management Services Agreement with Registrant without penalty or payment of fees of any kind upon written notice to Registrant. Thereafter, a client may terminate their participation in the Program at any time, upon 15 day written notification to Registrant (certain administrative fees may apply, such as those imposed by the government or Foliofn Clearing. In addition any unpaid wrap-fees owed to the Registrant for any portion of the preceding billing period, upon termination of the program will be deducted from client program account before the client program account is closed).

Social Exclusions and Investment Restrictions.

Clients in working with their Financial Professionals may place reasonable restrictions (i.e., social exclusions or specific securities restrictions) when establishing or making subsequent changes to their Program accounts. Such exclusions or restrictions, however, may not be placed on the underlying securities within an exchanged traded fund or other forms of investment companies. The Registrant will not substitute nor request the Model Manager to substitute another security for those which have been restricted. Any resulting gap will be filled by investing proportionately across the other securities in the model. The performance of accounts with restrictions may differ from accounts without restrictions, possibly producing lower overall results. As securities to be excluded are added to our system, the administration of this change will be on a forwardlooking or prospective basis. Thus, preexisting positions in such securities will continue to be held in the account and clients will continue to earn dividends on such positions. Securities that are removed from an exclusionary status may also be acquired on a prospective basis.

Exchange Traded Funds (ETFs) ETFs are unit investment trusts or investment companies that seek investment results that, before expenses, generally correspond to the price and yield performance of a specified index such as the S&P 500 Composite Stock Index (_SPDRs_), the Dow Jones Industrial Average (_Diamonds_), iShares, or the NASDAQ 100 Index (_Nasdaq 100 Index Tracking Stock_). There is no assurance that the price and yield performance of the specified index can be fully matched. Registrant will recommend ETFs to gain broad exposure and diversification, achieve lower expenses, facilitate marketability, and attain further tax efficiency for Program accounts. As a unit investment trust or investment company, ETFs will incur certain expenses that include an advisory fee paid to their respective manager. ETFs typically do not impose annual 12b-1 fees. Unlike traditional mutual funds, which are priced at the end of the day, ETFs are priced and can be purchased and sold throughout the trading day. Such securities are subject to market fluctuation and, in turn, market risk.

Proxy Voting Policies And Procedures

As a matter of firm policy, Equis does not vote proxies for Program client accounts. However the program custodian provides for online access to a proxy voting system that enables clients to vote their own proxies if they so desire.

Wrap-Fee Program for 401 K / 403 B Qualified Accounts

Equis charges an annual _Wrap-Fee_ for participation in the Program. The Wrap-Fee is made up of two separate and distinctive parts, but charged to the client as one fee. The two parts are as follows: Part 1 the Equis Program Fee, and Part 2 the Financial Professional Fee (_FP_ fee). Both parts are detailed below. The Wrap-Fee will be charged as a percentage of assets under management. Clients will be invoiced and fees will be directly debited from client accounts after the end of each calendar month. Where there is not enough cash or funds in an account to pay a fee, the account will be rebalanced so as to generate a sufficient level of cash or funds to meet this expense. As part of this agreement you authorize the Clearing Firm

(FolioFn) to deduct the Wrap-Fees from your account as directed by Equis. The fee calculation will be based on the average closing market value of the assets in the client's Program account over the previous calendar month. Value is calculated as the market value, or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Your Equis account may contain investments that charge a separate fee not included within the Wrap-Fee.

The maximum Wrap-Fee (inclusive of parts 1 and 2) charged to clients is as follows:

Assets Under Management MAXIMUM Annual Fee (%)

All Account Values Up to 2.45%*

* The actual Wrap-Fee charged to each client will depend in part on the negotiated _Financial Professionals_ Fee, as detailed in Part 2 below. The exact Financial Professional fee charged to you will be specified in section #9 (Financial Profession_s Report) of this Account Application. Similar advisory services may be available from other registered investment advisers for similar or lower fees.

BREAKDOWN OF WRAP-FEE

Part 1, Program Fee

The Equis Program Fee will be charged as a percentage of assets under management. There are two options that determine the Program Fee. Option 1 (Multi Manager) includes managers other than Equis (i.e., managers contracted by Equis), but not excluding Equis. Option 2 (Managed ETF) includes only exchange traded funds (ETF's) and no individual stocks or contracted managers. It will be up to the client and their Financial Professional to determine whether Option 1 or Option is best for the client's particular circumstances.

If client invests in a Multi Manager Managed account, the Program Fee will be:

Assets Under Management MAXIMUM Annual Fee (%)

All Account Values Up to 0.95%*

If client invests in an Managed EFT account, the Program Fee will be:

Assets Under Management MAXIMUM Annual Fee (%)

All Account Values Up to 0.75%*

Part 2, Financial Professional Fee

The Financial Professional Fee is the portion of the overall Wrap Fee that is used to compensate the Financial Professional. The services that the Financial Professional will be compensated for include: introducing clients to Equis, gathering and communicating clients_ financial information, assisting in the manager selection process from the Equis approved manager list, acting as a liaison between Equis and clients, staying in contact with clients and informing Equis of any material changes in clients_ financial picture, and other various clerical or administrative duties. The Financial Professional Fee is negotiated between the Plan Sponsor, the Financial Professional and Equis. The Financial Professional Fees shall under no circumstances exceed 1.5% per annum. The client may be able to negotiate a higher or lower Financial Professional Fee based on the individual Financial Professional that introduces the client to the program.

Other Wrap-Fee Details

The Wrap-Fee includes the Equis Program Fee that covers all advisory fees, brokerage costs, online performance reporting costs, third party custodial fees, exchange fees, transfer taxes, and any fees that Equis pays to a third party in conjunction with marketing the program (i.e. internal or external wholesalers or platform inclusion fees). In addition, the Wrap-Fee is inclusive of the Financial Professional Fee. The Wrap-Fee does not include certain administrative fees; for example, wire transfers, annual charges for qualified accounts, fees associated with the administration of the 401K/403B performed by a third party administrator, or certificate issues. A minimum of \$100 of assets under management is required to participate in this program. Securities transactions affected for the clients_ accounts may also include, mark-ups, mark-downs, or dealer spreads to market makers or other principals from whom securities were obtained by FolioFn. These mark-ups, mark-downs, or dealer spreads will be retained by the market maker or other principal and will not be credited or reimbursed to the client's account.

Some of the model portfolios available to clients are managed by employees and/or principals of Equis. Managers of these model portfolios are paid salary by Equis and therefore do not directly receive any particular percentage of the wrap fee. Other model portfolios are managed by managers who are not employees or principals of Equis. These outside managers that are contracted by Equis receive a percentage of assets under management as compensation. Outside manager compensation is negotiated and based on the asset class, equity style, and tenure of manager, among other various criteria judged by Equis to be

important. Contracted Manager compensation is included in the Wrap-Fee of Option 2.

Negotiability of Fees and Account Minimums: In certain circumstances, all of Equis fees and account minimums may be negotiable.

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter IA Act).

Fee Payment: Clients will be invoiced and Wrap Fees will be directly debited from client accounts at the beginning of each calendar month. The fee calculation will be based on the average daily market value of the assets in the client's Program account over the previous calendar month. Value is calculated as the market value, or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Fees will be directly debited in accordance with the Client Services Agreement.

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. A reasonable amount of time may be necessary to liquidate (two days) and transfer client assets (10 days), or provide administrative services in connection with the termination of an account. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

Mutual Fund Fees and Expenses: All fees paid to Equis for investment advisory services are separate and distinct from the fees and expenses charged by ETF_s or mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in an ETF or mutual fund directly, without the services of Equis. In that case, the client would not receive the services provided by Equis which are designed, among other things, to assist the client in determining which ETF_s or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the ETF_s or funds and the fees charged by Equis to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Social Exclusions and Investment Restrictions.

Clients in working with their Financial Professionals may place reasonable restrictions (i.e., social exclusions or specific securities restrictions) when establishing or making subsequent changes to their Program accounts. Such exclusions or restrictions, however, may not be placed on the underlying securities within an exchanged traded fund or other forms of investment companies. The Registrant will not substitute nor request the Model Manager to substitute another security for those which have been restricted. Any resulting gap will be filled by investing proportionately across the other securities in the model. The performance of accounts with restrictions may differ from accounts without restrictions, possibly producing lower overall results. As securities to be excluded are added to our system, the administration of this change will be on a forwardlooking or prospective basis. Thus, preexisting positions in such securities will continue to be held in the account and clients will continue to earn dividends on such positions. Securities that are removed from an exclusionary status may also be acquired on a prospective basis.

Exchange Traded Funds (ETFs) ETFs are unit investment trusts or investment companies that seek investment results that, before expenses, generally correspond to the price and yield performance of a specified index such as the S&P 500 Composite Stock Index (SPDRs), the Dow Jones Industrial Average (Diamonds), iShares, or the NASDAQ 100 Index (Nasdaq 100 Index Tracking Stock). There is no assurance that the price and yield performance of the specified index can be fully matched. Registrant will recommend ETFs to gain broad exposure and diversification, achieve lower expenses, facilitate marketability, and attain further tax efficiency for Program accounts. As a unit investment trust or investment company, ETFs will incur certain expenses that include an advisory fee paid to their respective manager. ETFs typically do not impose annual 12b-1 fees. Unlike traditional mutual funds, which are priced at the end of the day, ETFs are priced and can be purchased and sold throughout the trading day. Such securities are subject to market fluctuation and, in turn, market risk.

Proxy Voting Policies And Procedures

As a matter of firm policy, Equis does not vote proxies for Program client accounts. However the program custodian provides for online access to a proxy voting system that enables clients to vote their own proxies if they so desire.

If this Agreement is entered into by a trustee or other fiduciary; including but not limited to someone meeting the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974 ("ERISA") or an employee benefit plan subject to ERISA, such trustee or other fiduciary represents and warrants to the Adviser, each Investment Manager and Equis Capital Management that Client's participation in the Program is permitted by the relevant governing instrument of such plan, and

that Client is duly authorized to enter into this Agreement. Client agrees to furnish Adviser with such documents as it shall reasonably request with respect to the foregoing. Client further agrees to notify Adviser in writing of any event which might affect this authority or the validity of this Agreement. Client additionally represents and warrants (a) that its governing instruments provide that an "investment manager" as defined in ERISA may be appointed, and (b) that the person executing and delivering this Agreement on behalf of Client is a "named fiduciary" (as defined in ERISA) who has the power under the plan to appoint an investment manager.

Item 4. A. (5)

Item 4.A.(5) and 4.B.(8)

Methods of Analysis, Sources of Information, and Investment Strategies

Registrant utilizes various methods of analysis depending on the advisory service. Registrant's primary method of analysis, information and investment strategy for the Equis Program is to employ an internet based structured asset allocation strategy in order to develop and maintain the appropriate asset allocation model for each particular client of an introducing Financial Professional, based upon each particular client's investment goals, time horizons and risk tolerances. Assets for each client are allocated among up to 10 separately managed model portfolios all managed to represent a particular equity style both domestic and foreign; and fixed income. The managers within the program are periodically monitored by Registrant to make certain they are investing within their respective disciplines. Registrant researches investment managers and their security analysis methods for a different classes and investment styles. Registrant's other sources of information for evaluating investments and Model Managers are the qualitative and quantitative materials prepared by in-house analysts; publicly available information contained in the financial press and other sources; information, research and statistical materials prepared by others; computer readable financial databases containing business and financial statistics, both current and historical. Registrant may also employ outside consultants to support the ongoing evaluation process of investment.

Item 4. B. (8)

See above.

Item 5.

The Registrant has set high standards of education and experience for its personnel. Those persons responsible for determining investment advice are required to have college degrees and many have advanced degrees and/or other professional credentials. In addition those persons responsible for determining investment advice must pass all required securities exams and maintain all necessary licenses required by the appropriate regulator authorities.

Item 6.

William Robert Nelson Jr. is the Chief Financial Strategist of Equis Capital Management (2003-Present) with the primary responsibility of managing clients' portfolios. Born in 1971, he graduated from San Diego State University with a degree in Finance. He moved to Chicago where as a member of the Chicago Board of Trade he made a market in financial futures. Subsequently, he earned a Ph.D. in economics from George Mason University and was appointed as a professor to the department of Finance and Managerial Economics in the State University of New York at Buffalo School of Management (2001-2005). His original research has been published in the American Economic Review, DePaul Journal of Healthcare Law, The International Conference on Information Technology ITCC 2004 Proceedings, the Journal of Economic Behavior and Organization, Latin American Finance and Capital Markets, and the Latin American Law and Business Report.

Duane Menting, Esq. is the Chief Financial Officer and the Chief Legal Counsel. He was born in 1952. He graduated with a B.S. degree 1976 from the University of Wisconsin - Stevens Point. He received his JD degree in 1980 from Indiana University - Bloomington. He completed his LLM - Tax degree in 1991 at Golden Gate University - San Francisco. He has run a successful private legal practice for 20 years working with Fortune 500 companies. He joined Equis Capital Management in March of 2008.

Jennifer C Winters is the Chief Compliance Officer. She was born in 1971. She graduated from Lewis University with a B.A. in Communications. She has been with Equis Capital Management since February of 2003.

Item 9. Code of Ethics

Code of Ethics

The Adviser has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Adviser and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory

procedures. The Adviser will provide a copy of the Code to any client or prospective client upon request.

Associated persons may own an interest in or buy or sell for their accounts the same securities, which may be purchased or sold in the accounts of advisory clients. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored. Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell specific securities for their accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

Item 9. E.

On occasion, William Nelson or other employees or representatives of Equis Capital may buy or sell securities that Equis Capital recommend to clients. There is no conflict of interest as the securities are widely held and publicly traded. They always place client interests before their own interests. In addition Equis Capital outlines policies and procedures to assure that clients interest are put first in the Equis Capital Code of Ethics. Equis Capital will provide a copy of our Code of Ethics to any client or prospective client upon request.

Item 10.

Conditions For Managing Accounts _ for Regular Wrap Fee Program

Registrant generally manages accounts on a discretionary basis. Registrant will generally only provide Program services when the client makes a minimum, initial Program Account investment of \$25,000. Registrant retains the right to waive this requirement in certain circumstances at its sole discretion. Client monies are not invested in a Program Account until Registrant has received the agreed upon investment minimum. Monies below the agreed upon minimum are invested in a money market fund. Clients may also make subsequent contributions or withdrawals to their Program Account. Contributions in excess of \$1,000 will be invested in their Program Account. Amounts below \$1,000 may or may not be allocated to a FDIC cash account and invested when the cumulative amount in the FDIC cash account reaches \$1,000. Clients may make a withdrawal or arrange for periodic withdrawals in amounts of \$100 or more from their Program Account. The Financial Professional should contact Registrant's Client Services Department to receive any necessary instructions to expedite these requests.

Conditions For Managing Accounts - for 401 K / 403 B Qualified Accounts

Equis requires a minimum account size of 100 for participation in the Program. This account size may be negotiable under certain circumstances. Clients may also make subsequent investments of \$25 or more, although any subsequent investment will be invested in a money market security within the program account until such time where there is a minimum of \$500 to reallocate into the designated asset allocation within the program account.

Item 11. A.

At a minimum, all Program accounts are reviewed by the Asset Management team (final review will be conducted by Dr. William Nelson) for rebalancing at least once during a running twelve month period. The review process considers factors relevant to the determination of whether or not the assets held by the account and the investment strategy employed are consistent with each client's investment objectives. Clients in the Program will receive, at a minimum, a monthly brokerage statement, and in addition have access to online real time performance reporting through FolioFn clearing. Depending on the information requested by the client, these reports and statements may include the following information: 1) description of the assets held, 2) the quantity and market value for each position, 3) the market value of the account, 4) a transaction history, 5) interest and expense items and 6) fee calculations. In addition to the above, from time to time upon the request of the client, if there is a significant change in the investment environment or a significant change in the client's results (triggering events), the Registrant may provide a client with additional supplemental information. There may be significant dispersion between the holdings and performance of the Model Portfolios and the Program Accounts that are managed by Registrant using the Model Portfolios. Account dispersion may be due to differences in recommendations made by a Model Manager as well as differences in account size, cash flow, the timing and terms of execution of trades by Registrant and the Model Manager, individual client-imposed restrictions, account rebalancing schedules, certain trading and system limitations, and other factors. Accordingly, Registrant will undertake reasonable efforts to mitigate the effects of significant dispersion by: (i) periodically reviewing and monitoring Program Accounts to identify significant dispersion, and (ii) where appropriate, executing trades or account rebalances to minimize dispersion. Any performance dispersion Registrant deems significant between the Model Manager's performance and the actual client account performance is reviewed periodically by Registrant to determine if any action is necessary to address performance dispersion.

Item 11. B.

The applicant makes available client reports monthly via the custody and clearing firms that we domicile accounts that are managed on a discretionary basis by Equis Capital. Clients get statements from their broker/dealers, mutual funds and other money managers, as appropriate.

Item 13. B.
Additional Compensation

Registrant enters into Master Soliciting/Selling Agreements with Financial Professional firms providing cash compensation to persons who introduce or refer clients to the Equis Program. These agreements are governed by, and require that the solicitors meet the disclosure and other requirements of, Rule 206(4)-3 under the Investment Advisers Act of 1940, as well as comply with other applicable laws and regulations. Generally, these agreements provide for compensation equal to a specified percentage of the fees received by the firm. Prior to compensating, Equis will ensure that the Financial Professional firm is properly registered or exempt from the registration requirement.

MODEL PORTFOLIO DESCRIPTIONS

Equis provides access to model portfolios that provide diversification across the spectrum of domestic and international equity styles and fixed income. Each client of Equis will be assigned an asset allocation comprised of up to ten of the model portfolios. The assignment of an asset allocation will be based solely on the client's needs and risk preferences. Some of the model portfolios are managed in house by Equis; others are managed by independent, contracted managers. Below is a brief description of model portfolios arranged by asset class and equity style.

Large Cap Growth

Large Cap Growth Model Portfolios-Benchmarked to the Russell 1000 Growth Index

Advisor Partners/AP US LargeCap Core

The U.S. Equity Large Cap Tax Managed Index Strategy seeks to maximize after-tax returns while maintaining risk characteristics similar to the broad U.S. equity market through a managed portfolio of individual securities. The portfolio's benefits include diversification across sectors combined with tax efficiency. Tax efficiency is achieved by selecting tax efficient vehicles and/or through active tax management. The sectors with the greatest representations within the portfolio tend towards finance, information technology, and healthcare. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Advisor Partners/AP/IndexIQ LargeCapGrowth

Index IQ's Large Cap Growth methodology identifies large capitalization companies poised for rapid, sustainable growth, and strong equity appreciation. Index IQ's patent pending portfolio construction process combines sophisticated quantitative research, multi-factor fundamental models, and a proprietary, non-market capitalization weighing system. The resulting portfolios provide the benefits of traditional, passive indexes, and actively managed funds. The rules-based methodologies, tax efficiency, and low trading costs of index investing are retained. The rules governing the management are actively and pain-stakingly designed to provide alpha (excess returns). The sectors with the greatest representations within the portfolio tend towards energy, consumer staples, consumer discretionary, and materials. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Equis Capital Management/Equis Large Cap Growth

Equis Large Cap Growth is managed to provide clients diversification, primarily among U.S. large capitalization companies oriented towards growth. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/American Disciplined Eqt

The American Disciplined Equity Strategy Invests in the highest rated stock within each of the 12 industry sectors of the Standard & Poor's 500. Stocks within each sector are ranked according to FTAM's proprietary rating system which compares the companies in 3 broad areas. Their Earnings Momentum index ranking compares each company's revenue and net income growth in each of the last 3 years. The profitability + quality index ranking compares profitability and quality factors such as return on equity, return on assets, profit margin, and financial leverage. Their Value Momentum index ranking

compares valuation and momentum, rating each stock by low price to sales ratio and high 1 year, 3 month, and 1 month momentum factors. The scores are then combined to come up with an overall rating. The ADE portfolio is invested on an equally weighed basis in the top 20% of the stocks in each industry sector with industry weights that are kept equal to the S&P 500. On a quarterly basis the portfolio is rebalanced.

Hanseatic Management Services, Inc /Hans LCG

Managers use a multi-time dimensional system that identifies large-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios_ returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments.

Laidlaw Group/Laidlaw Group _ LCG

The Laidlaw Group's Large Cap Value portfolio focuses investments in companies with the following characteristics: high cash flow to market value ratio, high asset to debt ratio, profitability, and growth potential. Close attention is also paid to the sectors in which firms operate. The management may overweight or underweigh sectors based on their analysis of economic trends. The Laidlaw Group is a family business founded by Robert Laidlaw and his son David. Robert, the current Chairman, is an industry veteran who began his career on the floor of the New York Stock Exchange in 1958 after graduating from Yale, with a degree in philosophy. His nearly 50 years of industry experience provide the foundation from which the Laidlaw Group excels.

Sawgrass Asset Management/Sawgrass LCG Best Ideas

Sawgrass Asset Management, L.L.C. is a 100 percent employee-owned, SEC-registered investment advisor. The firm provides innovative growth equity investment management services to institutional and high net worth investors. The firm was founded on January 15, 1998 in Jacksonville, Florida, by principals Andrew Cantor, Dean McQuiddy and Brian Monroe. The firm consists of a core group of key investment professionals who have worked together for more than 20 years. The core investment team of portfolio managers, equity traders, and client service professionals came to Sawgrass from Barnett Capital Advisors, Inc. and have been with the firm since its inception.

Large Cap Value

Large Cap Value Model Portfolios-Benchmarked to the Russell 1000 Value Index

Advisor Partners/AP US High Dividend Yield

The U.S. Equity High Dividend Tax Managed Index Strategy seeks to maximize after-tax returns while maintaining risk characteristics similar to the broad U.S. equity market through a managed portfolio of individual securities. The portfolio's benefits include diversification across sectors combined with tax efficiency. Tax efficiency is achieved by selecting tax efficient vehicles and/or through active tax management. The sectors with the greatest representations within the portfolio tend towards finance, information technology, and industrials. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. The average industry tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Advisor Partners/AP/IndexIQ LargeCap Value

Index IQ's Large Cap Value methodology identifies large capitalization companies that are fundamentally undervalued and poised for strong equity appreciation. Index IQ's patent pending portfolio construction process combines sophisticated quantitative research, multi-factor fundamental models, and a proprietary, non-market capitalization weighing system. The resulting portfolios provide the benefits of traditional, passive indexes, and actively managed funds. The rules-based methodologies, tax efficiency, and low trading costs of index investing are retained. The rules governing the management are actively and painstakingly designed to provide alpha (excess returns). The sectors with the greatest representations within the portfolio tend towards financials, industrials, consumer discretionary, and information technology. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Clear Asset Management, Inc./CLRLRGCAPVAL

Clear Asset Management aggressively applies information technology to manage the Clear Large Cap Value portfolio. During the 1980s, PCs replaced many accountants, because computers can out-calculate people. Clear leverages human insight with

computers to comb through the ever expanding universe financial information. Wall Street and corporate scandals triggered government mandates compelling public companies to disclose more financial information. By law, senior management is personally responsible for the quality and timing of information. The challenge of money managers and investors is applying insight to and processing the massive amount of data. Proprietary software codifies proven fundamentals and frees them from Wall Street's personal conflicts and human bias: favoritism and error. They scour enormous amounts of corporately-calculated and market-generated fundamental data to find clients the best possible investments.

Egis Capital Management/Egis Large Cap Value

Egis Large Cap Value is managed to provide clients diversification primarily among U.S. large capitalization companies oriented toward value. This portfolio often features investments in consumer staples, financial, or manufacturing sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Texas First Investment Management Company/TFIM LCV

Texas First Investment Management Company has provided significant equity returns with relatively low risk by combining a long term, conservative, and value-oriented approach with an unparalleled expertise acquired by investing solely in Texas-based publicly-held companies. The stock selection criteria include, but are not limited to, value measures of sustainable earnings, sustainable cash flow, and adjusted book value. Potential catalysts to unleash value are also critical considerations. Holdings are carefully diversified among industries. Money Manager Review rated the Large Cap Value portfolio as the top performing large cap value portfolio in the country, for the 5 year period 2001 _ 2005. It has outperformed the S&P 500 for seven consecutive years, with below-average risk. During no calendar year has the portfolio ever lost money.

Tom Johnson Investment Management, Inc./TJIM Core _ LCV

The goal of the TJIM Core/Relative Value Stock Portfolio is to maximize total return over a business cycle. We believe in creating a prudent, well-diversified, high-quality portfolio that addresses capital preservation and risk. The focus is on purchasing common stock of companies that have valuations lower than their peer group in industries and sectors that provide the best opportunity in the foreseeable future. Historically, this portfolio has a blend of equity issues that match "value" and "growth" descriptions. Some consultants classify our style as core with a value bias. The portfolio will under normal circumstances contain 30 to 50 securities and is diversified across most sectors. Tax efficiency is addressed by focusing on turnover and realizing gains and losses when in general they provide the most benefit to clients under the U.S. tax code. TJIM was established in 1983 to provide independent investment management services for high net worth individuals and families, public funds, corporations, foundations, endowments, and unions throughout the United States. TJIM's conservative investment philosophy has always maintained that a quality, well-diversified portfolio that addresses both capital appreciation and capital preservation is the most prudent and consistent way to achieve clients' investment goals. In all our efforts, we seek to provide above average returns in good markets while preserving our clients' wealth when down markets occur.

Mid Cap Growth

Mid Cap Growth Model Portfolios-Benchmarked to the Russell Mid Cap Growth Index

Clear Asset Management, Inc./CLRMIDCAPGRO

Clear Asset Management aggressively applies information technology to manage the Clear Large Cap Value portfolio. During the 1980s, PCs replaced many accountants, because computers can out-calculate people. Clear leverages human insight with computers to comb through the ever expanding universe financial information. Wall Street and corporate scandals triggered government mandates compelling public companies to disclose more financial information. By law, senior management is personally responsible for the quality and timing of information. The challenge of money managers and investors is applying insight to and processing the massive amount of data. Proprietary software codifies proven fundamentals and frees them from Wall Street's personal conflicts and human bias: favoritism and error. They scour enormous amounts of corporately-calculated and market-generated fundamental data to find clients the best possible investments.

Egis Capital Management/Egis Mid Cap Growth

Egis Mid Cap Growth is managed to provide clients diversification among U.S. mid capitalization companies primarily oriented towards growth. Many of these stocks are found in the volatile technology, health-care, and services sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute

products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities, Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Hanseatic Management Services, Inc /Hans MCG

Managers use a multi-time dimensional system that identifies mid-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios_ returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

StoneRidge Investment Partners, LLC /Equis MCG

The StoneRidge Small to Mid (SMID) Cap Growth Equity Portfolio seeks to outperform the Russell 2500 Growth Index. StoneRidge believes in a blend of fundamental research, quantitative tools, and qualitative judgments are required to consistently add value in equity investment management. The investment process employed by StoneRidge is built upon a team of six sector specialists performing intensive fundamental equity research. This bottom-up, fundamental investment process is supported by a proprietary, multi-factor screening tool, the purpose of which is to narrow the scope of the investment universe to the most attractive candidates, upon which to perform detailed fundamental analysis. This quantitative tool also provides an ongoing objective analysis of StoneRidge's existing portfolio. The SMID investment universe is comprised of stocks with market capitalizations between \$500 million and \$10 billion as well as those stocks which are constituents of the Russell 2500 Growth Index. The proprietary, quantitative tool screens and then ranks this universe of over 2400 U.S. stocks. The goal of the screening tool is to narrow opportunities to a focused list of stocks that possess the characteristics most likely to lead to superior investment performance. StoneRidge's screening tool is constructed around five broad factors which are critical to predicting future stock performance: earnings momentum, valuation, technical condition, accounting/financials, and insider activity. Each stock is ranked relative to the entire SMID universe; the result is a list of companies with the most attractive combination of attributes. These stocks are then subjected to in-depth fundamental research by our team of sector specialists.

Tributary Capital Management /Tributary MCG

An average earnings growth rate for the previous five years that exceeds the benchmark is a primary criterion for equity selection into the Tributary Mid Cap Growth portfolio. All fundamental factors play a role in the valuing of a company for investment, but the price-to-earnings ratio provides the most visible, universally applied metric. Our approach avoids absolute concentrations in individual industry sectors, attempting on an absolute basis to keep allocations to individual industries and economic sectors as low as possible. Some of the fundamental factors include revenue, cash flow, and earnings growth. Tributary Capital Management seeks to maximize long-term total return with appropriate diversification into market sectors to reduce risk. Our style of equity investing emphasizes growth companies in a broad range of industries and does not believe in sector speculation. Stocks are selected using a "bottom-up" process rather than relying entirely on information that Wall Street has developed. This fundamental research predominantly defines a universe of medium sized companies (approximately \$1 to \$15 billion in market cap) from which portfolios are constructed. Our approach takes into consideration intrinsic value, profitability, current valuation, and growth potential. Intrinsic value measures include cash flow, growth in revenue, and gains in market share among others. Active portfolio management, based on intensive, original research, can add value by limiting risk and increasing investment returns.

WCM Investment Management /WCM Mid Cap Growth

The primary objective of WCM Mid Cap Growth Equity is to maximize active risk-adjusted returns relative to the Russell Mid-Cap Growth index. By utilizing a systematic and disciplined investment process, the portfolio strategy has successfully exploited pricing inefficiencies since inception. The inception date of this strategy was March 1, 2001.

The process begins with a series of quantitative screens to determine eligible stocks from a database of 6,000 domestically traded securities. Market capitalization is based upon the Russell Mid-Cap Growth benchmark, and is limited to no more than 20 percent larger than the largest benchmark stock, nor 20 percent smaller than the smallest benchmark stock. Eligibility is then further narrowed to stocks in the group identified as having growth characteristics.

The most desirable stocks within this set for each sector and industry are discerned from a series of momentum and valuation factors. The momentum factors include price momentum, analysts earning estimate revisions, short & long term EPS change, and earnings surprise. The valuation factors include trailing and estimated earnings yield, book value, cash flow, and dividend yield. The top performing sectors and industries are typically over-weighted.

A qualitative overlay consists of reviewing current research and news to ensure that individual companies possess strong

attributes for success with no substantive drawbacks or risks that do not show up in the quantitative screening process. The sell discipline is essentially the flip side of the buy discipline. When quantitative measures of individual stocks deteriorate, those stocks are replaced with more suitable alternatives. The portfolios typically contains 75 to 125 stocks. Initial positions are generally, approximately equally weighted to produce the fullest diversification and maximize the active return.

Mid Cap Value

Mid Cap Value Model Portfolios-Benchmarked to the Russell Mid Cap Value Index

Ativo Capital Management/MDY

Ativo's goal is to recognize Mid Cap firms that earn significantly more than their cost of capital as it is these earnings that drive growth in shareholder value and stock price. Firms that don't earn their cost of capital destroy shareholder value. An accurate residual income model is key to implementing this approach. Our model incorporates discounted cash flow return on investment, cost of capital, and growth and life cycle theory. Each week Ativo converts 13,000 stocks GAAP financial statements to cash based statements. More than 50 adjustments are made in this process. Correction for pension liabilities, option values, and lease capitalizations are just a few. Cost of capital is calculated using a company's size, risk, industry, and other factors. Ativo is a Portuguese word that means both "active" and "assets" - together they illustrate their approach to the management of equity portfolios. Ativo develops portfolios based on a history of quantitative securities research covering nearly four decades that is the basis for a stable and consistent investment philosophy. They start with sound financial theory. Then this theory is applied to real-time experiments in actual markets to develop investment rules that transcend specific market conditions. Consistently applied, these rules pick the stocks for our portfolios. Ativo combine cutting-edge financial theory and clear objectives that are integrated into quantitative models that drive portfolio composition. The results are impressive and are consistent over time.

Cloud Neff/CNM Quant Value

The CN Quantitative value fund equally targets income generation and long term growth by screening stocks according to proprietary valuation measures. This _deep value portfolio_ provides a very high dividend by purchasing equities in any industry, though holdings are often concentrated in energy, financial, utility, and real estate. The portfolio tends to have a low tracking correlation with its peer group and benchmark index, due to both its deep value approach and industry concentration. Typically, about 70 stocks are owned and turnover is approximately 70% per annum.

Egis Capital Management/Egis Mid Cap Value

Egis Mid Cap Value is managed to provide clients diversification primarily among U.S. mid capitalization companies oriented toward value. Many of their holdings come from financial and industrial sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/ValueMomentum Leaders

The Value Momentum Leaders Strategy invests in the top 50 stocks that comprise the Value Momentum index. The Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. In addition, the stocks must have a price to sales ratio that is at least 10% less than the average price to sales of the S&P 500. Companies must also have current quarterly earnings that are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 50 stocks. The portfolio is reweighed and rebalanced on a monthly basis. Quantitative research underlies the impressive performance of Financial Trust Asset Management.

Fraser Management Associates/Fraser Contrarian SMA

Fraser Management Associates applies a unique contrarian discipline to produce superior long-term investment results for institutions and private clients. Their unique headquarters in Burlington, Vermont is consistent with their independent thinking. Since their founding in 1969, investment management has been their sole focus and passion. The team has been tempered by sixty-eight years of combined investment management experience. Client value is created by identifying overlooked and under-appreciated trends. Human behavior, market psychology, global trends, and industry dynamics are studied to identify securities poised to profit. Some of the themes guiding current investments are long-term climate change, water scarcity, Hispanic migration, and consolidation within the financial services industry. After theme or trends are identified, the focus narrows to select the specific securities best positioned to capitalize on them. The top down methodology, from general trend to specific security, tends to concentrate the portfolio in a few sectors. Largely due to this concentration, the portfolio has a very low correlation with other money managers and the stock market indexes. The portfolio typically contains 30 to 35 value type stocks with a Median market capitalization of \$2 billion. Historically, turnover

has been a low 25% annually, meaning on average securities are held about four years.

Small Cap Growth

Small Cap Growth Model Portfolios-Benchmarked to the Russell 2000 Growth Index

Egis Capital Management/Egis Small Cap Growth

Egis Small Cap Growth is managed to provide clients diversification primarily among U.S. small capitalization companies oriented towards growth. Many of these stocks are in the technology, health-care, and services sectors. Because these businesses are fast-growing and often richly valued, their stocks tend to be volatile, but often can provide for some of the most explosive returns. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Hanseatic Management Services, Inc/Hans SCG

Managers use a multi-time dimensional system that identifies small-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios_ returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments.

Laidlaw Group/Laidlaw Group _ SCG

The Laidlaw Group_s, Small Cap Value portfolio focuses investments in companies with the following characteristics: high cash flow to market value ratio, high asset to debt ratio, profitability, and growth potential. Close attention is also paid to the sectors in which firms operate. The management may overweigh or underweigh sectors based on their analysis of economic trends. The Laidlaw Group is a family business founded by Robert Laidlaw and his son David. Robert, the current Chairman, is an industry veteran who began his career on the floor of the New York Stock Exchange in 1958 after graduating from Yale, with a degree in philosophy. His nearly 50 years of industry experience provide the foundation from which the Laidlaw Group excels.

Sawgrass Asset Management/Sawgrass SCG Best Ideas

Sawgrass Asset Management, L.L.C. is a 100 percent employee-owned, SEC-registered investment advisor. The firm provides innovative growth equity investment management services to institutional and high net worth investors. The firm was founded on January 15, 1998 in Jacksonville, Florida, by principals Andrew Cantor, Dean McQuiddy and Brian Monroe. The firm consists of a core group of key investment professionals who have worked together for more than 20 years. The core investment team of portfolio managers, equity traders, and client service professionals came to Sawgrass from Barnett Capital Advisors, Inc. and have been with the firm since its inception.

Small Cap Value

Small Cap Value Model Portfolios-Benchmarked to the Russell 2000 Value Index

Advisor Partners/AP/IndexIQ SmallCapValue

Index IQ's Small Cap value strategy is designed to identify companies whose management anticipates growth, but whose stock still trades at value type multiples. We interpret aggressive investing by management as a sign of confidence in their market and product. Investments are focused in precisely the firms that display management's confidence while remaining a good value. These firms should be poised for long term growth and equity appreciation with less risk than conventional value stocks. The market's expectations are not yet inflated by reported growth, so shares can be bought with more confidence of price stability. The sectors with the greatest representations within the portfolio tend towards financials, and consumer discretionary, and information technology. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately-owned and managed by the principals.

Ativo Capital Management/SMY

Ativo's goal is to recognize Small Cap firms that earn significantly more than their cost of capital since it is these earnings that drive growth in shareholder value and stock price. Firms that don't earn their cost of capital destroy shareholder value. An accurate residual income model is key to implementing this approach. Our model incorporates discounted cash flow return on investment, cost of capital, and growth and life cycle theory. Each week Ativo converts 13,000 stocks GAAP financial statements to cash based statements. More than 50 adjustments are made in this process. Correction for pension liabilities, option values, and lease capitalizations are just a few. Cost of capital is calculated using a company's size, risk, industry, and other factors. Ativo is a Portuguese word that means both "active" and "assets" - together they illustrate their approach to the management of equity portfolios. Ativo develops portfolios based on a history of quantitative securities research covering nearly four decades that is the basis for a stable and consistent investment philosophy. They start with sound financial theory. Then this theory is applied to real-time experiments in actual markets to develop investment rules that transcend specific market conditions. Consistently applied, these rules pick the stocks for our portfolios. Ativo combine cutting-edge financial theory and clear objectives that are integrated into quantitative models that drive portfolio composition. The results are impressive and are consistent over time.

Egis Capital Management/Egis Small Cap Value

Egis Small Cap Value is managed to provide clients diversification primarily among U.S. small capitalization companies oriented toward value. Investments tend towards the manufacturing and financial sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Texas First Investment Management Company/TFIM SCV

Texas First Investment Management Company has provided significant equity returns with relatively low risk by combining a long term, conservative, and value-oriented approach with an unparalleled expertise acquired by investing solely in Texas-based publicly-held companies. The stock selection criteria include, but are not limited to, value measures of sustainable earnings, sustainable cash flow, and adjusted book value. Potential catalysts to unleash value are also critical considerations. Holdings are carefully diversified among industries. The Small Cap Value portfolio ranked among the top ten in the country over the 5 year period 2001 _ 2005. It has outperformed the Russell 2000 small-cap index for six of the previous seven years, with below-average risk.

WCM Investment Management /WCM SCV

The small-capitalization segment of the U.S. market contains thousands of under-followed and, in many cases, mispriced securities. We believe these pricing inefficiencies can be exploited through a systematic and disciplined process. This is the approach we use to achieve our primary goal: outperforming the Russell 2000 Value index while substantially reducing portfolio volatility.

The process begins with a series of quantitative screens to identify the most undervalued stocks within the universe. The primary selection universe is companies with market capitalizations below \$2.5 billion, with particular emphasis on those companies between \$80 million and \$1.5 billion. We use six primary screens: EPS revision trends, cash-flow/price ratio, book/price ratio, trailing earnings/price ratio, dividend yield, and a net-net (working capital)/price ratio. In an effort to avoid value traps, we focus on consistency of earnings and relative price strength as additional criteria. Only the most undervalued 10-15% of all stocks screened are considered for additional work.

Those companies surviving both the quantitative and relative strength screens are subjected to more intense traditional research analysis, with particular attention to the balance sheet. We look for companies with conservative, easily understood financial structure and a large cushion of tangible assets relative to the stock price. In addition to an undervalued and financially sound company, we look intently for a catalyst which may cause the stock price to move quickly to its intrinsic value.

Sector and industry analysis are critical in determining the construction of the portfolio, which typically contains between 45 and 75 stocks. Holdings are well diversified by sectors and industries. Particularly attractive industries may comprise up to 15% of the portfolio and the maximum sector weighting is 40%. Securities are roughly equal-weighted at time of purchase ranging from 1-2%. Maximum position size is 7%.

Utilities

Utilities Model Portfolio- Benchmarked to the Dow Jones USA (US) (Dev) Utilities (7000) Broad US dollar Index

Egis Capital Management/Egis Utilities Model Portfolio

Egis Utilities is managed to provide clients diversification primarily among US utilities stocks of all capitalizations. Utility stocks are usually some combination of U.S. power, telecommunications, and water companies. These stocks usually

represent a more stable investment with less emphasis placed on growth and more on dividends. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long term buy and hold approach. When selecting individual equities Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Asia

Asian Model Portfolio-Benchmarked to the Dow Asia Pacific (P1) Aggregate Index Broad US Dollar Index

Equis Capital Management/Equis Asia

Equis Asia is managed to provide clients diversification primarily among Asian stocks of all capitalizations through investing in ADR's. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Asia ValueMomentum

The Asia Value Momentum Strategy invests in the top 20 stocks that comprise the Asia Value Momentum index. The Asia Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Asia Value Momentum strategy invests only in ADR's (American Depository Receipts) of Asian companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

Europe

European Model Portfolio- Benchmarked to the Dow Jones Western Europe (E1) Aggregate Index Broad US dollar Index.

Equis Capital Management/Equis Europe

Equis Europe is managed to provide clients diversification primarily among European stocks of all capitalizations through investing in ADR's. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities, Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Europe ValueMomentum

The Europe Value Momentum Strategy invests in the top 20 stocks that comprise the Europe Value Momentum index. The Europe Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Europe Value Momentum strategy invests only in ADR's (American Depository Receipts) of European companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

Latin America

Latin American Model Portfolio- Benchmarked to the Dow Jones Latin American (A3) Aggregate Index Broad US dollar Index

Equis Capital Management/Latin America

Equis Latin is managed to provide clients diversification primarily among Latin American stocks of all capitalizations through

investing in ADR_s. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities, Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Latin ValueMomentum

The Latin Value Momentum Strategy invests in the top 20 stocks that comprise the Latin Value Momentum index. The Latin Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Latin Value Momentum strategy invests only in ADR's (American Depositary Receipts) of Latin companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

Municipal Fixed Income Model Portfolio

Equis Municipal Fixed Income

The Equis Fixed Income Municipal Portfolio is managed to provide clients with diversification among mostly municipal debt securities through investing in bond ETF's and bond mutual funds. The Equis Municipal Fixed Income Portfolio is utilized within a client's asset allocation to add diversification and reduce volatility. The duration of investments are managed based on anticipated interest rates and the yield curve.

Taxable Fixed Income Model Portfolio-

Equis Taxable Fixed Income

The Equis Taxable Fixed Income Portfolio is managed to provide clients with diversification among mostly Treasury and corporate debt securities through investing in bond ETF's and bond mutual funds. The Equis Taxable Fixed Income Portfolio is utilized within a client's asset allocation to add diversification and reduce volatility. The duration of investments are managed based on anticipated interest rates and the yield curve.

Applicant:	SEC File Number:	Date:
Egis Capital Management	801-68642	06/19/08

(for sponsors of wrap fee programs)

Name of wrap fee program described in attached brochure:

Egis Capital Advisor Wrap-Fee Program

1. Applicability of Schedule. This Schedule must be completed by applicants that are compensated under a wrap fee program for sponsoring, organizing, or administering the program, or for selecting, or providing advice to clients regarding the selection of, other investment advisers in the program ("sponsors"). A wrap fee program is any program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.

2. Use of Schedule. This Schedule sets forth the information the sponsor must include in the wrap fee brochure it is required to deliver or offer to deliver to clients and prospective clients of its wrap fee programs under Rule 204-3 under the federal Advisers Act and similar rules of the jurisdictions. The wrap fee brochure prepared in response to this Schedule must be filed with the Commission and the jurisdictions as part of Form ADV by completing the identifying information on this Schedule and attaching the brochure. Brochures should be prepared separately, not on copies of this Schedule. Any wrap fee brochure filed with the Commission as part of an amendment to Form ADV shall contain in the upper right hand corner of the cover page the sponsor's registration number (801-).

3. General Contents of Brochure. Unlike Parts I and II of this form, this Schedule is not organized in "check-the-box" format. These instructions, including the requests for information in Item 7 below, should not be repeated in the brochure. Rather, this Schedule describes minimum disclosures that must be made in the brochure to satisfy the sponsor's duty to disclose all material facts about the sponsor and its wrap fee programs. **Nothing in this Schedule relieves the sponsor from any obligation under any provision of the federal Advisers Act or rules thereunder, or other federal or state law to disclose information to its advisory clients or prospective advisory clients not specifically required by this Schedule.** **4. Multiple Sponsors.** If two or more persons fall within

the definition of "sponsor" in Item 1 above for a single wrap fee program, only one such sponsor need complete the Schedule. The sponsors may choose among themselves the sponsor that will complete the Schedule.

5. Omission of Inapplicable Information. Any information not specifically required by this Schedule that is included in the brochure should be applicable to clients and prospective clients of the sponsor's wrap fee programs. If the sponsor is required to complete this Schedule with respect to more than one wrap fee program, the sponsor may omit from the brochure furnished to clients and prospective clients of any wrap fee program or programs information required by this Schedule that is not applicable to clients or prospective clients of that wrap fee program or programs. If a sponsor of more than one wrap fee program prepares separate wrap fee brochures for clients of different programs, each brochure prepared must be filed with the Commission and the jurisdictions attached to a separate copy of this Schedule. Each such brochure must state that the sponsor sponsors other wrap fee programs and state how brochures for those programs may be obtained.

6. Updating. Sponsors are required to file an amendment to the brochure promptly after any information in the brochure becomes materially inaccurate. Amendments may be made by use of a "sticker," *i.e.*, a supplement affixed to the brochure that indicates what information is being added or updated and states the new or revised information, as long as the resulting brochure is readable. Stickers should be dated and should be incorporated into the text of the brochure when the brochure itself is revised.

7. Contents of Brochure. Include in the brochure prepared in response to this Schedule:

- (a) on the cover page, the sponsor's name, address, telephone number, and the following legend in bold type or some other prominent fashion:

This brochure provides clients with information about [name of sponsor] and the [name of program or programs] that should be considered before becoming a client of the [name of program or programs]. This information has not been approved or verified by any governmental authority.

- (b) a table of contents reflecting the subject headings in the sponsor's brochure

- (c) the amount of the wrap fee charged for each program or if fees vary according to a schedule established by the sponsor a table setting forth the fee schedule, whether such fees are negotiable, the portion of the total fee (or the range of such amounts) paid to persons providing advice to clients regarding the purchase or sale of specific securities under the program ("portfolio managers"), and the services provided under each program (including the types of portfolio management services);

Applicant: Egis Capital Management	SEC File Number: 801-68642	Date: 06/19/08
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- (d) a statement that the program may cost the client more or less than purchasing such services separately and a statement of the factors that bear upon the relative cost of the program (*e.g.*, the cost of the services if provided separately and the trading activity in the client's account);
- (e) if applicable, a statement that the person recommending the program to the client receives compensation as a result of the client's participation in the program, that the amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services, and that the person may therefore have a financial incentive to recommend the wrap fee program over other programs or services;
- (f) a description of the nature of any fees that the client may pay in addition to the wrap fee and the circumstances under which these fees may be paid (including, if applicable, mutual fund expenses and mark-ups, mark-downs or spreads paid to market makers from whom securities were obtained by the wrap fee broker);
- (g) how the program's portfolio managers are selected and reviewed, the basis upon which portfolio managers are recommended or chosen for particular clients, and the circumstances under which the sponsor will replace or recommend the replacement of the portfolio manager;
- (h) (1) if applicable, a statement to the effect that portfolio manager performance information is not reviewed by the sponsor or a third party and/or that performance information is not calculated on a uniform and consistent basis,
(2) if performance information is reviewed to determine its accuracy, the name of the party who reviews the information and a brief description of the nature of the review,
(3) a reference to any standards (*i.e.*, industry standards or standards used solely by the sponsor) under which performance information may be calculated;
- (i) a description of the information about the client that is communicated by the sponsor to the client's portfolio manager, and how often or under what circumstances the sponsor provides updated information about the client to the portfolio manager;
- (j) any restrictions on the ability of clients to contact and consult with portfolio managers;
- (k) in narrative text, the information required by Items 7 and 8 of Part II of this form and as applicable to clients of the wrap fee program, the information required by Items 2, 5, 6, 9A and C, 10, 11, 13 and 14 of Part II
- (l) if any practice or relationship disclosed in response to Item 7, 8, 9A, 9C and 13 of Part II presents a conflict between the interests of the sponsor and those of the clients, explain the nature of any such conflict of interest; and
- (m) if the sponsor or its divisions or employees covered under the same investment adviser registration as the sponsor act as portfolio managers for a wrap fee program described in the brochure, a brief, general description of the investments and investment strategies utilized by those portfolio managers.

8. Organization and Cross References. Except for the cover page requirements in Item 7(a) above, information contained in the brochure need not follow the order of the items listed in Item 7. However, the brochure should not be organized in such a manner that important information called for by the form is obscured.

Set forth below the page(s) of the brochure on which the various disclosures required by Item 7 are provided.

Item	Page(s)	Item	Page(s)	Item	Page(s)
7(a)	cover	7(f)	4,5	7(j)	5
#7(b)	1	#7(g)	2,3	#7(k)	2,3,4,5
#7(c)	4	#7(h)	5	#7(l)	4,5
#7(d)	4	#7(i)	2,5	#7(m)	2,3
#7(e)	4				

16. Equis Capital Advisor Wrap-Fee Brochure – Dated 06/18/2008**Equis Capital Management**

**Please contact us at:
 17W220 22nd St., Ste. 330
 Oakbrook Terrace, IL 60181
 Phone: 630.929.3012
 Fax: 630.206.0757**

This brochure provides clients with information about Equis Capital Management (hereinafter Equis) and the Equis Capital Advisor Wrap-Fee Program that should be considered before becoming a client of the Equis Capital Advisor Wrap-Fee Program. This information has not been approved or verified by any governmental authority.

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General Information

Eqis Capital Management (hereinafter "Eqis"), offers the following wrap-fee program, where appropriate, to interested prospects and advisory clients. Eqis, a corporation organized under Illinois law, is a registered investment adviser. Eqis maintains its principal office at 17W220 22nd St., Ste. 330 Oakbrook Terrace, IL 60181. If you have questions regarding the material contained herein, please

contact Eqis at 630-929-3012.

Additional information about Eqis is available on the Internet at <http://www.adviserinfo.sec.gov>. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Eqis is 126052.

Eqis Capital Advisor Wrap-Fee Program Description

Eqis is the sponsor of the Eqis Capital Advisor Wrap-Fee Program (hereinafter the "Program"). A "wrap-fee" program is one that provides the client with advisory, brokerage, execution, and custodial services for one all-inclusive fee. The client is not charged separate fees for the respective components of the total service. Eqis actively solicits advisory clients for the Program through its independent contractor relationships with financial advisors, financial planners, stock brokers, and other designees (hereinafter "Financial Professional(s)") that are duly licensed to offer fee based financial products. Eqis will not accept a client into the program that isn't introduced by a Financial Professional. Financial Professionals are responsible for introducing clients to Eqis, gathering and communicating client's financial information, acting as a liaison between Eqis and the client, staying in contact with the client and informing Eqis of any material changes in the client's financial picture, and various other clerical or administrative duties. Financial Professionals may also assist in the determination of the client's asset allocation and the manager selection process (pursuant to the Eqis "Approved Managers" list). All investment advisory decisions with regard to securities, types of investments, timing of buys and sells, etc. will be made by Eqis and/or sub-managers contracted by Eqis (hereinafter "Contracted Managers"). Eqis is also responsible for the marketing of the Program. The Program is offered to individuals, retirement accounts and other business entities. With respect to retirement accounts that are regulated by ERISA, Eqis will only market the Program to such accounts in compliance with applicable Prohibited Transaction rules.

The Program is designed to continuously manage the client's Program Account based on the individual needs of the client through the use of professional money manager(s) that are either employed by Eqis and/or contracted by Eqis. The Program distinguishes between portfolios managed by Eqis (hereinafter "Eqis Managed Portfolios") and portfolios managed by managers that Eqis has contracted with to sub-advise all or a portion of certain advisory accounts ("Contracted Managers"). The Program defines a Portfolio as a group of investments managed by an individual manager or team with a specific criteria, e.g., Large Cap Growth US Equities.

At the time of clients' initial investments in the program, Eqis (in conjunction with the client's Financial Professional) will assist the client in determining the client's current financial situation, financial goals and attitudes towards risk. Clients' information will be collected and analyzed through the use of Eqis's proprietary proposal generation system, which in turn will allow Eqis and the client's Financial Professional to review the client's situation and determine an appropriate asset allocation. With regard to the Program account, asset allocation refers to the combining of individually managed portfolios to create diversification based on asset class, equity styles, foreign markets, etc. With respect to Benefit Plan Clients, the plan fiduciaries will be provided with predefined asset allocations, along with adequate description of strategies and the associated levels of risk. The plan fiduciaries will be responsible for choosing the allocation for inclusion in their plan. The client will maintain all ownership rights to all securities held within the Program account.

Once an appropriate asset allocation is determined with a client, and the Contracted Managers (if any) have been selected to fulfill the asset allocation, the individual portfolios will be managed by Eqis and the Contracted Managers on a discretionary basis. A Program account may consist of up to ten separately managed portfolios, or in the case of a managed EFT account (account composed entirely of exchanged traded funds) up to 20 portfolios of EFT's, combined to create an asset allocation that is appropriate for the client's needs, risk preferences and/or desires. Within an individual Program account all ten portfolios may be managed by Eqis (hereinafter "All Eqis Managed Account"); or all ten portfolios may be managed by Contracted Managers (hereinafter "Multi-Manager Managed Account"). In the alternative, a program account may contain a combination of Eqis managed portfolios and Contracted Manager portfolios. In regard to the Program, any asset allocation that

contains a portfolio that is managed by a Contracted Manager is considered a Multi-Manager Managed Account. The appropriate mix of managers will be determined by the client in conjunction with guidance from the client's Financial Professional. Model portfolios (and thus clients accounts) can be invested in a wide variety of securities and other assets such as (but not limited to) stocks, American Depository Receipts (ADR's), exchange traded funds (EFT's), target term trusts, U.S Government bonds, money market funds and mutual funds. Eqis and/or Eqis Contracted Managers will make changes on a discretionary basis with respect to a client's account based on market, economic and political circumstances, and the individual characteristics of securities. Eqis and/or Eqis Contracted Managers will typically utilize a long term buy and hold approach, although other strategies may be used where appropriate to a client's circumstances. Clients should refer to the Contracted Manager(s) information in Exhibit 1 herein for information regarding the methods of analysis, sources of information and investment strategies used by the independent registered investment adviser in servicing client accounts.

FolioFn Investments Inc., a NASD registered broker dealer, provides all clearing and custodial services for the program. Pursuant to contractual authority from the client, Eqis will arrange for the execution of all securities transactions in client accounts. As Eqis does not have the discretionary authority to determine the broker dealer to be used, clients must direct Eqis as to the broker dealer to be used. Participation in the Program requires the appointment of FolioFn Investments Inc. as broker and custodian (hereinafter referred to as "FolioFn" or "Custodian"). Eqis does **not** have the discretion to change broker/custodian without the client's written permission. In directing the use of FolioFn, it should be understood that Eqis will not have authority to negotiate commissions among various brokers and best execution may not be achieved. Clients should consider whether or not the appointment of FolioFn as the sole broker may or may not result in certain costs or advantages or disadvantages to the client as a result of possibly more or less favorable executions. The client should consider that, depending upon the level of the wrap-fee charged by Eqis, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap-fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if Eqis were to negotiate commissions and seek best price and execution of transactions for the client's account.

Eqis will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows Eqis to execute equity trades in a more timely, equitable manner and to reduce overall costs. No personal trades will ever be included in any client blocks.

Eqis requires a minimum account size of \$25,000 for participation in the Program. This account size may be negotiable under certain circumstances. Clients may also make subsequent investments of \$100 or more, although any subsequent investment will be invested in a money market security within the program account until such time where there is a minimum of \$1,000 to reallocate into the designated asset allocation within the program account.

Eqis will update this Wrap-Fee brochure at least annually, no later than December 31 of each year. In addition, any material changes to the program during the year will dictate an interim update to this brochure. All updates will be made available to clients of Eqis.

Proxy Policy: As a matter of firm policy, Eqis does not vote proxies for Program client accounts. However the program custodian provides for online access to a proxy voting system that enables clients to vote their own proxies if they so desire.

Contracted Manager and Use of Contracted Model Managers Portfolios

How we use outside managers

Eqis hires Contracted Managers, who are not employees or affiliates of Eqis, to manage client assets within the Program. Clients' assets are managed by tracking each account's asset allocation to one or more model portfolios. Clients' portfolios are divided among these models based on the client's asset allocation. Clients' assets track the securities holdings of model portfolios. Strictly speaking, model portfolios do not in fact contain any assets, but rather clients' accounts track model portfolios which determine what assets will be purchased and sold within clients' accounts. Clients' assets are held in their own accounts and are not commingled with the assets of other clients.

Information provided by clients and their financial professionals is critical for the selection of the asset allocation and thus the appropriate model managers. Changes in clients' priorities must be communicated to Eqis so that Eqis, the client's Financial Professional and the client can coordinate and adjust the allocation among model portfolios and Contracted Managers accordingly. Initially, the selection of Contracted Managers is determined by each client and the client's financial professional. The client and associated financial professional may also choose to have Eqis manage all assets thereby using no Contracted Managers.

Contract Managers have no information about individual clients, but rather are charged with managing one or more model portfolios appropriate for the asset classes to which the model portfolios are assigned.

How We Select Managers

Managers consistent with our asset allocation methodology are selected according to their track record, risk controls, and investment methodology. We hire managers who we believe will provide the best risk adjusted return for all asset class and/or equity styles that comprise clients' asset allocations.

How we Monitor Managers

Performance of the Contracted Managers is monitored by Equis. Contracted Managers who under-perform relative to their asset class and/or equity style will, pursuant to the discretion of Equis, likely be replaced. Equis practices careful judgment and discretion when determining whether to hire and retain each Contracted Manager. When hiring Contracted Managers, we do not independently verify their returns, but rather rely of the returns presented by the contracted firm and/or third party sources.

Changing Managers

The Contracted Manager or managers assigned to a particular portion of clients' asset allocations may be changed at the discretion of Equis. Such changes would typically be made when a Contracted Manager is underperforming relative to its peers. Where a Contracted Manager of a portfolio is fired, Equis will, for all clients tracking that model, select an alternative portfolio to fill that portion of clients' asset allocations.

If a client or his financial professional desire to switch between managers they may do so for no charge. The Equis Capital program is not designed for investors who plan to change managers frequently and reasonable limits to the number of manager changes allowed may be applied. For this purpose, Equis typically places an annual limit of 5 manager changes per year. Equis may provide relief from this limit at its discretion.

The Use of Contracted Managers

Adverse price movements and thus less favorable prices might be caused by Contracted Managers' outside activities (activities in accounts other than the model account) or due to the large orders created based on changes in the model account. Orders for clients' Equis accounts may be initiated at the same time or a different time than when the change in model portfolio is made by the model portfolio's manager. Equis does not typically evaluate changes made to model portfolios by their Contracted Managers. Rather, Equis typically limits our oversight to the results provided by a Contracted Manager, and all investment decisions made in a particular Contract Manager's model are made at the discretion of the Contracted Manager.

Some Contract Managers may be paid more for sub-advisory management services than others. For Multi-Manager Account clients, the wrap fee charged by Equis to clients does not vary based on the Contracted Managers selected by Equis for a Multi-Manager Account.

Some of the available model portfolios are managed by Equis Capital, meaning that the fee that would otherwise be paid to a Contracted Manager is retained by Equis. Moreover, certain clients or Financial Professionals may choose for Equis to manage all assets without Contracted Managers. A lower program fee is charged for accounts entirely managed by Equis Capital with no Contracted Managers.

Based on the fee structures outlined below, Equis stands to save operating costs (and thereby increase profit) if its own model portfolios (or low-cost Contracted Manager portfolios) are selected by clients and Financial Professionals rather than higher-priced Contracted Managers' portfolios. Equis, therefore, has an incentive to

offer its own portfolios and lower-cost Contracted Managers as part of the Program. This is a conflict of interest that may affect the Contracted Managers and model portfolios selected by Equis for inclusion in the Program. Nevertheless, Equis has a significant interest in making sure that its clients and their financial advisors are happy with all aspects of the Equis Capital Advisor Wrap Fee Program. Toward this end, Equis will endeavor to select managers and portfolios we believe will provide the best risk adjusted return for clients.

Contracted Manager Disclosures

Contracted Managers have discretion over what assets are selected within the model(s) they manage. A Contracted Manager might have outside business or personal relationships that provide an incentive for the Contracted Manager to include certain assets rather than others. A Contracted Manager is not contractually obligated to include in model portfolio(s) any securities included in outside portfolios. Similarly, a Contracted Manager may include assets in models that are not included in portfolios managed outside of the Equis program.

Assets that Can be Contained in Clients Accounts

Model portfolios (and thus clients accounts) can be invested in a wide variety of securities and other assets such as (but not limited to) stocks, American Depository Receipts (ADR's), exchange traded funds (ETF's), target term trusts, and mutual funds.

Equis Capital Provides Asset Management, But Does Not Provide Tax Advice.

Buying and selling specific securities as part of a tax planning strategy is available to clients of Equis, but tax related decisions or counseling is not provided by Equis. If a client and the associated financial professional desire to buy and/or sell specific securities within an account, then specific orders should be emailed to us and we will make the requested transactions. Management of model portfolios might not be coordinated, and accordingly it is possible for wash sales to occur.

Dispersion

The performance of a model portfolio and a client's actual performance within that model can vary. There can also be dispersion between the performance of a client's assets that are allocated to a model portfolio and the actual model portfolio (managed outside the Equis Multi Manager Program) that the client's allocation is managed to match. This dispersion can cause a client's actual return for the portion of the client's account allocated to a particular model portfolio to be either greater than, equal to or less than the performance of the actual model portfolio (or the portfolio managed outside of the Equis Multi Manager Program that the model portfolio is managed to track, if any). In addition, dispersion can account for slightly different holdings or percentage holdings in a client program account versus the model portfolio.

Contracted Managers may manage portfolios outside of the Equis program and there may be dispersion between the performance reported by these services and those received by Equis clients. Finally, there may be dispersion between the returns earned by different clients whose investments are tracking the same model portfolio(s).

Dispersion among clients' accounts is common because of the combination of each client's assets being held directly in their own account and the differences between the timing of trade execution, size of accounts, client additions or withdrawals, and client imposed restriction among other factors.

Investment Strategies and Securities Analysis

Equis manages several separate model portfolios that provide diversification across the spectrum of domestic and international equity styles and fixed income. Portfolios typically consist of one or more of the following: individual equities, ADR's, ETF's, mutual funds, FDIC cash deposits and U.S. Government securities. Each client of Equis will be assigned an asset allocation comprised of up to ten of the Equis model portfolios. The assignment of an asset allocation will be based on the clients need, risk preferences and desires.

Individual equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis proprietary model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation, which influences the five forces. When selecting individual equities, Equis also takes the industry into consideration in the interest of maintaining diversification to maximize risk adjusted returns. ETF's or mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

Equis utilizes several data resources in gathering historical information, as well as annual and quarterly reports. Using fundamental analysis, securities are continuously monitored and evaluated relative to market and industry conditions.

Equis may use FDIC cash deposits to "sweep" unused cash balances until they can be appropriately invested.

Equis may utilize one or more of the following investment strategies in servicing Program participants: long-term and short-term investment strategies, and trading (securities sold within 30 days). Nevertheless, Equis places an emphasis on a long term buy and hold approach. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

Equis utilizes a number of sources of financial information in the firm's analysis of securities including financial newspapers and magazines, research materials and reports, corporate rating services, annual reports, prospectuses, SEC filings and company press releases. Research services are received in various forms, which may include written reports, or information obtained on the World Wide Web.

The above types of investments, methods of analysis, sources of information and investment strategies utilized by Equis are only applicable to portfolios managed directly by Equis. With respect to outside money managers, clients are requested to refer to the description of Contracted Managers portfolios in Exhibit 1 for more information on that manager's investment strategies, methods of analysis, and other pertinent investment information.

Fee Schedule

Eqis charges an annual "Wrap-Fee" for participation in the Program. The Wrap-Fee is made up of two separate and distinctive parts, but charged to the client as one fee. The two parts are as follows: Part 1 the Eqis Program Fee, and Part 2 the Financial Professional Fee ("FP" fee). Both parts are detailed below. The Wrap-Fee will be charged as a percentage of assets under management on a blended fee schedule. Clients will be invoiced and fees will be directly debited from client accounts after the end of each calendar month. Where there is not enough cash or funds in an account to pay a fee, the account will be rebalanced so as to generate a sufficient level of cash or funds to meet this expense. As part of this agreement you authorize the Clearing Firm (FolioFn) to deduct the Wrap-Fees from your account as directed by Eqis. The fee calculation will be based on the average closing market value of the assets in the client's Program account over the previous calendar month. Value is calculated as the market value, or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Each client Program Account is mutually exclusive for purposes of determining the declining fee schedule. Your Eqis account may contain investments that charge a separate fee not included within the Wrap-Fee.

The maximum Wrap-Fee (inclusive of parts 1 and 2) charged to clients is as follows:

<u>Assets Under Management</u>	<u>MAXIMUM Annual Fee (%)</u>
First \$100,000	Up to 2.45%*
Next \$150,000	Up to 2.35%*
Next \$250,000	Up to 2.25%*
Next \$2,000,000	Up to 2.15%*
Amounts Over \$2,500,000	Up to 2.05%*

* The actual Wrap-Fee charged to each client will depend in part on the negotiated "Financial Professionals" Fee, as detailed in Part 2 below. The exact Financial Professional fee charged to you will be specified in section #9 (Financial Professional's Report) of this Account Application. Similar advisory services may be available from other registered investment advisers for similar or lower fees.

In addition to the Wrap-Fee charged by Eqis, clients may also be charged, at the Financial Professional's discretion, an additional Initial Consulting Fee ("IC" fee) of up to 1% of the initial investment, and of any subsequent investments. The Initial Consulting Fee compensates the Financial Professional for gathering and communicating clients' financial information, as well as assisting in the manager selection process from the Eqis Contracted manager list. The Initial Consulting Fee of up to 1% will be deducted upon the deposit of cash, securities or any instrument of value into the client's Program Account at the end of the month in which the deposits were received, and will be paid in full to the Financial Professional's firm. The Initial Consulting Fee will not be assessed until the program account has been established for five days. The Initial Consulting Fee may be reduced or waived at the Financial Professional's discretion. The Initial Consulting Fee will be considered fully earned upon deduction of the Initial Consulting Fee from the client's Program Account.

The Maximum combined Wrap-Fee and IC-Fee during the first year of program participation is as follows:

<u>Assets Under Management</u>	<u>MAXIMUM First Year Fee (%)</u>
First \$100,000	Up to 3.45%*
Next \$150,000	Up to 3.35%*
Next \$250,000	Up to 3.25%*
Next \$2,000,000	Up to 3.15%*
Amounts Over \$2,500,000	Up to 3.05%*

* The actual First year Fee charged to each client will depend in part on the negotiated "Financial Professionals" Fee, as detailed in Part 2 below, as well as the Initial Consulting Fee charged by the Financial Professional. The exact Financial Professional fee and Initial Consultation Fee charged to you will be specified in section #9 (Financial Professional's Report) of this Account Application. Similar advisory services may be available from other registered investment advisers for similar or lower fees.

BREAKDOWN OF WRAP-FEE

Part 1, Program Fee

The Eqis Program Fee will be charged as a percentage of assets under management on a blended fee schedule. There are three options that determine the Program Fee. Option 1 (All Eqis) includes an account comprised of portfolios managed solely by Eqis. Option 2 (Multi Manager) includes managers other than Eqis (i.e., managers contracted by Eqis), but not excluding Eqis. Option 3 (Managed ETF) includes only exchange traded funds (ETF's) and no individual

stocks or contracted managers. It will be up to the client and their Financial Professional to determine whether Option 1, Option 2 or Option 3 is best for the client's particular circumstances.

If client invests in an All Eqis Managed account, the Program Fee will be:

<u>Assets Under Management</u>	<u>MAXIMUM Annual Fee (%)</u>
First \$250,000	Up to 0.75%*
Next \$250,000	Up to 0.65%*
Next \$1,500,000	Up to 0.55%*
Next \$3,000,000	Up to 0.45%*
Amounts Over \$5,000,000	Up to 0.35%*

If client invests in a Multi Manager Managed account, the Program Fee will be:

<u>Assets Under Management</u>	<u>MAXIMUM Annual Fee (%)</u>
First \$100,000	Up to 0.95%*
Next \$150,000	Up to 0.85%*
Next \$250,000	Up to 0.75%*
Next \$2,000,000	Up to 0.65%*
Amounts Over \$2,500,000	Up to 0.55%*

If client invests in a Managed ETF account, the Program Fee will be:

<u>Assets Under Management</u>	<u>MAXIMUM Annual Fee (%)</u>
First \$250,000	Up to 0.75%*
Next \$250,000	Up to 0.65%*
Next \$1,500,000	Up to 0.55%*
Next \$3,000,000	Up to 0.45%*
Amounts Over \$5,000,000	Up to 0.35%*

Part 2, Financial Professional Fee

The Financial Professional Fee is the portion of the overall Wrap Fee that is used to compensate the Financial Professional. The services that the Financial Professional will be compensated for include: introducing clients to Eqis, gathering and communicating clients' financial information, assisting in the manager selection process from the Eqis approved manager list, acting as a liaison between Eqis and clients, staying in contact with clients and informing Eqis of any material changes in clients' financial picture, and other various clerical or administrative duties. The Financial Professional Fee is negotiated between the client, the Financial Professional and Eqis. The Financial Professional Fees shall under no circumstances exceed 1.5% per annum. The client may be able to negotiate a higher or lower Financial Professional Fee based on the individual Financial Professional that introduces the client to the program.

Other Wrap-Fee Details

The Wrap-Fee includes the Eqis Program Fee that covers all advisory fees, brokerage costs, online performance reporting costs, third party custodial fees, exchange fees, transfer taxes, and any fees that Eqis pays to a third party in conjunction with marketing the program (i.e. internal or external wholesalers or platform inclusion fees). In addition, the Wrap-Fee is inclusive of the Financial Professional Fee. The Wrap-Fee does not include certain administrative fees; for example, wire transfers, annual charges for qualified accounts, or certificate issues. A minimum of \$25,000 of assets under management is required to participate in this program. Securities transactions affected for the clients' accounts may also include, mark-ups, mark-downs, or dealer spreads to market makers or other principals from whom securities were obtained by FolioFn. These mark-ups, mark-downs, or dealer spreads will be retained by the market maker or other principal and will not be credited or reimbursed to the client's account.

Some of the model portfolios available to clients are managed by employees and/or principals of Eqis. Managers of these model portfolios are paid salary by Eqis and therefore do not directly receive any particular percentage of the wrap fee. Other model portfolios are managed by managers who are not employees or principals of Eqis. These outside managers that are contracted by Eqis receive a percentage of assets under management as compensation. Outside manager compensation is negotiated and based on the asset class, equity style, and tenure of manager, among other various criteria judged by Eqis to be important. Contracted Manager compensation is included in the Wrap-Fee of Option 2.

Negotiability of Fees and Account Minimums: In certain circumstances, all of Eqis fees and account minimums may be negotiable.

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the

funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter "IA Act").

Fee Payment: Clients will be invoiced and Wrap Fees will be directly debited from client accounts at the beginning of each calendar month. The fee calculation will be based on the average daily market value of the assets in the client's Program account over the previous calendar month. Value is calculated as the market value, or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Fees will be directly debited in accordance with the Client Services Agreement.

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. A reasonable amount of time may be necessary to liquidate (two days) and transfer client assets (10 days), or provide administrative services in connection with the termination of an account. Upon termination of any account, any prepaid, unearned

fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

Mutual Fund Fees and Expenses: All fees paid to Equis for investment advisory services are separate and distinct from the fees and expenses charged by ETF's or mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in an ETF or mutual fund directly, without the services of Equis. In that case, the client would not receive the services provided by Equis which are designed, among other things, to assist the client in determining which ETF's or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the ETF's or funds and the fees charged by Equis to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Information About Fees and Services

In considering the investment program described in this brochure, a prospective client should be aware that the Program may cost a client more or less than purchasing the actual services separately from other advisers or broker-dealers. Clients should also be aware that the charge of an Initial Consulting Fee may not be considered standard in the investment advisory industry.

In addition, the amount of compensation received by Equis and the Financial Professional(s) as a result of the client's participation in the Program may be more or less than what Equis and/or the Financial Professional would receive if the client paid separately for investment advice, brokerage and other services. Therefore, Equis and the Financial Professional(s) may have a financial incentive to recommend the Program over other advisory programs or services.

The factors that should be considered by a prospective client include the size of a client's portfolio, the nature of the investments to be managed, commission costs, custodial expenses (if any), the anticipated level of trading activity, and the amount of advisory fees charged for managing the client portfolio.

Advisory fees may vary among Equis clients based upon a number of factors, including the size of the client's account, the negotiated financial professional fee, the types of investments, the nature of related services provided, and the length of the advisory relationship with a client, among other things.

Clients should understand that similar advisory services may be available from other registered investment advisers for a higher or lower fee.

Conflicts of Interest

Equis utilizes FolioFm for all brokerage and custodial services. For this reason, the decision by any client to authorize Equis to place a trade is the functional equivalent of directing Equis to execute the trade through FolioFm. Certain associated individuals of Equis are also licensed insurance agents. As such, these individuals can sell insurance products to advisory clients and the licensed agent may receive separate yet typical insurance-based compensation and/or commissions. While these individuals endeavor at all times to put the interest of Equis's advisory clients first as part of Equis's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making advisory/investment recommendations.

Equis or individuals associated with Equis may buy or sell securities identical to, or different from those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of Equis that no person employed by Equis may purchase or sell any security immediately prior to a transaction(s) being implemented for an advisory account, and therefore, prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, Equis has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A Director, officer or employee of Equis shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Equis shall prefer his or her own interest to that of the advisory client.
2. Equis maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer of Equis.
3. All clients are fully informed that certain individuals may receive separate compensation when effecting transactions outside of the wrap fee Portfolio Management service.
4. Equis requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to termination.

Equis will not aggregate trades for its associated persons with client trades.

Education and Business Standards

Equis requires that investment adviser representatives maintain general standards of education and business experience, especially related to investments. Investment adviser representatives must also satisfy state-by-state qualification requirements within the states in which the representatives have places of business. Generally, states require

representatives to complete the Series 65, or Series 7 and 66 NASD examinations. Equis also requires that all Financial Professionals be properly registered as investment advisers or licensed as investment adviser representatives where required pursuant to relevant federal and/or state regulations.

Officers of Equis

William R Nelson

BORN: 6/15/1971

William Robert Nelson Jr. graduated from San Diego State University with a degree in Finance. He moved to Chicago where as a member of the Chicago Board of Trade he made markets in financial futures. Subsequently, he earned a Ph.D. in economics from George Mason University and was appointed as a professor to the department of Finance and Managerial Economics in the State University of New York at Buffalo School of Management. His original research has been published in the American Economic Review, DePaul Journal of Healthcare Law, The International Conference on Information Technology ITCC 2004 Proceedings, the Journal of Economic Behavior and Organization, Latin American Finance and Capital Markets, and the Latin American Law and Business Report.

Duane Menting

BORN: 3/03/1952

Duane Menting, Esq. graduated with a B.S. degree 1976 from the University of Wisconsin - Stevens Point. He received his JD degree in 1980 from Indiana University - Bloomington. He completed his LLM - Tax degree in 1991 at Golden Gate University - San Francisco. He has run a successful private legal practice for 20 years working with Fortune 500 companies. He joined Equis Capital Management in March of 2008. He is the Chief Financial Officer and the Chief Legal Counsel.

Jennifer C Winters BORN: 9/25/1971

Jennifer C Winters graduated from Lewis University with a B.A. in Communications. She has been with Equis Capital Management since February of 2003. She is the Chief Compliance Officer.

Chief Financial Strategist

Dr. William R. Nelson is the Chief Financial Strategist of Equis and the primary Portfolio Manager for portfolios managed by Equis for the Program. Dr. Nelson performs the day to day management of the portfolios managed by Equis. In addition Dr. Nelson designs asset allocation models for the Program that are based on the needs and risk preferences of clients. These models are used within Equis's proprietary proposal generation system. The core of Equis's management philosophy is distilled into the Equis System that employs an augmented version of the Porter Five Forces Model in conjunction with the implications of modern portfolio theory and recent empirical evidence. The processes employed by Equis are continuously updated to provide what Equis and Dr. Nelson believe to be the best possible money management for Equis clients. Additional insights into the market are provided by Equis's distinguished business advisory board. Fortunately, advanced technology allows Dr. Nelson to act as the Portfolio Manager for all clients in the Program that are invested in an Equis

Managed Portfolio.

Clients' Financial Professionals will communicate clients' needs to Equis which will in turn update Dr. Nelson with changes in the financial circumstances and needs of clients, so that their portfolios can be appropriately managed.

Dr. Nelson is not personally available to address clients' questions and concerns. Rather, questions should be sent through clients' Financial Professional(s), who will forward the questions to Equis should the financial professional be unable to respond. Equis will provide the answer to the Financial Professional(s), who will relay the answer to the client. Dr. Nelson's performance information is not reviewed by the sponsor or a third party, nor calculated on a uniform and consistent basis.

Client Reports

Program clients will receive account statements and confirmations of transactions directly from the custodian. Fees are calculated by the custodian and invoices made available to the client on behalf of Equis before fees are debited from clients' accounts. All clients should verify the accuracy of fee calculations. The above

mentioned client reports will be made available to clients through electronic mail and the Internet. Clients participating in the program who choose to receive reports in hard copy will be assessed an additional \$250 annual administrative fee.

Review of Accounts

While the underlying securities within the Program accounts are continuously monitored, these accounts will be formally reviewed at least quarterly by Dr. Nelson. The review will be conducted to determine if the current investment holdings of the account are consistent with the client's investment objectives as outlined at the inception of the advisory relationship. More frequent reviews may be triggered by

material changes in variables such as the client's individual circumstances, drift from the model portfolio weighting, and economic environment. Equis or a designee (typically the Financial Professional) will contact the client on at least an annual basis to discern changes to the client's financial circumstances or investment objectives.

Additional Compensation

Equis does not except soft dollars or any other additional compensation above the fees paid by the client to Equis outlined in the Fee Schedule. Nevertheless, Equis may receive research reports from FolioFm. The receipt of such reports is not related to any commitment with FolioFm for transaction levels in exchange for any services or products from FolioFm, but does create a possible conflict of interest of which clients should be aware in assessing Equis's

brokerage recommendation.

Financial Professionals may receive incentive awards for the recommendation or introduction of investment products to advisory clients. The receipt of this compensation may affect a representative's judgment in recommending products to clients.

17. Exhibit 1

MODEL PORTFOLIO DESCRIPTIONS

Equis provides access to model portfolios that provide diversification across the spectrum of domestic and international equity styles and fixed income. Each client of Equis will be assigned an asset allocation comprised of up to ten of the model portfolios. The assignment of an asset allocation will be based solely on the client's needs and risk preferences. Some of the model portfolios are managed in house by Equis; others are managed by independent, contracted managers. Below is a brief description of model portfolios arranged by asset class and equity style.

Large Cap Growth Model Portfolios-Benchmarked to the Russell 1000 Growth Index

Advisor Partners/ AP US LargeCap Core

The U.S. Equity Large Cap Tax Managed Index Strategy seeks to maximize after-tax returns while maintaining risk characteristics similar to the broad U.S. equity market through a managed portfolio of individual securities. The portfolio's benefits include diversification across sectors combined with tax efficiency. Tax efficiency is achieved by selecting tax efficient vehicles and/or through active tax management. The sectors with the greatest representations within the portfolio tend towards finance, information technology, and healthcare. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Advisor Partners/ AP/IndexIQ LargeCapGrowth

Index IQ's Large Cap Growth methodology identifies large capitalization companies poised for rapid, sustainable growth, and strong equity appreciation. Index IQ's patent pending portfolio construction process combines sophisticated quantitative research, multi-factor fundamental models, and a proprietary, non-market capitalization weighing system. The resulting portfolios provide the benefits of traditional, passive indexes, and actively managed funds. The rules-based methodologies, tax efficiency, and low trading costs of index investing are retained. The rules governing the management are actively and painstakingly designed to provide alpha (excess returns). The sectors with the greatest representations within the portfolio tend towards energy, consumer staples, consumer discretionary, and materials. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Equis Capital Management/ Equis Large Cap Growth

Equis Large Cap Growth is managed to provide clients diversification, primarily among U.S. large capitalization companies oriented towards growth. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/ American Disciplined Eqt

The American Disciplined Equity Strategy Invests in the highest rated stock within each of the 12 industry sectors of the Standard & Poor's 500. Stocks within each sector are ranked according to FTAM's proprietary rating system which compares the companies in 3 broad areas. Their Earnings Momentum index ranking compares each company's revenue and net income growth in each of the last 3 years. The profitability + quality index ranking compares profitability and quality factors such as return on equity, return on assets, profit margin, and financial leverage. Their Value Momentum index ranking compares valuation and momentum, rating each stock by low price to sales ratio and high 1 year, 3 month, and 1 month momentum factors. The scores are then combined to come up with an overall rating. The ADE portfolio is invested on an equally weighed basis in the top 20% of the stocks in each industry sector with industry weights that are kept equal to the S&P 500. On a quarterly basis the portfolio is rebalanced.

Hanseatic Management Services, Inc /Hans LCG

Managers use a multi-time dimensional system that identifies large-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell

disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios' returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments.

Laidlaw Group/Laidlaw Group – LCG

The Laidlaw Group's Large Cap Value portfolio focuses investments in companies with the following characteristics: high cash flow to market value ratio, high asset to debt ratio, profitability, and growth potential. Close attention is also paid to the sectors in which firms operate. The management may overweight or underweight sectors based on their analysis of economic trends. The Laidlaw Group is a family business founded by Robert Laidlaw and his son David. Robert, the current Chairman, is an industry veteran who began his career on the floor of the New York Stock Exchange in 1958 after graduating from Yale, with a degree in philosophy. His nearly 50 years of industry experience provide the foundation from which the Laidlaw Group excels.

Sawgrass Asset Management/Sawgrass LCG Best Ideas

Sawgrass Asset Management, L.L.C. is a 100 percent employee-owned, SEC-registered investment advisor. The firm provides innovative growth equity investment management services to institutional and high net worth investors. The firm was founded on January 15, 1998 in Jacksonville, Florida, by principals Andrew Cantor, Dean McQuiddy and Brian Monroe. The firm consists of a core group of key investment professionals who have worked together for more than 20 years. The core investment team of portfolio managers, equity traders, and client service professionals came to Sawgrass from Barnett Capital Advisors, Inc. and have been with the firm since its inception.

Large Cap Value Model Portfolios-Benchmarked to the Russell 1000 Value Index

Advisor Partners/AP US High Dividend Yield

The U.S. Equity High Dividend Tax Managed Index Strategy seeks to maximize after-tax returns while maintaining risk characteristics similar to the broad U.S. equity market through a managed portfolio of individual securities. The portfolio's benefits include diversification across sectors combined with tax efficiency. Tax efficiency is achieved by selecting tax efficient vehicles and/or through active tax management. The sectors with the greatest representations within the portfolio tend towards finance, information technology, and industrials. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. The average industry tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Advisor Partners/AP/IndexIQ LargeCap Value

Index IQ's Large Cap Value methodology identifies large capitalization companies that are fundamentally undervalued and poised for strong equity appreciation. Index IQ's patent pending portfolio construction process combines sophisticated quantitative research, multi-factor fundamental models, and a proprietary, non-market capitalization weighing system. The resulting portfolios provide the benefits of traditional, passive indexes, and actively managed funds. The rules-based methodologies, tax efficiency, and low trading costs of index investing are retained. The rules governing the management are actively and painstakingly designed to provide alpha (excess returns). The sectors with the greatest representations within the portfolio tend towards financials, industrials, consumer discretionary, and information technology. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Clear Asset Management, Inc./ CLRLRGCAPVAL

Clear Asset Management aggressively applies information technology to manage the Clear Large Cap Value portfolio. During the 1980s, PCs replaced many accountants, because computers can out-calculate people. Clear leverages human insight with computers to comb through the ever expanding universe financial information. Wall Street and corporate scandals triggered government mandates compelling public companies to disclose more financial information. By law, senior management is personally responsible for the quality and timing of information. The challenge of money managers and investors is applying insight to and processing the massive amount of data. Proprietary software codifies proven fundamentals and frees them from Wall Street's personal conflicts and human bias: favoritism and error. They scour enormous amounts of corporately-calculated and market-generated fundamental data to find clients the best possible investments.

Equis Capital Management/Equis Large Cap Value

Equis Large Cap Value is managed to provide clients diversification primarily among U.S. large capitalization companies oriented toward value. This portfolio often

features investments in consumer staples, financial, or manufacturing sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long term buy and hold approach. When selecting individual equities Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Texas First Investment Management Company/TFIM LCV

Texas First Investment Management Company has provided significant equity returns with relatively low risk by combining a long term, conservative, and value-oriented approach with an unparalleled expertise acquired by investing solely in Texas-based publicly-held companies. The stock selection criteria include, but are not limited to, value measures of sustainable earnings, sustainable cash flow, and adjusted book value. Potential catalysts to unleash value are also critical considerations. Holdings are carefully diversified among industries. Money Manager Review rated the Large Cap Value portfolio as the top performing large cap value portfolio in the country, for the 5 year period 2001 – 2005. It has outperformed the S&P 500 for seven consecutive years, with below-average risk. During no calendar year has the portfolio ever lost money.

Tom Johnson Investment Management, Inc./TJIM Core – LCV

The goal of the TJIM Core/Relative Value Stock Portfolio is to maximize total return over a business cycle. We believe in creating a prudent, well-diversified, high-quality portfolio that addresses capital preservation and risk. The focus is on purchasing common stock of companies that have valuations lower than their peer group in industries and sectors that provide the best opportunity in the foreseeable future. Historically, this portfolio has a blend of equity issues that match "value" and "growth" descriptions. Some consultants classify our style as core with a value bias. The portfolio will under normal circumstances contain 30 to 50 securities and is diversified across most sectors. Tax efficiency is addressed by focusing on turnover and realizing gains and losses when in general they provide the most benefit to clients under the U.S. tax code. TJIM was established in 1983 to provide independent investment management services for high net worth individuals and families, public funds, corporations, foundations, endowments, and unions throughout the United States. TJIM's conservative investment philosophy has always maintained that a quality, well-diversified portfolio that addresses both capital appreciation and capital preservation is the most prudent and consistent way to achieve clients' investment goals. In all our efforts, we seek to provide above average returns in good markets while preserving our clients' wealth when down markets occur.

Mid Cap Growth Model Portfolios-Benchmarked to the Russell Mid Cap Growth Index

Clear Asset Management, Inc./CLRMIDCAPGRO

Clear Asset Management aggressively applies information technology to manage the Clear Large Cap Value portfolio. During the 1980s, PCs replaced many accountants, because computers can out-calculate people. Clear leverages human insight with computers to comb through the ever expanding universe financial information. Wall Street and corporate scandals triggered government mandates compelling public companies to disclose more financial information. By law, senior management is personally responsible for the quality and timing of information. The challenge of money managers and investors is applying insight to and processing the massive amount of data. Proprietary software codifies proven fundamentals and frees them from Wall Street's personal conflicts and human bias: favoritism and error. They scour enormous amounts of corporately-calculated and market-generated fundamental data to find clients the best possible investments.

Equis Capital Management/Equis Mid Cap Growth

Equis Mid Cap Growth is managed to provide clients diversification among U.S. mid capitalization companies primarily oriented towards growth. Many of these stocks are found in the volatile technology, health-care, and services sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities, Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Hanseatic Management Services, Inc./Hans MCG

Managers use a multi-time dimensional system that identifies mid-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are

then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios' returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

StoneRidge Investment Partners, LLC /Equis MCG

The StoneRidge Small to Mid (SMID) Cap Growth Equity Portfolio seeks to outperform the Russell 2500 Growth Index. StoneRidge believes in a blend of fundamental research, quantitative tools, and qualitative judgments are required to consistently add value in equity investment management. The investment process employed by StoneRidge is built upon a team of six sector specialists performing intensive fundamental equity research. This bottom-up, fundamental investment process is supported by a proprietary, multi-factor screening tool, the purpose of which is to narrow the scope of the investment universe to the most attractive candidates, upon which to perform detailed fundamental analysis. This quantitative tool also provides an ongoing objective analysis of StoneRidge's existing portfolio. The SMID investment universe is comprised of stocks with market capitalizations between \$500 million and \$10 billion as well as those stocks which are constituents of the Russell 2500 Growth Index. The proprietary, quantitative tool screens and then ranks this universe of over 2400 U.S. stocks. The goal of the screening tool is to narrow opportunities to a focused list of stocks that possess the characteristics most likely to lead to superior investment performance. StoneRidge's screening tool is constructed around five broad factors which are critical to predicting future stock performance: earnings momentum, valuation, technical condition, accounting/financials, and insider activity. Each stock is ranked relative to the entire SMID universe; the result is a list of companies with the most attractive combination of attributes. These stocks are then subjected to in-depth fundamental research by our team of sector specialists.

Tributary Capital Management /Tributary MCG

An average earnings growth rate for the previous five years that exceeds the benchmark is a primary criterion for equity selection into the Tributary Mid Cap Growth portfolio. All fundamental factors play a role in the valuing of a company for investment, but the price-to-earnings ratio provides the most visible, universally applied metric. Our approach avoids absolute concentrations in individual industry sectors, attempting on an absolute basis to keep allocations to individual industries and economic sectors as low as possible. Some of the fundamental factors include revenue, cash flow, and earnings growth. Tributary Capital Management seeks to maximize long-term total return with appropriate diversification into market sectors to reduce risk. Our style of equity investing emphasizes growth companies in a broad range of industries and does not believe in sector speculation. Stocks are selected using a "bottom-up" process rather than relying entirely on information that Wall Street has developed. This fundamental research predominantly defines a universe of medium sized companies (approximately \$1 to \$15 billion in market cap) from which portfolios are constructed. Our approach takes into consideration intrinsic value, profitability, current valuation, and growth potential. Intrinsic value measures include cash flow, growth in revenue, and gains in market share among others. Active portfolio management, based on intensive, original research, can add value by limiting risk and increasing investment returns.

WCM Investment Management /WCM Mid Cap Growth

The primary objective of WCM Mid Cap Growth Equity is to maximize active risk-adjusted returns relative to the Russell Mid-Cap Growth index. By utilizing a systematic and disciplined investment process, the portfolio strategy has successfully exploited pricing inefficiencies since inception. The inception date of this strategy was March 1, 2001.

The process begins with a series of quantitative screens to determine eligible stocks from a database of 6,000 domestically traded securities. Market capitalization is based upon the Russell Mid-Cap Growth benchmark, and is limited to no more than 20 percent larger than the largest benchmark stock, nor 20 percent smaller than the smallest benchmark stock. Eligibility is then further narrowed to stocks in the group identified as having growth characteristics.

The most desirable stocks within this set for each sector and industry are discerned from a series of momentum and valuation factors. The momentum factors include price momentum, analysts earning estimate revisions, short & long term EPS change, and earnings surprise. The valuation factors include trailing and estimated earnings yield, book value, cash flow, and dividend yield. The top performing sectors and industries are typically over-weighted.

A qualitative overlay consists of reviewing current research and news to ensure that individual companies possess strong attributes for success with no substantive drawbacks or risks that do not show up in the quantitative screening process. The sell discipline is essentially the flip side of the buy discipline. When quantitative measures of individual stocks deteriorate, those stocks are replaced with more suitable alternatives. The portfolios typically contains 75 to 125 stocks. Initial positions are generally, approximately equally weighted to produce the fullest diversification and maximize the active return.

Mid Cap Value Model Portfolios-Benchmarked to the Russell Mid Cap Value Index

Ativo Capital Management/MDY

Ativo's goal is to recognize Mid Cap firms that earn significantly more than their cost of capital as it is these earnings that drive growth in shareholder value and stock price. Firms that don't earn their cost of capital destroy shareholder value. An accurate residual income model is key to implementing this approach. Our model incorporates discounted cash flow return on investment, cost of capital, and growth and life cycle theory. Each week Ativo converts 13,000 stocks GAAP financial statements to cash based statements. More than 50 adjustments are made in this process. Correction for pension liabilities, option values, and lease capitalizations are just a few. Cost of capital is calculated using a company's size, risk, industry, and other factors. Ativo is a Portuguese word that means both "active" and "assets" - together they illustrate their approach to the management of equity portfolios. Ativo develops portfolios based on a history of quantitative securities research covering nearly four decades that is the basis for a stable and consistent investment philosophy. They start with sound financial theory. Then this theory is applied to real-time experiments in actual markets to develop investment rules that transcend specific market conditions. Consistently applied, these rules pick the stocks for our portfolios. Ativo combine cutting-edge financial theory and clear objectives that are integrated into quantitative models that drive portfolio composition. The results are impressive and are consistent over time.

Cloud Neff/CNM Quant Value

The CN Quantitative value fund equally targets income generation and long term growth by screening stocks according to proprietary valuation measures. This "deep value portfolio" provides a very high dividend by purchasing equities in any industry, though holdings are often concentrated in energy, financial, utility, and real estate. The portfolio tends to have a low tracking correlation with its peer group and benchmark index, due to both its deep value approach and industry concentration. Typically, about 70 stocks are owned and turnover is approximately 70% per annum.

Eqis Capital Management/ Eqis Mid Cap Value

Eqis Mid Cap Value is managed to provide clients diversification primarily among U.S. mid capitalization companies oriented toward value. Many of their holdings come from financial and industrial sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Eqis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Eqis places an emphasis on a long-term buy and hold approach. When selecting individual equities Eqis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/ValueMomentum Leaders

The Value Momentum Leaders Strategy invests in the top 50 stocks that comprise the Value Momentum index. The Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. In addition, the stocks must have a price to sales ratio that is at least 10% less than the average price to sales of the S&P 500. Companies must also have current quarterly earnings that are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 50 stocks. The portfolio is reweighed and rebalanced on a monthly basis. Quantitative research underlies the impressive performance of Financial Trust Asset Management.

Fraser Management Associates/Fraser Contrarian SMA

Fraser Management Associates applies a unique contrarian discipline to produce superior long-term investment results for institutions and private clients. Their unique headquarters in Burlington, Vermont is consistent with their independent thinking. Since their founding in 1969, investment management has been their sole focus and passion. The team has been tempered by sixty-eight years of combined investment management experience. Client value is created by identifying overlooked and under-appreciated trends. Human behavior, market psychology, global trends, and industry dynamics are studied to identify securities poised to profit. Some of the themes guiding current investments are long-term climate change, water scarcity, Hispanic migration, and consolidation within the financial services industry. After theme or trends are identified, the focus narrows to select the specific securities best positioned to capitalize on them. The top down methodology, from general trend to specific security, tends to concentrate the portfolio in a few sectors. Largely due to this concentration, the portfolio has a very low correlation with other money managers and the stock market indexes. The portfolio typically contains 30 to 35 value type stocks with a Median market capitalization of \$2 billion. Historically, turnover has been a low 25% annually, meaning on average securities are held about four years.

Small Cap Growth Model Portfolios-Benchmarked to the Russell 2000 Growth Index

Eqis Capital Management/ Eqis Small Cap Growth

Eqis Small Cap Growth is managed to provide clients diversification primarily among U.S. small capitalization companies oriented towards growth. Many of these stocks are in the technology, health-care, and services sectors. Because these businesses are fast-growing and often richly valued, their stocks tend to be volatile, but often can provide for some of the most explosive returns. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Eqis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Eqis places an emphasis on a long-term buy and hold approach. When selecting individual equities Eqis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Hanseatic Management Services, Inc/Hans SCG

Managers use a multi-time dimensional system that identifies small-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios' returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments.

Laidlaw Group/Laidlaw Group – SCG

The Laidlaw Group's, Small Cap Value portfolio focuses investments in companies with the following characteristics: high cash flow to market value ratio, high asset to debt ratio, profitability, and growth potential. Close attention is also paid to the sectors in which firms operate. The management may overweight or underweight sectors based on their analysis of economic trends. The Laidlaw Group is a family business founded by Robert Laidlaw and his son David. Robert, the current Chairman, is an industry veteran who began his career on the floor of the New York Stock Exchange in 1958 after graduating from Yale, with a degree in philosophy. His nearly 50 years of industry experience provide the foundation from which the Laidlaw Group excels.

Sawgrass Asset Management/Sawgrass SCG Best Ideas

Sawgrass Asset Management, L.L.C. is a 100 percent employee-owned, SEC-registered investment advisor. The firm provides innovative growth equity investment management services to institutional and high net worth investors. The firm was founded on January 15, 1998 in Jacksonville, Florida, by principals Andrew Cantor, Dean McQuiddy and Brian Monroe. The firm consists of a core group of key investment professionals who have worked together for more than 20 years. The core investment team of portfolio managers, equity traders, and client service professionals came to Sawgrass from Barnett Capital Advisors, Inc. and have been with the firm since its inception.

Small Cap Value Model Portfolios-Benchmarked to the Russell 2000 Value Index

Advisor Partners/AP/IndexIQ SmallCapValue

Index IQ's Small Cap value strategy is designed to identify companies whose management anticipates growth, but whose stock still trades at value type multiples. We interpret aggressive investing by management as a sign of confidence in their market and product. Investments are focused in precisely the firms that display management's confidence while remaining a good value. These firms should be poised for long term growth and equity appreciation with less risk than conventional value stocks. The market's expectations are not yet inflated by reported growth, so shares can be bought with more confidence of price stability. The sectors with the greatest representations within the portfolio tend towards financials, and consumer discretionary, and information technology. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately-owned and managed by the principals.

Ativo Capital Management/SMY

Ativo's goal is to recognize Small Cap firms that earn significantly more than their cost of capital since it is these earnings that drive growth in shareholder value and stock price. Firms that don't earn their cost of capital destroy shareholder value. An accurate residual income model is key to implementing this approach. Our model incorporates discounted cash flow return on investment, cost of capital, and growth and life cycle theory. Each week Ativo converts 13,000 stocks GAAP financial statements to cash based statements. More than 50 adjustments are made in this process. Correction for pension liabilities, option values, and lease capitalizations

are just a few. Cost of capital is calculated using a company's size, risk, industry, and other factors. Ativo is a Portuguese word that means both "active" and "assets" - together they illustrate their approach to the management of equity portfolios. Ativo develops portfolios based on a history of quantitative securities research covering nearly four decades that is the basis for a stable and consistent investment philosophy. They start with sound financial theory. Then this theory is applied to real-time experiments in actual markets to develop investment rules that transcend specific market conditions. Consistently applied, these rules pick the stocks for our portfolios. Ativo combine cutting-edge financial theory and clear objectives that are integrated into quantitative models that drive portfolio composition. The results are impressive and are consistent over time.

Egis Capital Management/ Egis Small Cap Value

Egis Small Cap Value is managed to provide clients diversification primarily among U.S. small capitalization companies oriented toward value. Investments tend towards the manufacturing and financial sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Texas First Investment Management Company/TFIM SCV

Texas First Investment Management Company has provided significant equity returns with relatively low risk by combining a long term, conservative, and value-oriented approach with an unparalleled expertise acquired by investing solely in Texas-based publicly-held companies. The stock selection criteria include, but are not limited to, value measures of sustainable earnings, sustainable cash flow, and adjusted book value. Potential catalysts to unleash value are also critical considerations. Holdings are carefully diversified among industries. The Small Cap Value portfolio ranked among the top ten in the country over the 5 year period 2001 – 2005. It has outperformed the Russell 2000 small-cap index for six of the previous seven years, with below-average risk.

WCM Investment Management /WCM SCV

The small-capitalization segment of the U.S. market contains thousands of under-followed and, in many cases, mispriced securities. We believe these pricing inefficiencies can be exploited through a systematic and disciplined process. This is the approach we use to achieve our primary goal: outperforming the Russell 2000 Value index while substantially reducing portfolio volatility.

The process begins with a series of quantitative screens to identify the most undervalued stocks within the universe. The primary selection universe is companies with market capitalizations below \$2.5 billion, with particular emphasis on those companies between \$80 million and \$1.5 billion. We use six primary screens: EPS revision trends, cash-flow/price ratio, book/price ratio, trailing earnings/price ratio, dividend yield, and a net-net (working capital)/price ratio. In an effort to avoid value traps, we focus on consistency of earnings and relative price strength as additional criteria. Only the most undervalued 10-15% of all stocks screened are considered for additional work.

Those companies surviving both the quantitative and relative strength screens are subjected to more intense traditional research analysis, with particular attention to the balance sheet. We look for companies with conservative, easily understood financial structure and a large cushion of tangible assets relative to the stock price. In addition to an undervalued and financially sound company, we look intently for a catalyst which may cause the stock price to move quickly to its intrinsic value. Sector and industry analysis are critical in determining the construction of the portfolio, which typically contains between 45 and 75 stocks. Holdings are well diversified by sectors and industries. Particularly attractive industries may comprise up to 15% of the portfolio and the maximum sector weighting is 40%. Securities are roughly equal-weighted at time of purchase ranging from 1-2%. Maximum position size is 7%.

Egis Utilities Model Portfolio- Benchmarked to the Dow Jones USA (US) (Dev) Utilities (7000) Broad US dollar Index

Egis Capital Management/ Egis Utilities Model Portfolio

Egis Utilities is managed to provide clients diversification primarily among US utilities stocks of all capitalizations. Utility stocks are usually some combination of U.S. power, telecommunications, and water companies. These stocks usually represent a more stable investment with less emphasis placed on growth and more on dividends. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants

increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Asian Model Portfolio-Benchmarked to the Dow Asia Pacific (P1) Aggregate Index Broad US Dollar Index

Egis Capital Management/ Egis Asia

Egis Asia is managed to provide clients diversification primarily among Asian stocks of all capitalizations through investing in ADR's. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Asia ValueMomentum

The Asia Value Momentum Strategy invests in the top 20 stocks that comprise the Asia Value Momentum index. The Asia Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Asia Value Momentum strategy invests only in ADR's (American Depository Receipts) of Asian companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

European Model Portfolio- Benchmarked to the Dow Jones Western Europe (E1) Aggregate Index Broad US dollar Index.

Egis Capital Management/ Egis Europe

Egis Europe is managed to provide clients diversification primarily among European stocks of all capitalizations through investing in ADR's. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities, Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Europe ValueMomentum

The Europe Value Momentum Strategy invests in the top 20 stocks that comprise the Europe Value Momentum index. The Europe Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Europe Value Momentum strategy invests only in ADR's (American Depository Receipts) of European companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

Latin American Model Portfolio- Benchmarked to the Dow Jones Latin American (A3) Aggregate Index Broad US dollar Index

Egis Capital Management/ Latin America

Egis Latin is managed to provide clients diversification primarily among Latin American stocks of all capitalizations through investing in ADR's. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting

individual equities, Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Latin ValueMomentum

The Latin Value Momentum Strategy invests in the top 20 stocks that comprise the Latin Value Momentum index. The Latin Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Latin Value Momentum strategy invests only in ADR's (American Depositary Receipts) of Latin companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

Municipal Fixed Income Model Portfolio

Equis Municipal Fixed Income

The Equis Fixed Income Municipal Portfolio is managed to provide clients with diversification among mostly municipal debt securities through investing in bond ETF's and bond mutual funds. The Equis Municipal Fixed Income Portfolio is utilized within a client's asset allocation to add diversification and reduce volatility. The duration of investments are managed based on anticipated interest rates and the yield curve.

Taxable Fixed Income Model Portfolio-

Equis Taxable Fixed Income

The Equis Taxable Fixed Income Portfolio is managed to provide clients with diversification among mostly Treasury and corporate debt securities through investing in bond ETF's and bond mutual funds. The Equis Taxable Fixed Income Portfolio is utilized within a client's asset allocation to add diversification and reduce volatility. The duration of investments are managed based on anticipated interest rates and the yield curve.

18. Exhibit 2**PRIVACY DISCLOSURE DOCUMENT**

Egis Capital Management
17W220 22nd St, Ste 330
Oakbrook Terrace, IL 60181

As part of Egis Capital Management's long tradition of trust, the confidentiality of personal information is paramount. We maintain high standards to safeguard personal information. We will remain vigilant in protecting that information and in using it in a fair and lawful manner. To conduct regular business, we may collect nonpublic personal information from sources such as:

- Information reported by you on applications or other forms you provide to us
- Information about your transactions with us, our affiliates, or others

As the Firm shares nonpublic information solely to service our client accounts, we do not disclose any nonpublic personal information about our customers or former Customers to anyone, except as permitted by law or otherwise disclosed herein.

To provide the utmost in service, we may disclose the information below regarding customers and/or former customers, as necessary, to companies to perform certain services on our behalf, or as required by law.

- Information the firm receives from clients on applications (name, social security number, address, assets, etc.)
- Information about client transactions with our firm or others (account information, payment history, parties to transactions, etc.)

At times, we may disclose nonpublic personal information to affiliated or nonaffiliated third parties. We may share any of the information that we collect as described above. We may disclose nonpublic personal information about you to the following types of affiliated or nonaffiliated third parties:

- Financial service providers such as mortgage brokers, insurance companies, or broker dealers. Third party investment advisers where necessary to manage client portfolios pursuant to the Egis Capital Wrap Fee Program.

Information Safeguarding

Egis Capital Management will internally safeguard your nonpublic personal information by restricting access to only those employees who provide products or services to you or those who need access to your information to service your account. In addition, we will maintain physical, electronic and procedural safeguards that meet federal and/or state standards to guard your nonpublic personal information.

16. Equis Capital Advisor Wrap-Fee Brochure – For 401K / 403B Qualified Plans - Dated 06/18/2008

Equis Capital Management

**Please contact us at:
17W220 22nd St., Ste. 330
Oakbrook Terrace, IL 60181
Phone: 630.929.3012
Fax: 630.206.0757**

This brochure provides clients with information about Equis Capital Management (hereinafter Equis) and the Equis Capital Advisor Wrap-Fee Program that should be considered before becoming a client of the Equis Capital Advisor Wrap-Fee Program. This information has not been approved or verified by any governmental authority.

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General Information

Eqis Capital Management (hereinafter "Eqis"), offers the following wrap-fee program, where appropriate, to interested prospects and advisory clients. Eqis, a corporation organized under Illinois law, is a registered investment adviser. Eqis maintains its principal office at 17W220 22nd St., Ste. 330 Oakbrook Terrace, IL 60181. If you have questions regarding the material contained herein, please

contact Eqis at 630-929-3012.

Additional information about Eqis is available on the Internet at <http://www.adviserinfo.sec.gov>. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Eqis is 126052.

Eqis Capital Advisor Wrap-Fee Program Description

Eqis is the sponsor of the Eqis Capital Advisor Wrap-Fee Program (hereinafter the "Program"). A "wrap-fee" program is one that provides the client with advisory, brokerage, execution, and custodial services for one all-inclusive fee. The client is not charged separate fees for the respective components of the total service. Eqis actively solicits advisory clients for the Program through its independent contractor relationships with financial advisors, financial planners, stock brokers, and other designees (hereinafter "Financial Professional(s)") that are duly licensed to offer fee based financial products. Eqis will not accept a client into the program that isn't introduced by a Financial Professional. Financial Professionals are responsible for introducing clients to Eqis, gathering and communicating client's financial information, acting as a liaison between Eqis and the client, staying in contact with the client and informing Eqis of any material changes in the client's financial picture, and various other clerical or administrative duties. Financial Professionals may also assist in the determination of the client's asset allocation and the manager selection process (pursuant to the Eqis "Approved Managers" list). All investment advisory decisions with regard to securities, types of investments, timing of buys and sells, etc. will be made by Eqis and/or sub-managers contracted by Eqis (hereinafter "Contracted Managers"). Eqis is also responsible for the marketing of the Program. The Program is offered to individuals, retirement accounts and other business entities. With respect to retirement accounts that are regulated by ERISA, Eqis will only market the Program to such accounts in compliance with applicable Prohibited Transaction rules.

The Program is designed to continuously manage the client's Program Account based on the individual needs of the client through the use of professional money manager(s) that are either employed by Eqis and/or contracted by Eqis. The Program distinguishes between portfolios managed by Eqis (hereinafter "Eqis Managed Portfolios") and portfolios managed by managers that Eqis has contracted with to sub-advise all or a portion of certain advisory accounts ("Contracted Managers"). The Program defines a Portfolio as a group of investments managed by an individual manager or team with a specific criteria, e.g., Large Cap Growth US Equities.

At the time of clients' initial investments in the program, Eqis (in conjunction with the client's Financial Professional) will assist the client in determining the client's current financial situation, financial goals and attitudes towards risk. Clients' information will be collected and analyzed through the use of Eqis's proprietary proposal generation system, which in turn will allow Eqis and the client's Financial Professional to review the client's situation and determine an appropriate asset allocation. With regard to the Program account, asset allocation refers to the combining of individually managed portfolios to create diversification based on asset class, equity styles, foreign markets, etc. With respect to Benefit Plan Clients, the plan fiduciaries will be provided with predefined asset allocations, along with adequate description of strategies and the associated levels of risk. The plan fiduciaries will be responsible for choosing the allocation for inclusion in their plan. The client will maintain all ownership rights to all securities held within the Program account.

Once an appropriate asset allocation is determined with a client, and the Contracted Managers (if any) have been selected to fulfill the asset allocation, the individual portfolios will be managed by Eqis and the Contracted Managers on a discretionary basis. A Program account may consist of up to ten separately managed portfolios, or in the case of a managed EFT account (account composed entirely of exchanged traded funds) up to 20 portfolios of EFT's, combined to create an asset allocation that is appropriate for the client's needs, risk preferences and/or desires. Within an individual Program account all ten portfolios may be managed by Eqis or all ten portfolios may be managed by Contracted Managers (hereinafter "Multi-Manager Managed Account"). In this alternative, a program account may contain a combination of Eqis managed portfolios and Contracted Manager portfolios. The appropriate mix of managers will be determined by the client in conjunction with guidance from the client's Financial Professional. Model portfolios (and thus clients accounts) can be invested in a wide variety of securities and other assets such as (but not limited to) stocks, American Depositary Receipts (ADR's), exchange traded funds (EFT's), target term trusts, U.S Government bonds, money market funds and mutual funds. Eqis and/or Eqis Contracted Managers will make changes on a discretionary basis with respect to a client's account based on market, economic and political circumstances, and the individual characteristics of securities. Eqis

and/or Eqis Contracted Managers will typically utilize a long term buy and hold approach, although other strategies may be used where appropriate to a client's circumstances. Clients should refer to the Contracted Manager(s) information in Exhibit 1 herein for information regarding the methods of analysis, sources of information and investment strategies used by the independent registered investment adviser in servicing client accounts.

FolioFn Investments Inc., a FINRA registered broker dealer, provides all clearing and custodial services for the program. Pursuant to contractual authority from the client, Eqis will arrange for the execution of all securities transactions in client accounts. As Eqis does not have the discretionary authority to determine the broker dealer to be used, clients must direct Eqis as to the broker dealer to be used. Participation in the Program requires the appointment of FolioFn Investments Inc. as broker and custodian (hereinafter referred to as "FolioFn" or "Custodian"). Eqis does **not** have the discretion to change broker/custodian without the client's written permission. In directing the use of FolioFn, it should be understood that Eqis will not have authority to negotiate commissions among various brokers and best execution may not be achieved. Clients should consider whether or not the appointment of FolioFn as the sole broker may or may not result in certain costs or advantages or disadvantages to the client as a result of possibly more or less favorable executions. The client should consider that, depending upon the level of the wrap-fee charged by Eqis, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap-fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if Eqis were to negotiate commissions and seek best price and execution of transactions for the client's account.

Eqis will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows Eqis to execute equity trades in a more timely, equitable manner and to reduce overall costs. No personal trades will ever be included in any client blocks.

Eqis requires a minimum account size of 100 for participation in the Program. This account size may be negotiable under certain circumstances. Clients may also make subsequent investments of \$25 or more, although any subsequent investment will be invested in a money market security within the program account until such time where there is a minimum of \$500 to reallocate into the designated asset allocation within the program account.

Eqis will update this Wrap-Fee brochure at least annually, no later than December 31 of each year. In addition, any material changes to the program during the year will dictate an interim update to this brochure. All updates will be made available to clients of Eqis.

Proxy Policy: As a matter of firm policy, Eqis does not vote proxies for Program client accounts. However the program custodian provides for online access to a proxy voting system that enables clients to vote their own proxies if they so desire.

If this Agreement is entered into by a trustee or other fiduciary; including but not limited to someone meeting the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974 ("ERISA") or an employee benefit plan subject to ERISA, such trustee or other fiduciary represents and warrants to the Adviser, each Investment Manager and Eqis Capital Management that Client's participation in the Program is permitted by the relevant governing instrument of such plan, and that Client is duly authorized to enter into this Agreement. Client agrees to furnish Adviser with such documents as it shall reasonably request with respect to the foregoing. Client further agrees to notify Adviser in writing of any event which might affect this authority or the validity of this Agreement. Client additionally represents and warrants (a) that its governing instruments provide that an "investment manager" as defined in ERISA may be appointed, and (b) that the person executing and delivering this Agreement on behalf of Client is a "named fiduciary" (as defined in ERISA) who has the power under the plan to appoint an investment manager.

Contracted Manager and Use of Contracted Model Managers Portfolios

How we use outside managers

Eqis hires Contracted Managers, who are not employees or affiliates of Eqis, to manage client assets within the Program. Clients' assets are managed by tracking each account's asset allocation to one or more model portfolios. Clients' portfolios

are divided among these models based on the client's asset allocation. Clients' assets track the securities holdings of model portfolios. Strictly speaking, model portfolios do not in fact contain any assets, but rather clients' accounts track model portfolios which determine what assets will be purchased and sold within clients'

accounts. Clients' assets are held in their own accounts and are not commingled with the assets of other clients.

Information provided by clients and their financial professionals is critical for the selection of the asset allocation and thus the appropriate model managers. Changes in clients' priorities must be communicated to Equis so that Equis, the client's Financial Professional and the client can coordinate and adjust the allocation among model portfolios and Contracted Managers accordingly. Initially, the selection of Contracted Managers is determined by each client and the client's financial professional. The client and associated financial professional may also choose to have Equis manage all assets thereby using no Contracted Managers.

Contract Managers have no information about individual clients, but rather are charged with managing one or more model portfolios appropriate for the asset classes to which the model portfolios are assigned.

How We Select Managers

Managers consistent with our asset allocation methodology are selected according to their track record, risk controls, and investment methodology. We hire managers who we believe will provide the best risk adjusted return for all asset class and/or equity styles that comprise clients' asset allocations.

How we Monitor Managers

Performance of the Contracted Managers is monitored by Equis. Contracted Managers who under-perform relative to their asset class and/or equity style will, pursuant to the discretion of Equis, likely be replaced. Equis practices careful judgment and discretion when determining whether to hire and retain each Contracted Manager. When hiring Contracted Managers, we do not independently verify their returns, but rather rely on the returns presented by the contracted firm and/or third party sources.

Changing Managers

The Contracted Manager or managers assigned to a particular portion of clients' asset allocations may be changed at the discretion of Equis. Such changes would typically be made when a Contracted Manager is underperforming relative to its peers. Where a Contracted Manager of a portfolio is fired, Equis will, for all clients tracking that model, select an alternative portfolio to fill that portion of clients' asset allocations.

If a client or his financial professional desire to switch between managers they may do so for no charge. The Equis Capital program is not designed for investors who plan to change managers frequently and reasonable limits to the number of manager changes allowed may be applied. For this purpose, Equis typically places an annual limit of 5 manager changes per year. Equis may provide relief from this limit at its discretion.

The Use of Contracted Managers

Adverse price movements and thus less favorable prices might be caused by Contracted Managers' outside activities (activities in accounts other than the model account) or due to the large orders created based on changes in the model account. Orders for clients' Equis accounts may be initiated at the same time or a different time than when the change in model portfolio is made by the model portfolio's manager. Equis does not typically evaluate changes made to model portfolios by their Contracted Managers. Rather, Equis typically limits our oversight to the results provided by a Contracted Manager, and all investment decisions made in a particular Contract Manager's model are made at the discretion of the Contracted Manager.

Some Contract Managers may be paid more for sub-advisory management services than others. For Multi-Manager Account clients, the wrap fee charged by Equis to clients does not vary based on the Contracted Managers selected by Equis for a Multi-Manager Account.

Some of the available model portfolios are managed by Equis Capital, meaning that the fee that would otherwise be paid to a Contracted Manager is retained by Equis.

Investment Strategies and Securities Analysis

Equis manages several separate model portfolios that provide diversification across the spectrum of domestic and international equity styles and fixed income. Portfolios typically consist of one or more of the following: individual equities, ADR's, ETF's, mutual funds, FDIC cash deposits and U.S. Government securities. Each client of Equis will be assigned an asset allocation comprised of up to ten of the Equis model portfolios. The assignment of an asset allocation will be based on the clients need, risk preferences and desires.

Individual equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis proprietary model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation, which influences the five forces. When selecting individual equities, Equis also takes the industry into consideration in the interest of maintaining diversification to maximize risk adjusted returns. ETF's or mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's

Moreover, certain clients or Financial Professionals may choose for Equis to manage all assets without Contracted Managers.

Based on the fee structures outlined below, Equis stands to save operating costs (and thereby increase profit) if its own model portfolios (or low-cost Contracted Manager portfolios) are selected by clients and Financial Professionals rather than higher-priced Contracted Managers' portfolios. Equis, therefore, has an incentive to offer its own portfolios and lower-cost Contracted Managers as part of the Program. This is a conflict of interest that may affect the Contracted Managers and model portfolios selected by Equis for inclusion in the Program. Nevertheless, Equis has a significant interest in making sure that its clients and their financial advisors are happy with all aspects of the Equis Capital Advisor Wrap Fee Program. Toward this end, Equis will endeavor to select managers and portfolios we believe will provide the best risk adjusted return for clients.

Contracted Manager Disclosures

Contracted Managers have discretion over what assets are selected within the model(s) they manage. A Contracted Manager might have outside business or personal relationships that provide an incentive for the Contracted Manager to include certain assets rather than others. A Contracted Manager is not contractually obligated to include in model portfolio(s) any securities included in outside portfolios. Similarly, a Contracted Manager may include assets in models that are not included in portfolios managed outside of the Equis program.

Assets that Can be Contained in Clients Accounts

Model portfolios (and thus clients accounts) can be invested in a wide variety of securities and other assets such as (but not limited to) stocks, American Depository Receipts (ADR's), exchange traded funds (ETF's), target term trusts, and mutual funds.

Equis Capital Provides Asset Management, But Does Not Provide Tax Advice.

Buying and selling specific securities as part of a tax planning strategy is available to clients of Equis, but tax related decisions or counseling is not provided by Equis. If a client and the associated financial professional desire to buy and/or sell specific securities within an account, then specific orders should be emailed to us and we will make the requested transactions. Management of model portfolios might not be coordinated, and accordingly it is possible for wash sales to occur.

Dispersion

The performance of a model portfolio and a client's actual performance within that model can vary. There can also be dispersion between the performance of a client's assets that are allocated to a model portfolio and the actual model portfolio (managed outside the Equis Multi Manager Program) that the client's allocation is managed to match. This dispersion can cause a client's actual return for the portion of the client's account allocated to a particular model portfolio to be either greater than, equal to or less than the performance of the actual model portfolio (or the portfolio managed outside of the Equis Multi Manager Program that the model portfolio is managed to track, if any). In addition, dispersion can account for slightly different holdings or percentage holdings in a client program account versus the model portfolio.

Contracted Managers may manage portfolios outside of the Equis program and there may be dispersion between the performance reported by these services and those received by Equis clients. Finally, there may be dispersion between the returns earned by different clients whose investments are tracking the same model portfolio(s).

Dispersion among clients' accounts is common because of the combination of each client's assets being held directly in their own account and the differences between the timing of trade execution, size of accounts, client additions or withdrawals, and client imposed restriction among other factors.

management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

Equis utilizes several data resources in gathering historical information, as well as annual and quarterly reports. Using fundamental analysis, securities are continuously monitored and evaluated relative to market and industry conditions.

Equis may use FDIC cash deposits to "sweep" unused cash balances until they can be appropriately invested.

Equis may utilize one or more of the following investment strategies in servicing Program participants: long-term and short-term investment strategies, and trading (securities sold within 30 days). Nevertheless, Equis places an emphasis on a long term buy and hold approach. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

Equis utilizes a number of sources of financial information in the firm's analysis of securities including financial newspapers and magazines, research materials and

reports, corporate rating services, annual reports, prospectuses, SEC filings and company press releases. Research services are received in various forms, which may include written reports, or information obtained on the World Wide Web.

The above types of investments, methods of analysis, sources of information and

investment strategies utilized by Equis are only applicable to portfolios managed directly by Equis. With respect to outside money managers, clients are requested to refer to the description of Contracted Managers portfolios in Exhibit 1 for more information on that manager's investment strategies, methods of analysis, and other pertinent investment information.

Fee Schedule

Equis charges an annual "Wrap-Fee" for participation in the Program. The Wrap-Fee is made up of two separate and distinctive parts, but charged to the client as one fee. The two parts are as follows: Part 1 the Equis Program Fee, and Part 2 the Financial Professional Fee ("FP" fee). Both parts are detailed below. The Wrap-Fee will be charged as a percentage of assets under management. Clients will be invoiced and fees will be directly debited from client accounts after the end of each calendar month. Where there is not enough cash or funds in an account to pay a fee, the account will be rebalanced so as to generate a sufficient level of cash or funds to meet this expense. As part of this agreement you authorize the Clearing Firm (FolioFn) to deduct the Wrap-Fees from your account as directed by Equis. The fee calculation will be based on the average closing market value of the assets in the client's Program account over the previous calendar month. Value is calculated as the market value, or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Your Equis account may contain investments that charge a separate fee not included within the Wrap-Fee.

The maximum Wrap-Fee (inclusive of parts 1 and 2) charged to clients is as follows:

<u>Assets Under Management</u>	<u>MAXIMUM Annual Fee (%)</u>
All Account Values	Up to 2.45%*

* The actual Wrap-Fee charged to each client will depend in part on the negotiated "Financial Professionals" Fee, as detailed in Part 2 below. The exact Financial Professional fee charged to you will be specified in section #9 (Financial Professional's Report) of this Account Application. Similar advisory services may be available from other registered investment advisers for similar or lower fees.

BREAKDOWN OF WRAP-FEE

Part 1, Program Fee

The Equis Program Fee will be charged as a percentage of assets under management. There are two options that determine the Program Fee. Option 1 (Multi Manager) includes managers other than Equis (i.e., managers contracted by Equis), but not excluding Equis. Option 2 (Managed ETF) includes only exchange traded funds (ETF's) and no individual stocks or contracted managers. It will be up to the client and their Financial Professional to determine whether Option 1 or Option 2 is best for the client's particular circumstances.

If client invests in a Multi Manager Managed account, the Program Fee will be:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
All Account Values	0.95%*

If client invests in a Managed ETF account, the Program Fee will be:

<u>Assets Under Management</u>	<u>Annual Fee (%)</u>
All Account Values	0.75%*

Part 2, Financial Professional Fee

The Financial Professional Fee is the portion of the overall Wrap Fee that is used to compensate the Financial Professional. The services that the Financial Professional will be compensated for include: introducing clients to Equis, gathering and communicating clients' financial information, assisting in the manager selection process from the Equis approved manager list, acting as a liaison between Equis and clients, staying in contact with clients and informing Equis of any material changes in clients' financial picture, and other various clerical or administrative duties. The Financial Professional Fee is negotiated between the Plan Sponsor, the Financial Professional and Equis. The Financial Professional Fees shall under no circumstances exceed 1.5% per annum. The client may be able to negotiate a

higher or lower Financial Professional Fee based on the individual Financial Professional that introduces the client to the program.

Other Wrap-Fee Details

The Wrap-Fee includes the Equis Program Fee that covers all advisory fees, brokerage costs, online performance reporting costs, third party custodial fees, exchange fees, transfer taxes, and any fees that Equis pays to a third party in conjunction with marketing the program (i.e. internal or external wholesalers or platform inclusion fees). In addition, the Wrap-Fee is inclusive of the Financial Professional Fee. The Wrap-Fee does not include certain administrative fees; for example, wire transfers, annual charges for qualified accounts, fees associated with the administration of the 401K/403B performed by a third party administrator, or certificate issues. A minimum of \$100 of assets under management is required to participate in this program. Securities transactions affected for the clients' accounts may also include, mark-ups, mark-downs, or dealer spreads to market makers or other principals from whom securities were obtained by FolioFn. These mark-ups, mark-downs, or dealer spreads will be retained by the market maker or other principal and will not be credited or reimbursed to the client's account.

Some of the model portfolios available to clients are managed by employees and/or principals of Equis. Managers of these model portfolios are paid salary by Equis and therefore do not directly receive any particular percentage of the wrap fee. Other model portfolios are managed by managers who are not employees or principals of Equis. These outside managers that are contracted by Equis receive a percentage of assets under management as compensation. Outside manager compensation is negotiated and based on the asset class, equity style, and tenure of manager, among other various criteria judged by Equis to be important. Contracted Manager compensation is included in the Wrap-Fee of Option 2.

Negotiability of Fees and Account Minimums: In certain circumstances, all of Equis fees and account minimums may be negotiable.

Fee Calculation: The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter "IA Act").

Fee Payment: Clients will be invoiced and Wrap Fees will be directly debited from client accounts at the beginning of each calendar month. The fee calculation will be based on the average daily market value of the assets in the client's Program account over the previous calendar month. Value is calculated as the market value, or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Fees will be directly debited in accordance with the Client Services Agreement.

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. A reasonable amount of time may be necessary to liquidate (two days) and transfer client assets (10 days), or provide administrative services in connection with the termination of an account. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

Mutual Fund Fees and Expenses: All fees paid to Equis for investment advisory services are separate and distinct from the fees and expenses charged by ETF's or mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in an ETF or mutual fund directly, without the services of Equis. In that case, the client would not receive the services provided by Equis which are designed, among other things, to assist the client in determining which ETF's or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the ETF's or funds and the fees charged by Equis to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Information About Fees and Services

In considering the investment program described in this brochure, a prospective client should be aware that the Program may cost a client more or less than purchasing the actual services separately from other advisers or broker-dealers. Clients should also be aware that the charge of an Initial Consulting Fee may not be considered standard in the investment advisory industry.

In addition, the amount of compensation received by Equis and the Financial Professional(s) as a result of the client's participation in the Program may be more or less than what Equis and/or the Financial Professional would receive if the client paid separately for investment advice, brokerage and other services. Therefore, Equis and the Financial Professional(s) may have a financial incentive to recommend the Program over other advisory programs or services.

The factors that should be considered by a prospective client include the size of a client's portfolio, the nature of the investments to be managed, commission costs, custodial expenses (if any), the anticipated level of trading activity, and the amount of advisory fees charged for managing the client portfolio.

Advisory fees may vary among Equis clients based upon a number of factors, including the size of the client's account, the negotiated financial professional fee,

the types of investments, the nature of related services provided, and the length of the advisory relationship with a client, among other things.

Clients should understand that similar advisory services may be available from other registered investment advisers for a higher or lower fee.

Conflicts of Interest

Equis utilizes FolioFn for all brokerage and custodial services. For this reason, the decision by any client to authorize Equis to place a trade is the functional equivalent of directing Equis to execute the trade through FolioFn. Certain associated individuals of Equis are also licensed insurance agents. As such, these individuals can sell insurance products to advisory clients and the licensed agent may receive separate yet typical insurance-based compensation and/or commissions. While these individuals endeavor at all times to put the interest of Equis's advisory clients first as part of Equis's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making advisory/investment recommendations.

Equis or individuals associated with Equis may buy or sell securities identical to, or different from those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of Equis that no person employed by Equis may purchase or sell any security immediately prior to a transaction(s) being implemented for an advisory account, and therefore, prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, Equis has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A Director, officer or employee of Equis shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Equis shall prefer his or her own interest to that of the advisory client.
2. Equis maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer of Equis.
3. All clients are fully informed that certain individuals may receive separate compensation when effecting transactions outside of the wrap fee Portfolio Management service.
4. Equis requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to termination.

Equis will not aggregate trades for its associated persons with client trades.

Education and Business Standards

Equis requires that investment adviser representatives maintain general standards of education and business experience, especially related to investments. Investment adviser representatives must also satisfy state-by-state qualification requirements within the states in which the representatives have places of business. Generally, states require

representatives to complete the Series 65, or Series 7 and 66 NASD examinations. Equis also requires that all Financial Professionals be properly registered as investment advisers or licensed as investment adviser representatives where required pursuant to relevant federal and/or state regulations.

Officers of Equis

William R Nelson

BORN: 6/15/1971

William Robert Nelson Jr. graduated from San Diego State University with a degree in Finance. He moved to Chicago where as a member of the Chicago Board of Trade he made markets in financial futures. Subsequently, he earned a Ph.D. in economics from George Mason University and was appointed as a professor to the department of Finance and Managerial Economics in the State University of New York at Buffalo School of Management. His original research has been published in the American Economic Review, DePaul Journal of Healthcare Law, The International Conference on Information Technology ITCC 2004 Proceedings, the Journal of Economic Behavior and Organization, Latin American Finance and Capital Markets, and the Latin American Law and Business Report.

Duane Menting

BORN: 3/03/1952

Duane Menting, Esq. graduated with a B.S. degree 1976 from the University of Wisconsin - Stevens Point. He received his JD degree in 1980 from Indiana University - Bloomington. He completed his LL.M. - Tax degree in 1991 at Golden Gate University - San Francisco. He has run a successful private legal practice for 20 years working with Fortune 500 companies. He joined Equis Capital Management in March of 2008. He is the Chief Financial Officer and the Chief Legal Counsel.

Jennifer C Winters BORN: 9/25/1971

Jennifer C Winters graduated from Lewis University with a B.A. in Communications. She has been with Equis Capital Management since February of 2003. She is the Chief Compliance Officer.

Chief Financial Strategist

Dr. William R. Nelson is the Chief Financial Strategist of Equis and the primary Portfolio Manager for portfolios managed by Equis for the Program. Dr. Nelson performs the day to day management of the portfolios managed by Equis. In addition Dr. Nelson designs asset allocation models for the Program that are based on the needs and risk preferences of clients. These models are used within Equis's proprietary proposal generation system. The core of Equis's management philosophy is distilled into the Equis System that employs an augmented version of the Porter Five Forces Model in conjunction with the implications of modern portfolio theory and recent empirical evidence. The processes employed by Equis are continuously updated to provide what Equis and Dr. Nelson believe to be the best possible money management for Equis clients. Additional insights into the market are provided by Equis's distinguished business advisory board. Fortunately, advanced technology allows Dr. Nelson to act as the Portfolio Manager for all clients in the Program that are invested in an Equis

Managed Portfolio.

Clients' Financial Professionals will communicate clients' needs to Equis which will in turn update Dr. Nelson with changes in the financial circumstances and needs of clients, so that their portfolios can be appropriately managed.

Dr. Nelson is not personally available to address clients' questions and concerns. Rather, questions should be sent through clients' Financial Professional(s), who will forward the questions to Equis should the financial professional be unable to respond. Equis will provide the answer to the Financial Professional(s), who will relay the answer to the client. Dr. Nelson's performance information is not reviewed by the sponsor or a third party, nor calculated on a uniform and consistent basis.

Client Reports

Program clients will receive account statements and confirmations of transactions directly from the custodian. Fees are calculated by the custodian and invoices made available to the client on behalf of Equis before fees are debited from clients' accounts. All clients should verify the accuracy of fee calculations. The above

mentioned client reports will be made available to clients through electronic mail and the Internet. Clients participating in the program who choose to receive reports in hard copy will be assessed an additional \$250 annual administrative fee.

Review of Accounts

While the underlying securities within the Program accounts are continuously monitored, these accounts will be formally reviewed at least quarterly by Dr. Nelson. The review will be conducted to determine if the current investment holdings of the account are consistent with the client's investment objectives as outlined at the inception of the advisory relationship. More frequent reviews may be triggered by

material changes in variables such as the client's individual circumstances, drift from the model portfolio weighting, and economic environment. Equis or a designee (typically the Financial Professional) will contact the client on at least an annual basis to discern changes to the client's financial circumstances or investment objectives.

Additional Compensation

Equis does not except soft dollars or any other additional compensation above the fees paid by the client to Equis outlined in the Fee Schedule. Nevertheless, Equis may receive research reports from FolioFn. The receipt of such reports is not related to any commitment with FolioFn for transaction levels in exchange for any services or products from FolioFn, but does create a possible conflict of interest of which clients should be aware in assessing Equis's

brokerage recommendation.

Financial Professionals may receive incentive awards for the recommendation or introduction of investment products to advisory clients. The receipt of this compensation may affect a representative's judgment in recommending products to clients.

17. Exhibit 1

MODEL PORTFOLIO DESCRIPTIONS

Equis provides access to model portfolios that provide diversification across the spectrum of domestic and international equity styles and fixed income. Each client of Equis will be assigned an asset allocation comprised of up to ten of the model portfolios. The assignment of an asset allocation will be based solely on the client's needs and risk preferences. Some of the model portfolios are managed in house by Equis; others are managed by independent, contracted managers. Below is a brief description of model portfolios arranged by asset class and equity style.

Large Cap Growth Model Portfolios-Benchmarked to the Russell 1000 Growth Index

Advisor Partners/ AP US LargeCap Core

The U.S. Equity Large Cap Tax Managed Index Strategy seeks to maximize after-tax returns while maintaining risk characteristics similar to the broad U.S. equity market through a managed portfolio of individual securities. The portfolio's benefits include diversification across sectors combined with tax efficiency. Tax efficiency is achieved by selecting tax efficient vehicles and/or through active tax management. The sectors with the greatest representations within the portfolio tend towards finance, information technology, and healthcare. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Advisor Partners/ AP/IndexIQ LargeCapGrowth

Index IQ's Large Cap Growth methodology identifies large capitalization companies poised for rapid, sustainable growth, and strong equity appreciation. Index IQ's patent pending portfolio construction process combines sophisticated quantitative research, multi-factor fundamental models, and a proprietary, non-market capitalization weighing system. The resulting portfolios provide the benefits of traditional, passive indexes, and actively managed funds. The rules-based methodologies, tax efficiency, and low trading costs of index investing are retained. The rules governing the management are actively and painstakingly designed to provide alpha (excess returns). The sectors with the greatest representations within the portfolio tend towards energy, consumer staples, consumer discretionary, and materials. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Equis Capital Management/ Equis Large Cap Growth

Equis Large Cap Growth is managed to provide clients diversification, primarily among U.S. large capitalization companies oriented towards growth. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/ American Disciplined Eqt

The American Disciplined Equity Strategy Invests in the highest rated stock within each of the 12 industry sectors of the Standard & Poor's 500. Stocks within each sector are ranked according to FTAM's proprietary rating system which compares the companies in 3 broad areas. Their Earnings Momentum index ranking compares each company's revenue and net income growth in each of the last 3 years. The profitability + quality index ranking compares profitability and quality factors such as return on equity, return on assets, profit margin, and financial leverage. Their Value Momentum index ranking compares valuation and momentum, rating each stock by low price to sales ratio and high 1 year, 3 month, and 1 month momentum factors. The scores are then combined to come up with an overall rating. The ADE portfolio is invested on an equally weighed basis in the top 20% of the stocks in each industry sector with industry weights that are kept equal to the S&P 500. On a quarterly basis the portfolio is rebalanced.

Hanseatic Management Services, Inc /Hans LCG

Managers use a multi-time dimensional system that identifies large-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell

disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios' returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments.

Laidlaw Group/Laidlaw Group – LCG

The Laidlaw Group's Large Cap Value portfolio focuses investments in companies with the following characteristics: high cash flow to market value ratio, high asset to debt ratio, profitability, and growth potential. Close attention is also paid to the sectors in which firms operate. The management may overweight or underweight sectors based on their analysis of economic trends. The Laidlaw Group is a family business founded by Robert Laidlaw and his son David. Robert, the current Chairman, is an industry veteran who began his career on the floor of the New York Stock Exchange in 1958 after graduating from Yale, with a degree in philosophy. His nearly 50 years of industry experience provide the foundation from which the Laidlaw Group excels.

Sawgrass Asset Management/Sawgrass LCG Best Ideas

Sawgrass Asset Management, L.L.C. is a 100 percent employee-owned, SEC-registered investment advisor. The firm provides innovative growth equity investment management services to institutional and high net worth investors. The firm was founded on January 15, 1998 in Jacksonville, Florida, by principals Andrew Cantor, Dean McQuiddy and Brian Monroe. The firm consists of a core group of key investment professionals who have worked together for more than 20 years. The core investment team of portfolio managers, equity traders, and client service professionals came to Sawgrass from Barnett Capital Advisors, Inc. and have been with the firm since its inception.

Large Cap Value Model Portfolios-Benchmarked to the Russell 1000 Value Index

Advisor Partners/AP US High Dividend Yield

The U.S. Equity High Dividend Tax Managed Index Strategy seeks to maximize after-tax returns while maintaining risk characteristics similar to the broad U.S. equity market through a managed portfolio of individual securities. The portfolio's benefits include diversification across sectors combined with tax efficiency. Tax efficiency is achieved by selecting tax efficient vehicles and/or through active tax management. The sectors with the greatest representations within the portfolio tend towards finance, information technology, and industrials. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. The average industry tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Advisor Partners/AP/IndexIQ LargeCap Value

Index IQ's Large Cap Value methodology identifies large capitalization companies that are fundamentally undervalued and poised for strong equity appreciation. Index IQ's patent pending portfolio construction process combines sophisticated quantitative research, multi-factor fundamental models, and a proprietary, non-market capitalization weighing system. The resulting portfolios provide the benefits of traditional, passive indexes, and actively managed funds. The rules-based methodologies, tax efficiency, and low trading costs of index investing are retained. The rules governing the management are actively and painstakingly designed to provide alpha (excess returns). The sectors with the greatest representations within the portfolio tend towards financials, industrials, consumer discretionary, and information technology. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately owned and managed by the principals.

Clear Asset Management, Inc./ CLRLRGCAPVAL

Clear Asset Management aggressively applies information technology to manage the Clear Large Cap Value portfolio. During the 1980s, PCs replaced many accountants, because computers can out-calculate people. Clear leverages human insight with computers to comb through the ever expanding universe financial information. Wall Street and corporate scandals triggered government mandates compelling public companies to disclose more financial information. By law, senior management is personally responsible for the quality and timing of information. The challenge of money managers and investors is applying insight to and processing the massive amount of data. Proprietary software codifies proven fundamentals and frees them from Wall Street's personal conflicts and human bias: favoritism and error. They scour enormous amounts of corporately-calculated and market-generated fundamental data to find clients the best possible investments.

Equis Capital Management/Equis Large Cap Value

Equis Large Cap Value is managed to provide clients diversification primarily among U.S. large capitalization companies oriented toward value. This portfolio often

features investments in consumer staples, financial, or manufacturing sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long term buy and hold approach. When selecting individual equities Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Texas First Investment Management Company/TFIM LCV

Texas First Investment Management Company has provided significant equity returns with relatively low risk by combining a long term, conservative, and value-oriented approach with an unparalleled expertise acquired by investing solely in Texas-based publicly-held companies. The stock selection criteria include, but are not limited to, value measures of sustainable earnings, sustainable cash flow, and adjusted book value. Potential catalysts to unleash value are also critical considerations. Holdings are carefully diversified among industries. Money Manager Review rated the Large Cap Value portfolio as the top performing large cap value portfolio in the country, for the 5 year period 2001 – 2005. It has outperformed the S&P 500 for seven consecutive years, with below-average risk. During no calendar year has the portfolio ever lost money.

Tom Johnson Investment Management, Inc./TJIM Core – LCV

The goal of the TJIM Core/Relative Value Stock Portfolio is to maximize total return over a business cycle. We believe in creating a prudent, well-diversified, high-quality portfolio that addresses capital preservation and risk. The focus is on purchasing common stock of companies that have valuations lower than their peer group in industries and sectors that provide the best opportunity in the foreseeable future. Historically, this portfolio has a blend of equity issues that match "value" and "growth" descriptions. Some consultants classify our style as core with a value bias. The portfolio will under normal circumstances contain 30 to 50 securities and is diversified across most sectors. Tax efficiency is addressed by focusing on turnover and realizing gains and losses when in general they provide the most benefit to clients under the U.S. tax code. TJIM was established in 1983 to provide independent investment management services for high net worth individuals and families, public funds, corporations, foundations, endowments, and unions throughout the United States. TJIM's conservative investment philosophy has always maintained that a quality, well-diversified portfolio that addresses both capital appreciation and capital preservation is the most prudent and consistent way to achieve clients' investment goals. In all our efforts, we seek to provide above average returns in good markets while preserving our clients' wealth when down markets occur.

Mid Cap Growth Model Portfolios-Benchmarked to the Russell Mid Cap Growth Index

Clear Asset Management, Inc./CLRMIDCAPGRO

Clear Asset Management aggressively applies information technology to manage the Clear Large Cap Value portfolio. During the 1980s, PCs replaced many accountants, because computers can out-calculate people. Clear leverages human insight with computers to comb through the ever expanding universe financial information. Wall Street and corporate scandals triggered government mandates compelling public companies to disclose more financial information. By law, senior management is personally responsible for the quality and timing of information. The challenge of money managers and investors is applying insight to and processing the massive amount of data. Proprietary software codifies proven fundamentals and frees them from Wall Street's personal conflicts and human bias: favoritism and error. They scour enormous amounts of corporately-calculated and market-generated fundamental data to find clients the best possible investments.

Equis Capital Management/Equis Mid Cap Growth

Equis Mid Cap Growth is managed to provide clients diversification among U.S. mid capitalization companies primarily oriented towards growth. Many of these stocks are found in the volatile technology, health-care, and services sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Equis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Equis places an emphasis on a long-term buy and hold approach. When selecting individual equities, Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Hanseatic Management Services, Inc./Hans MCG

Managers use a multi-time dimensional system that identifies mid-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are

then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios' returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

StoneRidge Investment Partners, LLC /Equis MCG

The StoneRidge Small to Mid (SMID) Cap Growth Equity Portfolio seeks to outperform the Russell 2500 Growth Index. StoneRidge believes in a blend of fundamental research, quantitative tools, and qualitative judgments are required to consistently add value in equity investment management. The investment process employed by StoneRidge is built upon a team of six sector specialists performing intensive fundamental equity research. This bottom-up, fundamental investment process is supported by a proprietary, multi-factor screening tool, the purpose of which is to narrow the scope of the investment universe to the most attractive candidates, upon which to perform detailed fundamental analysis. This quantitative tool also provides an ongoing objective analysis of StoneRidge's existing portfolio. The SMID investment universe is comprised of stocks with market capitalizations between \$500 million and \$10 billion as well as those stocks which are constituents of the Russell 2500 Growth Index. The proprietary, quantitative tool screens and then ranks this universe of over 2400 U.S. stocks. The goal of the screening tool is to narrow opportunities to a focused list of stocks that possess the characteristics most likely to lead to superior investment performance. StoneRidge's screening tool is constructed around five broad factors which are critical to predicting future stock performance: earnings momentum, valuation, technical condition, accounting/financials, and insider activity. Each stock is ranked relative to the entire SMID universe; the result is a list of companies with the most attractive combination of attributes. These stocks are then subjected to in-depth fundamental research by our team of sector specialists.

Tributary Capital Management /Tributary MCG

An average earnings growth rate for the previous five years that exceeds the benchmark is a primary criterion for equity selection into the Tributary Mid Cap Growth portfolio. All fundamental factors play a role in the valuing of a company for investment, but the price-to-earnings ratio provides the most visible, universally applied metric. Our approach avoids absolute concentrations in individual industry sectors, attempting on an absolute basis to keep allocations to individual industries and economic sectors as low as possible. Some of the fundamental factors include revenue, cash flow, and earnings growth. Tributary Capital Management seeks to maximize long-term total return with appropriate diversification into market sectors to reduce risk. Our style of equity investing emphasizes growth companies in a broad range of industries and does not believe in sector speculation. Stocks are selected using a "bottom-up" process rather than relying entirely on information that Wall Street has developed. This fundamental research predominantly defines a universe of medium sized companies (approximately \$1 to \$15 billion in market cap) from which portfolios are constructed. Our approach takes into consideration intrinsic value, profitability, current valuation, and growth potential. Intrinsic value measures include cash flow, growth in revenue, and gains in market share among others. Active portfolio management, based on intensive, original research, can add value by limiting risk and increasing investment returns.

WCM Investment Management /WCM Mid Cap Growth

The primary objective of WCM Mid Cap Growth Equity is to maximize active risk-adjusted returns relative to the Russell Mid-Cap Growth index. By utilizing a systematic and disciplined investment process, the portfolio strategy has successfully exploited pricing inefficiencies since inception. The inception date of this strategy was March 1, 2001.

The process begins with a series of quantitative screens to determine eligible stocks from a database of 6,000 domestically traded securities. Market capitalization is based upon the Russell Mid-Cap Growth benchmark, and is limited to no more than 20 percent larger than the largest benchmark stock, nor 20 percent smaller than the smallest benchmark stock. Eligibility is then further narrowed to stocks in the group identified as having growth characteristics.

The most desirable stocks within this set for each sector and industry are discerned from a series of momentum and valuation factors. The momentum factors include price momentum, analysts earning estimate revisions, short & long term EPS change, and earnings surprise. The valuation factors include trailing and estimated earnings yield, book value, cash flow, and dividend yield. The top performing sectors and industries are typically over-weighted.

A qualitative overlay consists of reviewing current research and news to ensure that individual companies possess strong attributes for success with no substantive drawbacks or risks that do not show up in the quantitative screening process. The sell discipline is essentially the flip side of the buy discipline. When quantitative measures of individual stocks deteriorate, those stocks are replaced with more suitable alternatives. The portfolios typically contains 75 to 125 stocks. Initial positions are generally, approximately equally weighted to produce the fullest diversification and maximize the active return.

Mid Cap Value Model Portfolios-Benchmarked to the Russell Mid Cap Value Index

Ativo Capital Management/MDY

Ativo's goal is to recognize Mid Cap firms that earn significantly more than their cost of capital as it is these earnings that drive growth in shareholder value and stock price. Firms that don't earn their cost of capital destroy shareholder value. An accurate residual income model is key to implementing this approach. Our model incorporates discounted cash flow return on investment, cost of capital, and growth and life cycle theory. Each week Ativo converts 13,000 stocks GAAP financial statements to cash based statements. More than 50 adjustments are made in this process. Correction for pension liabilities, option values, and lease capitalizations are just a few. Cost of capital is calculated using a company's size, risk, industry, and other factors. Ativo is a Portuguese word that means both "active" and "assets" - together they illustrate their approach to the management of equity portfolios. Ativo develops portfolios based on a history of quantitative securities research covering nearly four decades that is the basis for a stable and consistent investment philosophy. They start with sound financial theory. Then this theory is applied to real-time experiments in actual markets to develop investment rules that transcend specific market conditions. Consistently applied, these rules pick the stocks for our portfolios. Ativo combine cutting-edge financial theory and clear objectives that are integrated into quantitative models that drive portfolio composition. The results are impressive and are consistent over time.

Cloud Neff/CNM Quant Value

The CN Quantitative value fund equally targets income generation and long term growth by screening stocks according to proprietary valuation measures. This "deep value portfolio" provides a very high dividend by purchasing equities in any industry, though holdings are often concentrated in energy, financial, utility, and real estate. The portfolio tends to have a low tracking correlation with its peer group and benchmark index, due to both its deep value approach and industry concentration. Typically, about 70 stocks are owned and turnover is approximately 70% per annum.

Eqis Capital Management/ Eqis Mid Cap Value

Eqis Mid Cap Value is managed to provide clients diversification primarily among U.S. mid capitalization companies oriented toward value. Many of their holdings come from financial and industrial sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Eqis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Eqis places an emphasis on a long-term buy and hold approach. When selecting individual equities Eqis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/ValueMomentum Leaders

The Value Momentum Leaders Strategy invests in the top 50 stocks that comprise the Value Momentum index. The Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. In addition, the stocks must have a price to sales ratio that is at least 10% less than the average price to sales of the S&P 500. Companies must also have current quarterly earnings that are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 50 stocks. The portfolio is reweighed and rebalanced on a monthly basis. Quantitative research underlies the impressive performance of Financial Trust Asset Management.

Fraser Management Associates/Fraser Contrarian SMA

Fraser Management Associates applies a unique contrarian discipline to produce superior long-term investment results for institutions and private clients. Their unique headquarters in Burlington, Vermont is consistent with their independent thinking. Since their founding in 1969, investment management has been their sole focus and passion. The team has been tempered by sixty-eight years of combined investment management experience. Client value is created by identifying overlooked and under-appreciated trends. Human behavior, market psychology, global trends, and industry dynamics are studied to identify securities poised to profit. Some of the themes guiding current investments are long-term climate change, water scarcity, Hispanic migration, and consolidation within the financial services industry. After theme or trends are identified, the focus narrows to select the specific securities best positioned to capitalize on them. The top down methodology, from general trend to specific security, tends to concentrate the portfolio in a few sectors. Largely due to this concentration, the portfolio has a very low correlation with other money managers and the stock market indexes. The portfolio typically contains 30 to 35 value type stocks with a Median market capitalization of \$2 billion. Historically, turnover has been a low 25% annually, meaning on average securities are held about four years.

Small Cap Growth Model Portfolios-Benchmarked to the Russell 2000 Growth Index

Eqis Capital Management/ Eqis Small Cap Growth

Eqis Small Cap Growth is managed to provide clients diversification primarily among U.S. small capitalization companies oriented towards growth. Many of these stocks are in the technology, health-care, and services sectors. Because these businesses are fast-growing and often richly valued, their stocks tend to be volatile, but often can provide for some of the most explosive returns. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Eqis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Eqis places an emphasis on a long-term buy and hold approach. When selecting individual equities Eqis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Hanseatic Management Services, Inc/Hans SCG

Managers use a multi-time dimensional system that identifies small-cap stocks whose emergent price trends have better than normal probability of persisting into the 6-36 month target holding period with positive alpha. Lower time dimension patterns are then used to identify shorter term entry and exit points. Research has shown that time parameters in the relevant time dimensions, monthly and weekly in particular, also play an important role. It is the intersection of multi-time dimensional trend measurement and time boundaries that is the foundation of the buy-sell disciplines. The portfolio typically contains at least 100 stocks providing for diversification. Another interesting characteristic of the portfolio is its relatively low correlation with indexes in its asset class. Since 1991 Hanseatic has applied proprietary quantitative buy and sell disciplines to manage equity portfolios' returns, risk, and structure. Their buy disciplines provide a consistent stock selection process that is adaptable to varying market environments.

Laidlaw Group/Laidlaw Group – SCG

The Laidlaw Group's, Small Cap Value portfolio focuses investments in companies with the following characteristics: high cash flow to market value ratio, high asset to debt ratio, profitability, and growth potential. Close attention is also paid to the sectors in which firms operate. The management may overweight or underweight sectors based on their analysis of economic trends. The Laidlaw Group is a family business founded by Robert Laidlaw and his son David. Robert, the current Chairman, is an industry veteran who began his career on the floor of the New York Stock Exchange in 1958 after graduating from Yale, with a degree in philosophy. His nearly 50 years of industry experience provide the foundation from which the Laidlaw Group excels.

Sawgrass Asset Management/Sawgrass SCG Best Ideas

Sawgrass Asset Management, L.L.C. is a 100 percent employee-owned, SEC-registered investment advisor. The firm provides innovative growth equity investment management services to institutional and high net worth investors. The firm was founded on January 15, 1998 in Jacksonville, Florida, by principals Andrew Cantor, Dean McQuiddy and Brian Monroe. The firm consists of a core group of key investment professionals who have worked together for more than 20 years. The core investment team of portfolio managers, equity traders, and client service professionals came to Sawgrass from Barnett Capital Advisors, Inc. and have been with the firm since its inception.

Small Cap Value Model Portfolios-Benchmarked to the Russell 2000 Value Index

Advisor Partners/AP/IndexIQ SmallCapValue

Index IQ's Small Cap value strategy is designed to identify companies whose management anticipates growth, but whose stock still trades at value type multiples. We interpret aggressive investing by management as a sign of confidence in their market and product. Investments are focused in precisely the firms that display management's confidence while remaining a good value. These firms should be poised for long term growth and equity appreciation with less risk than conventional value stocks. The market's expectations are not yet inflated by reported growth, so shares can be bought with more confidence of price stability. The sectors with the greatest representations within the portfolio tend towards financials, and consumer discretionary, and information technology. Advisor Partners is an investment management firm specializing in providing customized, tax-managed, index-based investment solutions for advisors and their clients. Returns displayed are based on a backtest of this methodology and are hypothetical. The average tenure of the principals exceeds two decades and contributes to their depth of investment judgment and expertise. They are privately-owned and managed by the principals.

Ativo Capital Management/SMY

Ativo's goal is to recognize Small Cap firms that earn significantly more than their cost of capital since it is these earnings that drive growth in shareholder value and stock price. Firms that don't earn their cost of capital destroy shareholder value. An accurate residual income model is key to implementing this approach. Our model incorporates discounted cash flow return on investment, cost of capital, and growth and life cycle theory. Each week Ativo converts 13,000 stocks GAAP financial statements to cash based statements. More than 50 adjustments are made in this process. Correction for pension liabilities, option values, and lease capitalizations

are just a few. Cost of capital is calculated using a company's size, risk, industry, and other factors. Ativo is a Portuguese word that means both "active" and "assets" - together they illustrate their approach to the management of equity portfolios. Ativo develops portfolios based on a history of quantitative securities research covering nearly four decades that is the basis for a stable and consistent investment philosophy. They start with sound financial theory. Then this theory is applied to real-time experiments in actual markets to develop investment rules that transcend specific market conditions. Consistently applied, these rules pick the stocks for our portfolios. Ativo combine cutting-edge financial theory and clear objectives that are integrated into quantitative models that drive portfolio composition. The results are impressive and are consistent over time.

Egis Capital Management/ Egis Small Cap Value

Egis Small Cap Value is managed to provide clients diversification primarily among U.S. small capitalization companies oriented toward value. Investments tend towards the manufacturing and financial sectors. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Texas First Investment Management Company/TFIM SCV

Texas First Investment Management Company has provided significant equity returns with relatively low risk by combining a long term, conservative, and value-oriented approach with an unparalleled expertise acquired by investing solely in Texas-based publicly-held companies. The stock selection criteria include, but are not limited to, value measures of sustainable earnings, sustainable cash flow, and adjusted book value. Potential catalysts to unleash value are also critical considerations. Holdings are carefully diversified among industries. The Small Cap Value portfolio ranked among the top ten in the country over the 5 year period 2001 – 2005. It has outperformed the Russell 2000 small-cap index for six of the previous seven years, with below-average risk.

WCM Investment Management /WCM SCV

The small-capitalization segment of the U.S. market contains thousands of under-followed and, in many cases, mispriced securities. We believe these pricing inefficiencies can be exploited through a systematic and disciplined process. This is the approach we use to achieve our primary goal: outperforming the Russell 2000 Value index while substantially reducing portfolio volatility.

The process begins with a series of quantitative screens to identify the most undervalued stocks within the universe. The primary selection universe is companies with market capitalizations below \$2.5 billion, with particular emphasis on those companies between \$80 million and \$1.5 billion. We use six primary screens: EPS revision trends, cash-flow/price ratio, book/price ratio, trailing earnings/price ratio, dividend yield, and a net-net (working capital)/price ratio. In an effort to avoid value traps, we focus on consistency of earnings and relative price strength as additional criteria. Only the most undervalued 10-15% of all stocks screened are considered for additional work.

Those companies surviving both the quantitative and relative strength screens are subjected to more intense traditional research analysis, with particular attention to the balance sheet. We look for companies with conservative, easily understood financial structure and a large cushion of tangible assets relative to the stock price. In addition to an undervalued and financially sound company, we look intently for a catalyst which may cause the stock price to move quickly to its intrinsic value. Sector and industry analysis are critical in determining the construction of the portfolio, which typically contains between 45 and 75 stocks. Holdings are well diversified by sectors and industries. Particularly attractive industries may comprise up to 15% of the portfolio and the maximum sector weighting is 40%. Securities are roughly equal-weighted at time of purchase ranging from 1-2%. Maximum position size is 7%.

Egis Utilities Model Portfolio- Benchmarked to the Dow Jones USA (US) (Dev) Utilities (7000) Broad US dollar Index

Egis Capital Management/ Egis Utilities Model Portfolio

Egis Utilities is managed to provide clients diversification primarily among US utilities stocks of all capitalizations. Utility stocks are usually some combination of U.S. power, telecommunications, and water companies. These stocks usually represent a more stable investment with less emphasis placed on growth and more on dividends. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants

increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Asian Model Portfolio-Benchmarked to the Dow Asia Pacific (P1) Aggregate Index Broad US Dollar Index

Egis Capital Management/ Egis Asia

Egis Asia is managed to provide clients diversification primarily among Asian stocks of all capitalizations through investing in ADR's. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Asia ValueMomentum

The Asia Value Momentum Strategy invests in the top 20 stocks that comprise the Asia Value Momentum index. The Asia Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Asia Value Momentum strategy invests only in ADR's (American Depository Receipts) of Asian companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

European Model Portfolio- Benchmarked to the Dow Jones Western Europe (E1) Aggregate Index Broad US dollar Index.

Egis Capital Management/ Egis Europe

Egis Europe is managed to provide clients diversification primarily among European stocks of all capitalizations through investing in ADR's. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting individual equities, Egis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Europe ValueMomentum

The Europe Value Momentum Strategy invests in the top 20 stocks that comprise the Europe Value Momentum index. The Europe Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Europe Value Momentum strategy invests only in ADR's (American Depository Receipts) of European companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

Latin American Model Portfolio- Benchmarked to the Dow Jones Latin American (A3) Aggregate Index Broad US dollar Index

Egis Capital Management/ Latin America

Egis Latin is managed to provide clients diversification primarily among Latin American stocks of all capitalizations through investing in ADR's. Equities are selected partially through a proprietary screening mechanism utilizing an augmented version of the Porter Five Forces Model. The Egis Proprietary Model explains how market structures determine the intensity of competition. We invest in firms that face less competition and thus have prospects for greater long-term profits. The Porter Five Forces Model considers five sources of competition: customers demanding lower prices, suppliers demanding higher prices, substitute products providing alternatives, direct competitors cutting prices and increasing quality, and potential entrants increasing direct competition. An additional consideration is technological innovation which influences the five forces. Egis places an emphasis on a long-term buy and hold approach. When selecting

individual equities, Equis also takes into consideration the industry in the interest of maintaining diversification to maximize risk adjusted returns.

Financial Trust Asset Management/Latin ValueMomentum

The Latin Value Momentum Strategy invests in the top 20 stocks that comprise the Latin Value Momentum index. The Latin Value Momentum index rates stocks according to three factors: low Price/Sales ratio, 1-month relative strength, and 1-week relative strength. The Latin Value Momentum strategy invests only in ADR's (American Depositary Receipts) of Latin companies that trade on U.S. exchanges. Companies must also have current quarterly earnings which are higher than the same quarter in the previous year. The portfolio is equally weighed among the top 20 stocks. The portfolio is rebalanced on a monthly basis. Returns displayed are based on a backtest of this methodology and are hypothetical. No assets were actually invested using this methodology during the backtest period.

Municipal Fixed Income Model Portfolio

Equis Municipal Fixed Income

The Equis Fixed Income Municipal Portfolio is managed to provide clients with diversification among mostly municipal debt securities through investing in bond ETF's and bond mutual funds. The Equis Municipal Fixed Income Portfolio is utilized within a client's asset allocation to add diversification and reduce volatility. The duration of investments are managed based on anticipated interest rates and the yield curve.

Taxable Fixed Income Model Portfolio-

Equis Taxable Fixed Income

The Equis Taxable Fixed Income Portfolio is managed to provide clients with diversification among mostly Treasury and corporate debt securities through investing in bond ETF's and bond mutual funds. The Equis Taxable Fixed Income Portfolio is utilized within a client's asset allocation to add diversification and reduce volatility. The duration of investments are managed based on anticipated interest rates and the yield curve.

18. Exhibit 2**PRIVACY DISCLOSURE DOCUMENT**

Egis Capital Management
17W220 22nd St, Ste 330
Oakbrook Terrace, IL 60181

As part of Egis Capital Management's long tradition of trust, the confidentiality of personal information is paramount. We maintain high standards to safeguard personal information. We will remain vigilant in protecting that information and in using it in a fair and lawful manner. To conduct regular business, we may collect nonpublic personal information from sources such as:

- Information reported by you on applications or other forms you provide to us
- Information about your transactions with us, our affiliates, or others

As the Firm shares nonpublic information solely to service our client accounts, we do not disclose any nonpublic personal information about our customers or former Customers to anyone, except as permitted by law or otherwise disclosed herein.

To provide the utmost in service, we may disclose the information below regarding customers and/or former customers, as necessary, to companies to perform certain services on our behalf, or as required by law.

- Information the firm receives from clients on applications (name, social security number, address, assets, etc.)
- Information about client transactions with our firm or others (account information, payment history, parties to transactions, etc.)

At times, we may disclose nonpublic personal information to affiliated or nonaffiliated third parties. We may share any of the information that we collect as described above. We may disclose nonpublic personal information about you to the following types of affiliated or nonaffiliated third parties:

- Financial service providers such as mortgage brokers, insurance companies, or broker dealers. Third party investment advisers where necessary to manage client portfolios pursuant to the Egis Capital Wrap Fee Program.

Information Safeguarding

Egis Capital Management will internally safeguard your nonpublic personal information by restricting access to only those employees who provide products or services to you or those who need access to your information to service your account. In addition, we will maintain physical, electronic and procedural safeguards that meet federal and/or state standards to guard your nonpublic personal information.