

Belray Asset Management

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BrandStrategy Investment Management Program Disclosure Brochure

For Clients of Investment Advisors - Schedule H

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About this Brochure: This brochure provides clients with information about Belray Asset Management, LLC and its wrap program called BrandStrategy Investment Management Program that should be considered before becoming a client of the BrandStrategy Investment Management Program. This information has not been approved or verified by any government authority.

Disclosure Brochure

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Introduction

This brochure describes a program called the BrandStrategy Investment Management Program ("Program") organized and administered by Belray Asset Management, LLC ("Belray") for you as a Client. It is a Program that allows Belray to manage an Investment Advisory Account ("Account") holding a portfolio of investments on your behalf.

Fees

Clients pay a percentage of assets under management to participate in the Program. This fee covers Program administration and the discretionary asset management services provided by Belray. The fee does not cover trades executed by broker-dealers or markups or markdowns charged by those broker-dealers. Clients of the Program may include individuals, trusts, charitable organizations, pension and profit sharing plans, investment clubs, and corporations and other business organizations.

Belray and Custodian

The Program is provided by Belray. Belray's recommended custodian Charles Schwab & Co., Inc. ("Schwab") provides custody, execution, reporting, program administration and related services for accounts in the Program. In rendering execution services, Schwab generally will route orders for equity securities to UBS Capital Markets, L.P. or UBS Securities LLC. Schwab is a full-service financial services company, offering securities and brokerage services, investment guidance, and a full range of investment and financial products.

Belray's Responsibilities and Program Services

Belray will provide discretionary investment advisory services and is responsible for all investment decisions in your Account. You authorize Belray to manage your assets on a discretionary basis by purchasing and/or selling individual stocks, ETFs, ETNs, money market instruments, money market funds, or other instruments as and when Belray sees fit without your approval of each transaction. In managing your Account, Belray will employ various investment strategies. In selecting individual securities these strategies may be agreed upon in an Investment Policy Statement to be constructed by you and Belray. Belray's discretionary authority will remain in full force and effect, even if you become incompetent or disabled, unless revoked or terminated by you in a written notice to Schwab. In your Investment Advisory Agreement, you agree not to effect trades in your Account while Belray is managing the Account. Belray is not authorized to withdraw or transfer any money, securities, or property either in your name or otherwise, except as necessary to pay for or execute transactions in your Account.

You have the opportunity to impose reasonable restrictions on the management of your Account through a written request represented in a document called "Client Instructions" or "Investment Policy Statement."

You may request that specified securities or categories of securities not be purchased for your Account. Belray is responsible for implementing and monitoring any restrictions you place on the management of your Account.

You have the opportunity to instruct Belray to realize gains or losses in your Account for tax reasons. This may include the sale of positions with unrealized losses/gains above a certain amount, the sale of positions with unrealized losses/gains totaling a certain amount, or the sale of specified securities. Belray will use reasonable efforts to implement your request to harvest tax losses or gains.

In any and all transactions effected by or through Schwab in your Account, Schwab is acting exclusively as a broker-dealer, and not as an investment advisor. Belray is responsible for managing your Account in a manner consistent with your Investment Advisory Agreement, Investment Policy Statement or Client Instructions subject to any reasonable restrictions imposed by you.

Belray may require a minimum of \$50,000 or more to open an Account under the Program. Minimums may be increased or decreased at Belray's sole discretion.

You may make additions to or withdrawals from the Account at any time, subject to Belray's right to terminate the Account if it falls below the minimum Account value of \$50,000. Additions may be in cash or securities, provided however, that Belray reserves the right to decline to accept particular securities into the Account or to impose a waiting period before certain securities may be deposited. If cash or securities are accepted for management in the Account during any quarter, a prorated Advisory Fee based on the value of the assets may be charged upon deposit. You may request periodic withdrawals; and may withdraw Account assets subject to the usual and customary securities settlement procedures. Refunds on partial withdrawals, if applicable, will be prorated to the next quarterly billing cycle if such withdrawals are made at any time other than on the first day of a calendar quarter.

You may end participation in the Program at any time by written notice to Belray. Belray may terminate a relationship with you at any time by written notice.

Belray's Role

As your Investment Advisor, Belray has full discretion and authority to manage your Account and act as your agent and attorney-in-fact. Belray will assist you in determining your investment objectives and asset allocation. Generally speaking public equities (stocks), Exchange Traded Funds ("ETFs") and Exchange Traded Notes ("ETNs") will be the primary investment vehicles. Belray organizes and administers this Program.

Program Guidelines and Portfolio Description

In selecting investments, fundamental analysis will be used to determine the best investment vehicles to meet your investment objectives. The following will be part of the analysis, historical performance, manager experience, investment strategy, and overall market conditions. Other factors may be used in the selection of investments as well. The replacement of a manager or investment vehicle may be triggered by performance, a change in management or in our market outlook. Below are descriptions of the investment strategies available under this program. A specific investment strategy under this program will be referred to as a "Portfolio."

Active Value Portfolio – An aggressive portfolio that seeks to generate long-term capital gains as its primary objective. This portfolio is high risk and subject to tremendous volatility. This Portfolio is concentrated in public equities and traded very actively. Clients should expect 1 to 6 trades per week. The benchmark for the purposes of performance reporting will be the S&P 500 TR. This Portfolio seeks to find publically traded companies whose brand equities have been discounted in the public markets. In addition this portfolio seeks capital appreciation through:

1. Integration of CoreBrand's Brand Equity Index with a fundamental, rules-based stock selection process to create a long only portfolio of U.S. equities.
2. Seeking out US public companies whose brand equities are mispriced relative to their peers.
3. Systematically allocating capital to each position, using a risk management overlay at the stock and portfolio level.
4. Allocating capital using dynamic diversification, credit, volatility and correlation constraints.
5. Applying proprietary stock selection models that combine fundamental company evaluations with the image data. Screen the universe for the companies most impacted by their brand image.
6. Selecting an equity universe that intersects with the CoreBrand image data and the Value Line Investment Survey.

Program Portfolio Manager

Gregory H. Skidmore, President and Chief Investment Officer, is the Portfolio Manager for the Program. Since he is the sole Portfolio Manager for this program, Gregory Skidmore will manage all clients Accounts.

Security Class Action

Belray shall have full discretion and authority to manage your Account, and acting as your agent and lawful attorney-in-fact, is duly authorized without any further approval with respect to the Account (a) to make all investment decisions; (b) to buy, sell and otherwise trade in securities or other related investments; (c) to participate in all aspects of a securities class action lawsuit ("Class Action") including (i) the completing, executing and filing of such documentation as may be reasonably necessary to register the Client's claim in a recovery in a Class Action settlement, (ii) filing on behalf of the Client or on behalf of the Client and other clients of Belray in a Class Action, (iii) representing the Client or the Client and other clients of Belray as lead plaintiff or representative party in a Class Action, (iv) the completing, executing and filing of such documentation as required for the Client's participation in a Class Action as a lead plaintiff or representative party, and (v) representing the Client in connection with any Class Action by personal appearance or otherwise; and (d) in furtherance of the foregoing, to do anything which the Advisor deems requisite, appropriate or advisable, including, without limitation, the submission of instructions to the Custodian.

Proxy Voting

Belray has voting authority with regard to all client securities and therefore has authority to vote client proxies. Belray may vote differently for you than another client dependent on what is in your best interest. This authority includes, but is not limited to (i) corporate governance matters such as mergers and other corporate restructuring, and anti-takeover provisions such as staggered boards, poison pills and supermajority provisions; (ii) changes to capital structure, including increases and decreases of capital and preferred stock issuance; (iii) stock option plans and other management compensation issues; (iv) social and corporate responsibility issues. Belray also reserves the right to refrain from voting a proxy as when the cost of voting the proxy outweighs the benefit (this may occur, for example, with foreign securities and the need to hire a translator).

Reporting

As a client of Belray enrolled in this Program; Schwab, our custodian, will send you a monthly account statement detailing positions and activity in your Account during the preceding month. The statement will include a summary of all transactions made on your behalf, all contributions and withdrawals made to or from your Account, all fees and expenses charged to your Account, and the value of your Account at the beginning and end of the period. The statement may be based upon information obtained from third parties. Schwab believes that the data obtained from these third parties is accurate, but has no independent means of verifying and cannot guarantee such accuracy. You also will receive a separate confirmation of each transaction, unless you elect to receive a quarterly report containing confirmation information for trades occurring during that calendar quarter. Schwab is not responsible for reviewing transactions in or the value of your Account.

You will also receive comprehensive performance reporting from Belray quarterly. You should be aware that performance information is not calculated on a uniform and consistent basis.

Typically Belray will use the following methods for calculating returns and performance:

- 1) IRR for Period Net of Fees: Defined as internal rate of return for the period net of Advisory Fee and other expenses charged by Belray during the report period.
- 2) IRR for Period Gross of Fees: Defined as internal rate of return for the period without considering Advisory Fee, or other expenses charged by Belray during the report period.
- 3) Time Weighted Return: When calculating time-weighted rate of return, the effect of varying cash inflows is eliminated by assuming a single investment at the beginning of a period and measuring the growth or loss of market value to the end of that period. This is the most common calculation used in client reporting.

Program Operating Details

Adding Securities to Your Account

You may add cash, certain mutual fund shares, stocks or bonds to your Account, but Belray and Schwab reserve the right to decline to accept particular securities or require you to wait a specific period before depositing certain securities.

When depositing securities to your Account, you should bear in mind that Belray may decide to sell all or a substantial portion of such securities and that you will be responsible for any tax liabilities resulting from such transactions.

Execution Services

Belray may recommend/require that clients establish brokerage accounts with the Schwab Institutional® division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts.

The Advisory Fee does not cover the execution costs of any investment transactions by Schwab (or any other Broker-Dealer). Schwab typically charges clients \$8.95 to \$50.00 per trade executed. Full details on Schwab's brokerage Accounts are available from Schwab or via www.Schwab.com.

Execution of Transactions in Equity Securities

Belray places most of its orders for the purchase or sale of equity securities with Schwab. You will agree in your Investment Advisory Agreement that Belray may frequently use Schwab to execute all brokerage transactions (which means you may not receive as high a quality of execution as if Belray used broker-dealers other than Schwab).

Schwab generally will route orders for equity securities to UBS Capital Markets, L.P. or UBS Securities LLC (together, referred to as "UBS"), which are not affiliated with Schwab. In October 2004, Schwab's parent company, The Charles Schwab Corporation ("CSCorp"), completed the sale of its capital markets affiliate, Schwab Capital Markets. Schwab and UBS may execute orders through the NASDAQ Stock Market, in which CSCorp. owns an interest.

Additional Charges for Trades Through Other Broker-Dealers

Belray will have an incentive to execute most transactions in equity securities through Schwab. This incentive could, in some circumstances, conflict with Belray's duty to obtain best execution of transactions in your Account. However, Belray may execute trades through other broker-dealers when required by applicable law or when Belray reasonably believes that another broker-dealer will provide better execution, net of any additional resulting transaction charges, than would be the case if the transaction were executed through Schwab. Such other broker-dealers may provide Belray with brokerage and research services, as disclosed in this brochure. To be eligible to receive a trade from Belray for your Account, the other broker-dealer must have an agreement with Schwab under which Schwab will clear and settle transactions executed by that broker-dealer, or Belray has agreed to use an electronic system to issue settlement instructions to Schwab for trades executed by other broker-dealers.

Aggregation of Transactions

Belray may aggregate or bunch transactions for your Account with transactions for other clients for execution purposes under appropriate circumstances. For these purposes, other clients may include clients of Belray under another Belray Program (see "Other Belray Investment Programs" below). In addition, if Belray executes trades with another broker-dealer (as described above), other clients may include additional clients of Belray not participating in Program. This practice will not ordinarily affect or otherwise reduce the costs charged to your Account for those transactions. The transactions (as well as any expenses incurred in transactions effected through other broker-dealers) will be allocated according to Belray's policies governing aggregation and allocation of transactions. These policies may require your Program to assign to your Account the average price resulting from the aggregated trades. Partial fills of a block security transaction may be allocated by Belray among clients' accounts randomly, pro rata based on the size of the Account, or under some other policy adopted by Belray. Belray's trade allocation policies may result in certain clients paying higher or lower prices for securities than may otherwise have been obtained if the transactions had been executed separately.

Custody

Belray may recommend/require that clients establish brokerage accounts with Schwab to maintain custody of clients' assets and to effect trades for their accounts. Although Belray may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Belray is independently owned and operated and not affiliated with Schwab. Schwab provides Belray with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional.

These services are not contingent upon Belray committing to Schwab any specific amount of business (assets in custody or trading commissions).

Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Belray client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Belray other products and services that benefit Belray but may not directly benefit Belray's clients' accounts. Many of these products and services may be used to service all or some substantial number of Belray's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Belray in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment off Belray's Advisory Fee from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help Belray manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Belray. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Belray. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of Belray personnel.

In evaluating whether to recommend or require that clients custody their assets at Schwab, Belray may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Schwab typically acts as sole custodian for all assets in a Belray client Account and performs all custodial functions customarily performed for securities brokerage accounts, including but not limited to crediting of interest and dividends on account assets. You will retain ownership of all cash, securities, and other instruments in your Account. The commissions you pay for transactions will compensate Schwab for these services. If you have accounts and assets at Schwab that are not in the Belray programs, any Advisory Fee you are charged for the maintenance of such accounts, for custody of assets and for other account related services will be separate from and in addition to your Schwab fees associated with your participation in the Program.

Change in Client Circumstances

If material changes occur to your financial circumstances or investment objectives or you wish to impose or modify restrictions on the management of your Account, it is your responsibility to promptly inform Belray. Belray will respond to your questions and periodically discuss with you whether the management of your Account continues to reflect your investment objectives and financial requirements. If appropriate these changes will be immediately communicated to underlying investment managers.

Termination of Participation in Program

You may terminate your participation in the Program at any time upon written notice to Belray without penalty, subject to the payment of any Advisory Fee incurred and allowing at least two business days for Schwab to process your termination instruction. Once your authorizations granted to Belray and your Investment Advisory Agreement has been terminated, Belray will no longer be your Investment Advisor. Belray will have no authority over the assets held by the custodian you had selected. If you had elected Schwab to be your Custodian your Schwab account will be charged Schwab's then-current fees and other applicable charges for your Schwab account, and you and your Schwab account will become enrolled in the Schwab Independent Investor service and will be subject to the fees and commissions applicable to that service unless Schwab notifies you otherwise; you will then be solely responsible for managing your Schwab account.

Fee Details and Other Charges

Investment Advisory Fee

Client will be assessed an Investment Advisory Fee ("Advisory Fee"), which is a fee based on a percentage of assets under management. The Advisory Fee is based on the net asset value of a client's Account, including cash, as shown on the initial and quarterly appraisals performed by Belray. The Advisory Fee for a new Account that includes any partial quarter will be prorated. In addition inflows greater than \$10,000 will be prorated.

Reports and Payment of Advisory Fee: Belray will forward to Client a quarterly statement showing the value of the Account, the amount of Advisory Fee charged and the method of calculation of the Advisory Fees. The client authorizes Belray to instruct Custodian to pay Belray the Advisory Fee on a quarterly basis directly from the Account.

The Investment Advisory Fee is expressed as an annual rate, but billed on a quarterly schedule. To calculate your Advisory Fee, Belray assess the value of your Account on a quarterly basis. The billing periods end on the following dates: March 31st, June 30th, September 30th and December 31st. The value of your Account on the last day of a quarterly period is used to calculate your Advisory Fee. The Advisory Fee is billed to your Account in advance, which may result in your paying a higher fee on an annual basis than the annual rate due to the effects of compounding. Belray may discount an Advisory Fee at its discretion. Belray is authorized to deduct the Advisory Fee on a quarterly basis from the Account. This authorization shall remain in effect until terminated by Client in writing.

Belray charges an asset-based Advisory Fee for the services provided under the Program. The maximum fee charged for the programs is set forth below. The Advisory Fee is negotiable based on a number of factors that may result in a particular client paying an Advisory Fee less than the maximum Advisory Fee. 100% of the Advisory Fee will be paid to Belray. The Belray representatives who solicited the Client and service the Client may be compensated as Belray sees fit. Specifically they may be directly compensated up to 100% of the total Advisory Fee paid by you. Belray may change the actual Advisory Fee charged to you by notifying you in writing.

Annual Advisory Fee

Standard Investment Advisory Fee – 2.00%

The Advisory Fee is billed to your Account quarterly in advance, which may result in your paying a higher fee on an annual basis than the annual rate due to the effects of compounding. The Advisory Fee may be discounted at the discretion of Belray.

Services Covered by the Advisory Fee

The Advisory Fee covers the Belray's asset management services, as well as the following services provided by Belray: (1) Program Administration. (2) Continuous Investment Selection and Advice. (3) Asset Allocation. (4) Investment Research.

Other Charges and Compensation

Investment companies (including money market funds) in which Belray may invest Account assets may charge fees based on assets under management. Such fees are separate fees and in addition to the Advisory Fee charged by Belray. Custodian may charge separately for its custodial services. Broker-dealers' fees are

also in addition to Belray's Advisory Fee and shall not be an offset against Belray's Advisory Fee, but shall constitute a separate, additional charge.

Trades in Equities and Options will have transaction costs outlined by Belray's custodian Charles Schwab in their brokerage agreement. Typically these transactions costs range between \$8.95 and \$50,000. If a trade is executed by Belray with another broker-dealer, you will pay additional compensation to that broker-dealer, which may include markups, markdowns, and dealer profits. Any dealer profit, markup or markdown on principal trades will be separate from and in addition to, and will not reduce or otherwise offset, the program fee for your Account.

The Advisory Fee does not cover certain costs or charges imposed by third parties, such as odd-lot differentials, American Depositary Receipt fees, exchange fees, and transfer taxes mandated by law. It does not cover additional fees Schwab may impose for special services elected by you or Belray, including without limitation periodic distribution fees, electronic fund and wire transfer fees, certificate delivery fees, and reorganization fees. Belray's custodian, Schwab may receive indirect economic benefits if assets in your accounts are held as cash balances earning interest or if trades are executed by a market center in which Schwab owns an interest.

Payment of Advisory Fees and Other Charges

New inflows greater than \$10,000 into the program are prorated for billing purposes; your Advisory Fee is deducted from your Account immediately for the current billing quarter. On a quarterly basis current assets will be billed. The Advisory Fee will be deducted within 30 days of the 1st of the month at the beginning of each quarterly billing cycle. If there are no free credit balances in your Account, Schwab may redeem money market fund shares in your Account to cover the charges or notify you to deposit additional funds into your Account. Belray and Schwab reserve the right to liquidate at any time a portion of the other assets in your Account to cover the Advisory Fee or other charges. Liquidation may affect the relative balance of your Account and also may have tax consequences. Schwab may withhold any tax to the extent required by law, and may remit the tax to the appropriate governmental authority.

Valuation

For purposes of calculating the Advisory Fee, Belray's custodian Schwab will value a security listed on a national securities exchange, as of the valuation date, at the closing or last sale price on the principal market where the security is traded. Schwab will value any other securities or investments in your Account in a manner determined in good faith to reflect fair value. The actual prices at which you could buy or sell the securities may be different from the prices used to calculate the Advisory Fee. Any such valuation is not a guarantee of the value of the assets in your Account. In computing the value of securities in your Account, Schwab may use a pricing service or other independent evaluator, as well as other independent sources. While Schwab believes these sources to be reliable, Schwab does not verify them or guarantee their accuracy.

Conflict of Interest and Other Information

Amount of the Advisory Fee

The Advisory Fee may be more or less than you would pay if you purchased separately the types of services included in the Program. You may be able to obtain some or all of the types of services available through the Program on a stand-alone basis through other firms. For example, you could separately purchase execution services from Schwab, and you could choose to not pay our Advisory Fee.

Depending upon the circumstances, the total of any separately paid charges may be higher or lower than Belray's Advisory Fee. Factors that bear upon the cost of the Program in relation to the cost of the same services purchased separately include, among other things, the type and size of your Account (and other accounts that you may be able to combine to determine fee breakpoints), the historical and expected size or number of trades for your Account, and the number and range of supplementary advisory and other services provided to your Account. The Advisory Fee also may be higher or lower than the fees charged by other firms for comparable services.

Any Belray representative soliciting or servicing a client may be compensated up to 100% of the Advisory Fees paid by a client participating in this Program. These Belray Representatives have a financial incentive to recommend participation in this Program. The amount of this compensation may be more than what the person would receive if the client participated in other programs or paid separately for investment advice,

brokerage, and other services, and that person may therefore have a financial incentive to recommend this Program over other programs or services.

James Gregory, CEO of CoreBrand is a solicitor for this Program. His firm conducts research on Brand Equity that impacts the investment decisions made under the Program. He will be compensated 50% of the Advisory Fee for any client's participation in the Program. James Gregory has a financial incentive to recommend this Program over other Belray Programs and this presents James Gregory with a conflict of interest where he has the incentive to recommend this Belray Program over any other program.

The client, as well as all other shareholders, will bear the fees and expenses of any investment company in which Account assets are invested. Such investment companies may include, but not be limited to, money market funds, shares of exchange-traded funds ("ETFs") intended to track the performance of a published index, and closed-end investment companies, such as closed-end funds, in which Account assets are invested. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment companies and are in addition to the Advisory Fee. Clients are encouraged to read the prospectuses of any investment company in which Account assets are invested for a more complete explanation of these fees and expenses.

In addition to the Advisory Fee and the internal fees within an ETF as described above, you will be paying any fees and expenses associated with Mutual Funds, American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and Real Estate Investment Trusts ("REITs") in which an Account is invested and may also bear any fees and expenses associated with converting non-U.S. securities into ADRs or GDRs.

Non-Exclusive Relationship

Belray may perform, among other things, asset management, and similar services for other clients and receive asset-based fees for such services. The advice given and the actions taken for a particular client may differ from the advice given or the timing and nature of action taken for other clients' accounts. Transactions in a specific security may not be accomplished for all clients' accounts at the same time or at the same price. In managing your Account, Belray may purchase or sell securities in which Belray, or its officers, directors, employees or representatives, directly or indirectly, have or may acquire a position or interest.

Belray, Schwab or their affiliates may, in the course of business, obtain material non-public or other confidential information that, if disclosed, might affect an investor's decision to buy, sell or hold a security. Belray, Schwab, and their affiliates are restricted from disclosing or using this information under applicable law, and are under no obligation to disclose the information to any client or use it for any client's benefit.

Principal and Agency Cross Transactions

Belray custodian, Schwab, may effect agency cross trades with accounts in the Programs to the extent permitted by applicable law and regulations and Schwab's internal policies. "Agency cross trades" are transactions in which Schwab acts as broker for the parties on both sides of the transaction. Schwab may receive compensation from the client on the other side of the transaction (the amount of which may vary). Thus, Schwab may have a potentially conflicting division of loyalties and responsibilities. If Schwab effects an agency cross transaction for your Account, the confirmation for the transaction will disclose that Schwab acted as agent for both buyer and seller in the transaction. The compensation received by Schwab from the other client is in addition to the Advisory Fee described above. While such compensation, in theory, could create a potentially conflicting division of loyalties and responsibilities, Belray directs all transactions under this Program, and Schwab will be acting solely as a broker-dealer in connection with such trades.

Investment in Affiliated and Other Funds

Belray may decide to invest cash in your Account that is awaiting investment in a fund traded on a stock exchange. This might occur with a subsequent contribution by you to your Account after account opening or during the 30-day wash sale period with respect to sale proceeds resulting from a tax harvesting request. To the extent assets in your Account are invested in an ETF or money market fund, you will in effect be paying for asset management or investment services at two levels—through the fees charged to the ETF or money market fund by the fund manager or sponsor and through the Advisory Fee charged to your Account. In this case, Belray will be receiving compensation for managing your assets where some part of the assets is invested in an investment fund. In addition, it is possible that the ETF may hold a position in a security that you have restricted from your Account.

Other Compensation and Conflicts

Belray and its affiliates and their employees benefit from the compensation you pay to Belray under the Program. To the extent that you use other products or services Belray offers, Belray benefits from this additional compensation.

Belray may have other business relationships with Schwab, separate from the programs Belray organizes, advises and administers, in connection with which the Belray compensates Schwab for services. For example, Belray may receive (on behalf of clients or otherwise) research, execution, custodial, referral, pricing and other services offered by Schwab or an affiliate in the normal course of its financial services business. Schwab does not charge Belray a fee to participate in these programs. Schwab reserves the right to charge Belray fees in the future.

Brandon E Lacoff, is a Belray representative and Portfolio Manager under the Tailored Asset Management Program. Brandon Lacoff is also a Belray Partner and a Partner of Greenwich Legal Associates, LLC. The practice of Greenwich Legal Associates, LLC includes security class action lawsuits. Therefore, a financial conflict will arise if it is determined that a security held in a client's Account is eligible for a case. This includes securities that Belray may have purchased on behalf of a client. Because of Brandon's close relationship with Gregory H. Skidmore (President of Belray) there is a direct financial interest for both members to select Greenwich Legal Associates, LLC to recover losses and damages incurred by clients of Belray Asset Management. There is no formal arrangement established that would provide monetary compensation, but it is understood that if a client is advised to take a case and that case results in a contingency fee, Greenwich Legal Associates, LLC would be compensated as well as Brandon E Lacoff and Gregory H. Skidmore.

The General Partners of related person Belray Asset Management Holdings, LLC are also General Partners of Belray Capital, LLC. Belray Capital, LLC is a real estate development firm. When it is consistent with the investment goals of a client, they may be advised to make an investment in a real estate project managed or overseen by Belray Capital, LLC. Because of the relationship between Belray Asset Management, LLC, Belray Capital, LLC and its principals there is a conflict of interest with regards to clients. It is important for clients to know that there are monetary incentives to place clients into real estate investments with Belray Capital, LLC. As a general rule we do not recommend or advise clients to place more than 10% of their assets in investment real estate. Furthermore, as of 3/1/2009 no clients have been advised to make any real estate investment managed by Belray Capital, LLC. However, this may or may not occur at some future time.

About Belray

Belray's Business Activities

Belray is primarily engaged in business as a Registered Investment Advisor and spends most of its time on that business. It maintains its registration with the SEC. As an Investment Advisor Belray typically receives a quarterly Advisory Fee based on a percentage of assets under management for each of its clients. It is typically compensated for investment supervision or investment management of client's assets. Belray typically utilizes the custodial services of Schwab. Belray services its clients from its location in Greenwich, CT. Belray was founded in February of 2007.

Information on Selected Belray Personnel

Belray has no general standards of education or business experience that it requires of individuals involved in its programs.

The following Belray personnel have supervisory responsibility for the Program:

Gregory H Skidmore, President of Belray Asset Management, was born 4/10/1976. Greg Skidmore is responsible for overseeing investment advice given out to clients of Belray Asset Management. He received a BA from Connecticut College with a dual major in Economics and History. From 1999 to 2002 Greg trained to represent the United States at the 2004 Olympics. He is a former member of the US Sailing Team. In 2003 he joined Advest, Inc as an Institutional Salesman providing research to money managers and hedge fund managers. In 2003 he passed the NASD Series 7 exam and Series 63. In 2005 he joined Smith Barney in their Private Client division and later become a partner in a Citigroup Family Office. In 2005 he pass the NASD Series 65 exam. He resigned from Citigroup in February of 2007 to start Belray Asset Management.

Belray's Interest in Other Client Transactions

Belray has imposed policy restrictions on all its personnel with respect to transactions for their own accounts and accounts over which they have control or a beneficial interest.

Employee trading restrictions prohibit unacceptable trading practices such as front running, crossing trades with customers, and insider trading.

Belray has various ethical standards, including a Code of Ethics adopted pursuant to SEC Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics is intended to reflect fiduciary principles that govern the conduct of Belray and its supervised persons in those situations where Belray acts as an investment adviser as defined under the Investment Advisers Act of 1940 in providing investment advice to clients. As a general matter, the Code of Ethics requires that Belray's supervised persons comply with applicable Federal securities laws, report violations of the Code of Ethics, and (for supervised persons who are deemed "access persons" by virtue of their involvement in providing investment advice or access to certain related information) report their personal transactions and holdings in certain securities periodically and get pre-clearance before buying a security in an initial public offering or private offering.

A copy of Belray's Code of Ethics is available on request.

Certain Risks

Investments in securities, both generally and in the context of the investment strategies available through this Program, involve various risks, including those summarized below. In addition, Belray's investment style may involve risks different from or in addition to those summarized below. Clients must be aware that no approach to investing can guarantee profits or avoid losses, and past performance is no guarantee of future results. Therefore, Belray cannot, and does not, guarantee or otherwise represent that the objectives of Client's investment goals will be realized. An investment in the Program could lose money over short or even long periods. It is also possible for your Account to lose all of its value. All investments involve the risk (the amount of which may vary significantly) that investment performance can never be predicted or guaranteed and that the value of your Account will fluctuate due to market conditions and other factors—see "Certain Risks" below. You should expect the value of your portfolio to fluctuate within a wide range, like the fluctuations of the overall stock market. Your portfolios performance could be hurt by:

Tax Risks

You should understand that all or a portion of your securities may be sold either at the initiation of or during the course of the management of your account under the Program. You are responsible for all tax liabilities arising from such transactions, and you are encouraged to seek the advice of a qualified tax professional.

Research Risk

A significant risk to the Program is that a portion of the investment strategy is dependant on research generated by CoreBrand and its associate Jack Frey. Therefore if Mr. Frey were to experience a decline in health or terminate his relationship with CoreBrand Belray may elect to terminate the BrandStrategy Investment Management Program - Active Value Portfolio. If the Portfolio is terminated, clients will be notified in writing and all positions will be sold to position the Account in 100% cash equivalents.

Equity Risks

General. The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response.

In addition, the equity market tends to move in cycles which may cause stock prices to fall for short or extended periods of time.

Large- and Mid-Cap Risk. Investment strategies that focus on large- and/or mid-cap segments of the stock market involve the risk that these types of stocks tend to go in and out of favor based on market and economic conditions. However, stocks of mid-cap companies tend to be more volatile than those of large cap companies because mid-cap companies tend to be more susceptible to adverse business or economic events than larger, more established companies. During a period when large- and mid-cap U.S. stocks fall behind other types of investments—bonds or small-cap stocks, for instance—the performance of

investment strategies focused on large and/or mid-cap stocks will lag the performance of investments in bonds or small-cap stocks.

Small-Cap and International Risk. Historically, small-cap and international stocks have been riskier than large-and mid-cap stocks. Stock prices of smaller companies may be based in substantial part on future expectations rather than current achievements and may move sharply, especially during market upturns and downturns. Small-cap companies themselves may be more vulnerable to adverse business or economic events than larger, more established companies, and international companies may be more vulnerable to geopolitical factors than U.S. companies. During a period when small-cap and/or international stocks fall behind other types of investments—bonds or large-cap stocks, for instance—the performance of investment strategies focused on small-cap or international stocks will lag the performance of bonds or large-cap stocks.

Management Risk. Investment advisors generally make investment decisions for particular investment strategies using historical information. There is no guarantee that a strategy based on historical information will produce the desired results in the future. In addition, if market dynamics change, the effectiveness of that kind of strategy may be limited.

Any of these risks may cause the investment strategy of a particular investment advisor to under-perform its benchmark or similar investment strategies managed by other investment advisors.

Other Investment Risks

Exchange Traded Funds (ETF) and mutual funds used in actual client portfolios are not guaranteed and involve additional risks associated with Exchange Traded Notes (ETN), ETFs and Mutual Funds. This includes the possibility of losses due to fluctuations in value of the underlying fund instruments, fraud, and withdrawals by other fund shareholders.

Exchange Traded Notes (ETNs) have risks include the possible loss of money and your entire investment to default of the issuers/backers of ETNs. The investment return and principal value of an investment in a Belray Index Portfolio will fluctuate so that shares, when sold, may be worth more or less than their original cost.

ETF risks relative to Mutual Funds: Conventional mutual fund shares are bought from and redeemed with the issuing fund for cash at a net asset value (NAV) typically calculated once a day. ETF Shares, by contrast, cannot be purchased from or redeemed with the issuing fund except by or through Authorized Participants and then only for an in-kind basket of securities. An organized secondary trading market is expected to exist for ETF Shares, unlike conventional mutual fund shares, because ETF Shares are listed for trading on a national securities exchange. Investors can purchase and sell ETF Shares on the secondary market through a broker. Secondary-market transactions occur not at NAV, but at market prices that change throughout the day, based on the supply of, and demand for, ETF Shares and on changes in the prices of the fund's portfolio holdings. The market price of a fund's ETF Shares will differ somewhat from the NAV of those shares. The difference between market price and NAV is expected to be small most of the time, but in times of extreme market volatility the difference may become significant.

Country/Region Risk: An investment in the securities of non-U.S. issuers involves risks beyond those associated with investments in U.S. securities, including, but not limited to: greater market volatility, the availability of less reliable financial information, higher transactional and custody costs, taxation by foreign governments, decreased market liquidity, political instability, negative impact of changes in currency exchange rates or foreign governmental regulation. There is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions.

Emerging Markets Risk: This is the chance that emerging markets will be substantially more volatile, and substantially less liquid, than more developed foreign markets.

Currency Risk: This is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Real Estate Risks: The risks associated with the real estate industry in general include fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures, or operating expenses; and other economic, political or regulatory occurrences affecting the real estate industry. Real Estate Investment Trusts (REITs) are subject to risks inherent in the direct ownership of real estate. These risks include, but are not limited to, the risk of a possible lack of mortgage funds and associated interest rate risks, overbuilding, property vacancies, increases in property

taxes and operating expenses, changes in zoning laws, losses due to environmental damages and changes in neighborhood values and appeal to purchases. REITs are also subject to the risk that the real estate market may experience an economic downturn generally, which may have a material effect on the real estate in which the REITs invest and their underlying portfolio securities. Investments in REITs and real estate companies are generally subject to greater risks such as legal and other restrictions on resale and are otherwise less liquid than publicly traded securities.

Commodity Risks. Commodities and futures generally are volatile and may not be suitable for all investors.

General Investment Risks: Program portfolios are speculative and involve a high degree of risk. An investor may lose all or substantially all of an investment in this Program. Investments within any Belray Portfolio are not FDIC insured, may lose all value and have no bank guarantee.

Other Belray Investment Programs

Belray also provides investment advice to clients under the following investment programs:

- 1) Tailored Asset Management
- 2) Belray Retirement Index Portfolios

These services may provide similar investment services at a lower cost. If you'd like to learn more about these investment programs call Belray at (203) 629-3300.

Disciplinary Information

The SEC and other regulatory agencies and organizations have, in the past, not taken any disciplinary actions against Belray for violations of investment-related statutes, regulations and rules.