

F-Squared Alternative Investments, LLC

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Form ADV, Part 2A Brochure

September 11, 2013

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

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

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

The CRD number for F-Squared Alternative Investments, LLC is: 158464

Item 2: Summary of Material Changes

Revised September 11, 2013

F-Squared Alternative Investments, LLC maintains its management style, investment strategies, client relations, industry standards, and fee structure.

The last annual update of ADV Part 2A was on March 28, 2013.

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Item 4: Advisory Business

Description of our Firm:

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

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

Types of Advisory Services We Offer:

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

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

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

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

Private Funds

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

Separately Managed Accounts, Model Portfolios, and Institutional Separate Accounts

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

Sub-Advisory Services

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

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

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

The minimum for these services is \$25 million.

AlphaSector Indexes

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

All of the AlphaSector Indexes utilize exchange traded funds (ETFs) with all security decisions made with the intent of limiting losses during market declines, in particular during significant market declines. In periods of extreme market distress, a partial or complete allocation to short-term bonds (a "cash equivalent" investment) is allowed. A cash equivalent is viewed as the safe haven in times of significant bear markets. There are currently over 30 standard and/or customized AlphaSector Indexes.

Tailored Advisory Services:

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

Wrap Fee Programs:

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

Assets under Management or Advisement:

As of 5/31/2013, the total assets under management or advisement for F-Squared are as follows:

<i>Discretionary:</i>	\$ 996,088,598
<i>Non-Discretionary:</i>	<u>\$ 32,499,011</u>
<i>Total:</i>	\$1,028,587,608

Item 5: Fees and Compensation

Fee Schedule:

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

Management Fees and Compensation

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

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

How Fees are Paid:

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

Other Types of Fees or Expenses:

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

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

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

All fees paid to F-Squared are for investment advisory services and are separate and distinct from the fees and expenses charged by the underlying Exchange Traded Funds used in our models. Sub-Advisory

investment vehicle expenses are described in each vehicle's prospectus. Accordingly, clients should review both the fees charged by the ETFs and the fees charged by F-Squared to fully understand the total amount of fees to be paid and evaluate the advisory services being provided.

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

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

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

Item 6: Performance-Based Fees

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

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

Item 7: Types of Clients

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

There are minimums for accounts, varying by account type.

The minimum initial investment for the Private Fund is \$5,000,000 and \$250,000 for subsequent investments, both subject to the discretion of the General Partner. Although the minimum relationship for F-Squared to enter into an agreement with an Institutional Account or an SMA provider is \$10,000,000, the minimums for the end client are typically determined by the SMA platform sponsor or operational provider, and can range from \$50,000 to \$250,000 for individual accounts. Costs of trading and operations for the SMA and Model Portfolio are determined by the SMA platform sponsor or trading platform.

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

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

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

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

Methods of Analysis:

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

- Historical Price Return
- Volatility
- Changing Levels of Volatility

F-Squared Investments employs disciplined, quantitative models to deliver the AlphaSector series of investment strategies. The AlphaSector models cover several major long-only asset classes: US Equity, International, Fixed Income, and Real Assets (Gold and Real Estate), plus asset allocation strategies that combine various combinations of these core asset classes. F-Squared also delivers a wide variety of customized or hybrid investment solutions. The goal of the strategies is to seek to provide a “full market solution with embedded downside risk management.” During neutral and bull markets, the strategies seek to provide exposure to the target asset class, delivering participation in market returns. The embedded downside risk management engages in periods of dangerous or declining markets. When a serious market decline occurs, the strategies have the ability to move partly or wholly to cash or a cash equivalent. This flexibility to move to cash as a means of de-risking investment portfolios is critical to delivering downside protection.

To drive the decision and portfolio process, the algorithm analyzes data on price trends and volatility in the relevant sectors, asset classes or countries. These investments are defined by exchange traded funds (“ETFs”). The algorithm assesses ETF for potential risk of loss. The inputs and rules are customized for each asset class, but the investment philosophy is consistent.

Outside Providers:

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

Investment Strategies:

Long/Short Strategy:

The investment objective of the Long/Short Strategy employs a similar systematic approach to construct a portfolio of ETFs with varying degrees of exposure. The portfolios are rebalanced to weight toward those ETFs that are priced at the largest discount for our long positions and those that are priced at the

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

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

AlphaSector Indexes' core philosophy and methodology behind our AlphaSector strategies and Indexes are to meet the REAL needs of individual and wealth investors: relative performance in rising markets, and significant risk controls in declining markets. Limiting losses has been proven to both improve wealth creation and increase the success rate of systematic withdrawal programs for either individual or Institutional Investors.

All of the AlphaSector Indexes utilize exchange traded funds (ETFs) with all security decisions made with the intent of limiting losses during negative markets, in particular during significant market declines. In periods of extreme market distress, a partial or complete allocation to short-term bonds (a "cash equivalent" investment) is allowed. A cash equivalent is viewed as the only safe haven in times of significant bear markets. There are currently over 70 standard and/or customized AlphaSector Indexes.

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

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

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

Portfolio Construction and Design

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

The following is a summary of the core AlphaSector strategies. F-Squared also offers a number of custom strategies to meet client needs.

AlphaSector US Equity strategies model utilizes exchange traded funds (ETFs) representing the 9 sectors of the S&P 500 or short-term Treasuries. The implementation of the strategy is most often through ETFs, which are low cost, highly liquid index-linked vehicles tracking the performance of each respective sector. The ETFs most often used are published industry leading ETF providers representing the nine

sectors of the S&P 500 and an ETF tracking short term Treasury securities as the proxy for a cash equivalent. As such, there are a maximum number of 9 securities in the portfolio at any one time, resulting in operational ease and lower transaction costs.

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

AlphaSector Hedge Portfolio strategy represents an investment “overlay” applied to the live investment signals of the AlphaSector U.S. equity index. The overlay represents the application of leverage and short exposure and is generated through the use of a backtested, rules-based, quantitative model.

AlphaSector Global Index is a blend of two indices, the AlphaSector U.S. equity strategy and the AlphaSector International strategy. The AlphaSector International Index includes five ETFs reflecting the key world economic regions outside the U.S. as well as a Short-term Treasury ETF used as a proxy for a cash equivalent.

Alpha Sector INFinity (the fixed income strategy) is a diversified multi-sector, inflation neutral fixed income offering which includes ETFs tracking six bond sectors and one short-term treasury ETF as a cash equivalent.

AlphaSector Allocator strategy is a diversified portfolio of the US equity, international and fixed income strategies adding in ETFs tracking “alternative” asset classes such as gold and REITs.

AlphaSector Target Risk Portfolio strategies represent a series of risk-based portfolios ranging from Conservative through Aggressive leveraging the diversification of the AlphaSector Allocator strategy as its foundation.

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

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

Risk of Loss:

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

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

The principal risks of our strategies are:

- **Market Risk:** The risk that the value of the securities in which the strategies invest may drop in reaction to tangible and intangible events and conditions, independent of a security’s particular underlying circumstances. For example, political, economic, and social conditions may cause a change in the value of the securities. Price changes may be temporary or may last for extended periods.

- **Equity Securities Risk:** The risk that events or circumstances at a particular industry, or a particular company within an industry will impact the value of the stocks and ETFs held by the strategy and thus, the value of your investment over short or extended periods.
- **Interest-Rate Risk:** The risk that fluctuations in interest rates may cause investment prices to fluctuate and impact the value of Fixed Income securities or ETFs held by the strategy. For example, when interest rates rise, yields on existing bonds become less attractive causing their market values to decline.
- **Exchange-Traded Funds (ETFs) Risk:** The risk that the value of an ETF that the strategies invest in will be more volatile than the underlying portfolio of securities the ETF is designed to track, or that the costs to the fund of owning shares of the ETF will exceed those the fund would incur by investing in such securities directly.
- **Sector Concentration Risk:** The risk that events negatively affecting an industry or market sector in which the strategy invests will cause the overall value of the strategy to decline. To the extent that some of our investment strategies invest significant portions of their strategy in ETFs representing particular markets or sectors (such as Energy, Healthcare, Real Estate, etc.) or in an ETF representing U.S. Treasuries, the strategy is more vulnerable to conditions that negatively affect such sectors as compared to investment strategy that is not significantly invested in such sectors.
- **Turnover Risk:** The risk that frequent trading will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains that can negatively impact your overall investment as compared to investments in strategies with low turnover. Some of our investment strategies may involve frequent trading and/or turnover and investors should carefully consider the impact of taxes and brokerage costs on their investment portfolio.
- **U.S. Government Securities Risk:** The risk that U.S. Government securities in the strategy will be subject to price fluctuations, or that an agency or instrumentality will default on an obligation not backed by the full faith and credit of the United States.
- **Quantitative Risk:** The risk that the effectiveness of the quantitative model used for the strategy can dissipate over time as similar strategies are adopted and as the market becomes more efficiently priced.
- **Programming / Modeling Risk:** F-Squared's research and modeling process is extremely complex and the results of that process must then be translated into computer code. Although F-Squared seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raises the chances that the finished model may contain an error; one or more of such errors could adversely affect a client's portfolio and likely would not constitute a trade error under F-Squared's policies.

- **System Risk:** F-Squared relies extensively on computer programs and systems in its proprietary modeling to evaluate securities, to monitor its portfolio, and to generate reports that are critical to oversight of its activities. In addition, certain systems operated by third parties, including the private fund's prime brokers and market counterparties and their sub-custodians and other service providers, may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on F-Squared's activities. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect F-Squared's ability to monitor its investment portfolios and its risks.
- **Operational Risk:** F-Squared has developed systems and procedures to control operational risk. Operational risks arising from mistakes made in the trading confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in F-Squared's operations may cause F-Squared to suffer financial loss; the disruption of its business; liability to clients or third parties; regulatory intervention; or reputational damage. F-Squared relies heavily on its financial, accounting and other data processing systems.
- **Counterparty Risk:** Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Should counterparty fail to fulfill its obligations to F-Squared, clients could potentially incur a loss as a result of counterparty credit exposure.
- **Prime Broker Risk:** Private fund positions may be held in accounts maintained for F-Squared or its affiliates by its prime brokers. The prime brokers, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the private fund securities positions are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, it is impossible to generalize about the effect of a prime broker's insolvency on the private funds and its securities positions. The insolvency of any private fund's prime broker could result in the loss of all or a substantial portion of the private fund's securities positions held by such prime broker, or could result in substantial disruption of the private fund's operations, including withdrawals by investors.
- **Swaps and Derivatives Risk:** F-Squared may make use of swaps and other forms of derivative contracts. In general, a derivative contract (including options) typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Depending on the strategy, many of the derivative contracts used by F-Squared may be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the

financial condition of the counterparty or the counterparty's guarantor. These transactions may also involve significant transaction costs and may expose a portfolio to counterparty risk.

- **Short Selling Risk:** A short sale involves the sale of a security that a portfolio does not own in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. To make delivery to the buyer, the portfolio must borrow the security, and the portfolio is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the portfolio. In some cases, the lender may rescind the loan of securities and cause the borrower to repurchase shares at inflated prices, resulting in a loss. When a portfolio makes a short sale in the United States, it must leave the proceeds with the broker and it must also deposit with the broker an amount of cash or marketable securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are affected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. The extent to which a portfolio will engage in short sales depends upon F-Squared's investment strategy and perception of market direction. In addition, global regulatory prohibitions on short sales may impair F-Squared's ability to implement its investment process. Bans may add additional constraints to a strategy, which may increase transaction costs as well as the time required to monitor compliance with the restrictions.
- **Leverage Risk:** Certain of F-Squared's strategies utilize varying amounts of leverage, which involves the borrowing of funds and may also be embedded in financial instruments, including short sales, over-the-counter derivatives, options, swaps, and forwards, which enable investors to gain exposure to assets whose value exceeds the amount of capital necessary to obtain such exposure. The use of leverage allows F-Squared to increase its exposure to assets, such that total assets may be greater than capital invested. However, the use of leverage may also magnify the volatility – or the likelihood of short-term changes in value – of any portfolio. The effect of the use of leverage in a portfolio may result in losses to the portfolio that exceed losses to the portfolio if such portfolio did not utilize leverage.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer Affiliations

F-Squared is not registered nor does it have any pending application to register as a broker-dealer.

Futures/Commodities Affiliations

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

Investment Company Affiliations

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

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

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

F-Squared Investment Management, LLC and/or one of its subsidiaries also maintain a relationship with Reliance Trust Company of Atlanta, GA and serves as sub-advisor products within the Trust Advisors Portfolios Program, Series Three and Series Eight, registered under the State of Georgia.

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

Investment Adviser Affiliations

F-Squared is a subsidiary of F-Squared Investment Management, LLC. Other subsidiaries of F-Squared Investment Management, LLC include F-Squared Institutional Advisors, LLC, F-Squared Retirement Solutions, LLC, F-Squared Investments, Inc. and F-Squared Institutional Solutions, LLC. AlphaSector LLS GP1, LLC is a subsidiary of F-Squared Alternative Investments, LLC and Active Index Solutions, LLC is a subsidiary of F-Squared Investments, Inc. F-Squared Capital, LLC is a newly formed adviser which is wholly owned by F-Squared Investment Management, LLC.

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

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

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

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

interests of F-Squared Clients over the interests of the firm and any of its employees, and to comply with the applicable Federal Securities Laws and other applicable law.

F-Squared distributes the code to each employee at the time of hire and annually thereafter. Each employee is required to sign the Code acknowledging that they have read, understand, and will abide by the Code and its requirements. All employees receive training and are monitored for compliance with the Code.

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

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

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

Personal Securities Transactions Requirements

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

Pre-clearance

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

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

In addition to Access Persons, all employees of F-Squared are required to receive pre-clearance trading approval from the Chief Compliance Officer to purchase or sell any security placed on the "Pre-Clearance List" or the "Restricted List."

Exempt Securities

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

- Direct obligations of the Government of the United States;

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

Item 12: Brokerage Practices

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

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

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

- Reputation/Stability of brokerage firm
- Ability to execute trades in a timely and efficient manner
- Ability to interface with client's custodian bank
- Competitive Commission Rates

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

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

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

Item 13: Review of Accounts

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

F-Squared generally does not have access to client accounts for SMA or Sub-Advisory relationships. In limited circumstances, F-Squared will manage a number of accounts for friends and family or institutional clients. These accounts are reviewed quarterly to ensure that all transactions are in accordance with model instructions and that any tracking error to the index is within a reasonably acceptable threshold. All institutional accounts are also reviewed post any trading activity to ensure

proper trade execution and settlement. These accounts receive confirmation of activity reports post any trading activity and on receive account statements on a quarterly and annual basis. These reports are provided by the custodian or SMA Platform provider that administers the account.

Item 14: Client Referrals and Other Compensation

Other Compensation

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

Client Referrals

F-Squared does not directly or indirectly compensate any person for referrals of individual person accounts. If an Institutional Client or model manager relationship is introduced to F-Squared by an unaffiliated or an affiliated solicitor, F-Squared may pay that solicitor a referral fee. Any such referral fee shall be paid solely from F-Squared's revenue and shall not result in any additional charge to the Client. If the Client is introduced to F-Squared by an unaffiliated solicitor, the solicitor shall provide the Client with a copy of F-Squared's ADV Part 2 Brochure and a summary of the solicitation arrangement including compensation.

Item 15: Custody

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

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

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

The Private Fund will receive unaudited reports of the performance of the Private Fund monthly and quarterly and audited year-end financial statements annually.

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

Item 16: Investment Discretion

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

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

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

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

Item 17: Voting Client Securities

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

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

Item 18: Financial Information

Not applicable.

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

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F-Squared Alternative Investments, LLC

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Wellesley, MA 02481
866-288-7657
www.f-squaredinvestments.com

Part 2B of Form ADV: Brochure Supplement

September 11, 2013

Item 1: Cover Page

- Howard B. Present, Chief Executive Officer
- James T. Celico, Managing Director
- Vadim Fishman, Managing Director
- Joseph A. Miskel, Managing Director
- Kevin R. Orr, Managing Director
- Richard F. Tomney, Managing Director
- Richard B. Weed, Managing Director
- Nathan W. Eigerman, CFA, Senior Vice President
- Dennis E. Follmer, Senior Vice President
- Thomas W. Hagstrom, CFA, Senior Vice President
- John J. Harrington, CFA, Senior Vice President
- Alexey Panchekha, CFA, Senior Vice President
- Langton C. Garvin, CFA, Senior Vice President
- Eileen M. Leary, CFA, Senior Vice President
- William Thompson, Senior Vice President

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

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

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

The CRD number for F-Squared Alternative Investments, LLC is 158464.

Item 2: Educational Background and Business Experience

Howard B. Present – Chief Executive Officer

Year of Birth: 1961

Education:

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

Business Background:

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

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

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

Item 3: Disciplinary Information

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

Item 4: Other Business Activities

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

Item 5: Additional Compensation

Howard Present does not receive any additional compensation for providing advisory services beyond the compensation he receives as Chief Executive Officer of F-Squared Investment Management, LLC.

Item 6: Supervision

Howard Present reports directly to the F-Squared Investment Management, LLC's (the parent company of F-Squared Investments, Inc.) Board of Managers. F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act. You may contact Kara Brown at 866-288-7657.

James T. Celico – Managing Director

Year of Birth: 1970

Education:

- Bachelors of Science in Accounting, Pepperdine University

Business Background:

Mr. Celico is Managing Director and Co-Head of F-Squared Alternative Solutions, a subsidiary of F-Squared Investment Management, LLC and a member of the F-Squared Investment Committee.

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

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

Item 3: Disciplinary Information

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

Item 4: Other Business Activities

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

Item 5: Additional Compensation

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

Item 6: Supervision

James Celico reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at 866-288-7657. Mr. Celico is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Vadim Fishman – Managing Director

Year of Birth: 1960

Education:

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

Business Background:

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

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

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

Item 3: Disciplinary Information

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

Item 4: Other Business Activities

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

Item 5: Additional Compensation

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

Item 6: Supervision

Vadim Fishman reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at 866-288-7657. Mr. Fishman is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Joseph A. Miskel – Managing Director

Year of Birth: 1965

Education:

- Bachelors of Science in Business, Rowan University
- Masters of Business Administration, Fordham University

Business Background:

Mr. Miskel is Managing Director of F-Squared, a member of the F-Squared Investment Committee. He has over 25 years of experience in the investment industry with extensive capital markets, asset management, insurance, wealth management, and retirement industry expertise.

Previously, Mr. Miskel spent five years as a senior business development professional for Citi Global Investment Services, a division of Capital Markets. Prior to joining Citi, he spent 16 years with Merrill Lynch where he contributed to or led various businesses in Over-The-Counter Derivatives, Fixed Income, Asset Management, and Wealth Management.

In addition to his educational degrees earned, Mr. Miskel completed Executive Management training at the Wharton Business School and served as an advisor to the Wharton Pension Research Council.

Mr. Miskel has also served on a number of industry and not-for-profit boards, and is currently on the board of the AJ Foundation, providing specialized education services to autistic children.

Item 3: Disciplinary Information

Mr. Miskel has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Mr. Miskel is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

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

Item 6: Supervision

Mr. Miskel reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at 866-288-7657. Mr. Miskel is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Kevin R. Orr – Managing Director

Year of Birth: 1963

Education:

- Bachelors of Arts in Economics, University of Buffalo

Business Background:

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

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

Item 3: Disciplinary Information

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

Item 4: Other Business Activities

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

Item 5: Additional Compensation

Kevin Orr does not receive any additional compensation for providing advisory services beyond the compensation he receives as a Managing Director and Head of Strategic Partnerships.

Item 6: Supervision

Kevin Orr reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at 866-288-7657. Mr. Orr is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Richard F. Tomney – Managing Director

Year of Birth: 1965

Education:

- Bachelors of Science in Business Management, Boston College
- Masters of Business Administration, Boston College

Business Background:

Mr. Tomney is a Managing Director of the firm and is a member of the F-Squared Management Team and the Investment Committee. Mr. Tomney has more than 27 years of experience in the investment industry with extensive investment and product development expertise.

Previously, Mr. Tomney was Marketing Director at Gottex Fund Management with responsibility for institutional sales and client service to North American clients and consultants. Prior to joining Gottex, Mr. Tomney held the position of Deputy Chief Investment Officer for Liberty Ridge Capital. In that capacity, he was responsible for facilitating projects related to the investment process including revamping the investment models and universe screening tools. He also assisted the Chief Investment Officer in managing the daily operations of the investment management department. Additionally, Mr. Tomney served as Risk Officer, overseeing the implementation of risk management techniques and systems. He was also responsible for product development at the firm for both institutional and retail offerings. Prior to joining Liberty Ridge Capital, Mr. Tomney served as vice president in the Corporate Product Development Group at Putnam Investments. He also held senior product positions at United Asset Management Corporation and Fidelity Investments.

Item 3: Disciplinary Information

Mr. Tomney has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Mr. Tomney is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

Mr. Tomney does not receive any additional compensation for providing advisory services beyond the compensation he receives as a Managing Director and Head of RIA and Wealth Advising

Item 6: Supervision

Mr. Tomney reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at 866-288-7657. Mr. Tomney is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Richard B. Weed, CFA – Managing Director

Year of Birth: 1963

Education:

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

Business Background:

Mr. Weed is Managing Director and Co-Head of F-Squared Alternative Investments, LLC, a subsidiary of F-Squared Investment Management, LLC, and a member of the F-Squared Investment Committee.

Mr. Weed has over 20 years of investment management experience with extensive portfolio management, risk-control, quantitative modeling, product research and design expertise.

Previously, Mr. Weed was the CIO of Vernon Square Capital, a long-short, market neutral hedge fund based in Boston. Prior to founding Vernon Square Capital, Mr. Weed spent 9 years at Putnam Investments, where he led the Small and Emerging Growth Equities Team. He also spent 8 years at State Street Global Advisors, where he was a Senior Portfolio Manager in the US Active Equities team.

Item 3: Disciplinary Information

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

Item 4: Other Business Activities

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

Item 5: Additional Compensation

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

Item 6: Supervision

Richard Weed reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at 866-288-7657. Mr. Weed is a member and co-chair of the F-Squared Investment Committee.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Nathan W. Eigerman, CFA – Senior Vice President

Year of Birth: 1966

Education:

- Bachelors of Arts in Economics, Harvard College
- Masters of Business Administration, Sloan School of Management at MIT

Business Background:

Mr. Eigerman is a Senior Vice President of the firm and is a member of F-Squared's Investment Committee. Mr. Eigerman has 18 years of investment management experience with extensive portfolio management, risk-control, quantitative modeling, product research, and design expertise.

Previously, Mr. Eigerman was president and CIO of NPI Capital and a member of the investment committee of NPI's subsidiary, Knott Asset Management. Prior to NPI Capital, Mr. Eigerman was a Managing Director of Morgan Stanley Investment Management and a Founding Partner of Oxhead Capital Management, LLC, a Boston-based hedge fund. Prior to founding Oxhead, he served as a Senior Vice President, Portfolio Manager, and Head of International Quantitative Equity Research at Putnam Investments.

Mr. Eigerman has taught financial theory at Harvard University and was a member of the MIT/Sloan Financial Engineering Advisory Board. He was awarded the Chartered Financial Analyst designation in 1999.

Item 3: Disciplinary Information

Mr. Eigerman has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Mr. Eigerman is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

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

Item 6: Supervision

Mr. Eigerman reports directly to Howard Present, Chief Executive Officer. You may contact Howard Present at 866-288-7657. Mr. Eigerman is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Dennis E. Follmer – Senior Vice President

Year of Birth: 1969

Education:

- Bachelors of Science in Finance, Miami University, Ohio
- Masters of Business Administration, Sloan School of Management at MIT

Business Background:

Mr. Follmer is a Senior Vice President of the firm and is a member of F-Squared's Investment Committee. Over the past 20 years, Mr. Follmer's experience in the financial markets has included sales and trading, investment management, business development, and co-founding a global fund management firm.

Previously, Mr. Follmer was a Managing Partner at Oceanwood Capital Management, a global hedge fund specializing in event driven strategies. He ran the firm's U.S. office, was a member of the Management Committee, and led the North American analyst team. Prior to Oceanwood Capital, Mr. Follmer was the Senior North American Analyst for the Event-Driven Equities Group at Tudor Investment Corp. His career has also included roles as an Event-Driven Analyst for a proprietary trading group at Barclays Capital in New York and as an Associate for the Northbridge Group in Lincoln, MA, advising on strategic issues within the electric and gas utilities industries. Mr. Follmer began his career as an institutional fixed income salesman for McDonald & Company Securities in Cleveland, Ohio.

Item 3: Disciplinary Information

Mr. Follmer has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Mr. Follmer is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

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

Item 6: Supervision

Mr. Follmer reports directly to Richard Tomney. You may contact Mr. Tomney at 866-288-7657. Mr. Follmer is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Thomas W. Hagstrom, CFA – Senior Vice President

Year of Birth: 1962

Education:

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

Business Background:

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

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

Item 3: Disciplinary Information

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

Item 4: Other Business Activities

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

Item 5: Additional Compensation

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

Item 6: Supervision

Thomas Hagstrom reports directly to Richard Tomney. You may contact Mr. Tomney at 866-288-7657. Mr. Hagstrom is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

John J. Harrington, CFA – Senior Vice President

Year of Birth: 1955

Education:

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

Business Background:

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

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

Item 3: Disciplinary Information

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

Item 4: Other Business Activities

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

Item 5: Additional Compensation

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

Item 6: Supervision

John Harrington reports directly to Paul Gamble, Managing Director. You may contact Paul Gamble at (857) 404-0627. Mr. Harrington is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Alexey Panchekha, CFA – Senior Vice President

Year of Birth: 1965

Education:

- Doctor of Philosophy (Ph.D.) in Physics and Mathematics, Kharkov Politechnical University in Kharkov, Ukraine

Business Background:

Mr. Panchekha is a Senior Vice President of the firm and is a member of F-Squared's Investment Committee.

Previously, Mr. Panchekha was a Head of Research at Markov Processes International. Prior to Markov, he was a part of the Portfolio Analytics team at Bloomberg where he led a team responsible for the multi-asset class portfolio risk system and was also a member of the Portfolio Analytics Research team.

Mr. Panchekha has extensive expertise in designing high performance software technology for financial application, which he applied at Bloomberg, Goldman Sachs and several other firms. He also has wide scientific research experience that has been focused on non-linear phenomena in semiconductors, in oceans, and in brain activity under complex cognitive tasks. Mr. Panchekha is fluent in multiple computer and web programming languages, software and database programs.

Item 3: Disciplinary Information

Alexey Panchekha has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Alexey Panchekha is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

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

Item 6: Supervision

Alexey Panchekha reports directly to Vadim Fishman. You may contact Fishman at 866-288-7657. Mr. Panchekha is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Langton C. Garvin, CFA – Senior Vice President

Year of Birth: 1955

Education:

- Bachelors of Science, Skidmore College
- Masters of Science, University of Massachusetts at Amherst

Business Background:

Mr. Garvin has eighteen years of investment management experience with expertise in quantitative research, portfolio management, product development and relationship management

Previously, Mr. Garvin was Director of Investment Development and Relationship Management with First Quadrant, LLC. Prior to that, he was a Senior Portfolio Manager and Senior Equity Strategist with Mellon Capital Management. Before joining Mellon Capital, Mr. Garvin held research and portfolio management positions with Batterymarch Financial Management. He also performed quantitative research in Global Equities and Global Asset Allocation at Grantham, Mayo, Van Otterloo LLC.

Item 3: Disciplinary Information

Langton Garvin has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Langton Garvin is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

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

Item 6: Supervision

Langton Garvin reports directly to Richard Tomney. You may contact Mr. Tomney at 866-288-7657. Mr. Garvin is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

Eileen M. Leary, CFA – Senior Vice President

Year of Birth: 1962

Education:

- Bachelors of Science, Finance and Accounting, Boston College

Business Background:

Ms. Leary is a Senior Vice President of the firm and is a member of F-Squared's Investment Committee. Ms. Leary has over 24 years of investment experience as a portfolio manager and analyst on fundamental equity products. Previously Ms. Leary was a Managing Director at Blackrock leading the small- and mid-growth team and managing the Blackrock Mid-Cap Growth Fund. She was a Managing Director and Portfolio Manager at State Street Research and Management prior to its acquisition by Blackrock in 2005. Ms. Leary started her career in public accounting at Coopers and Lybrand in Dublin, Ireland and Price Waterhouse in Boston.

Item 3: Disciplinary Information

Eileen Leary has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

Eileen Leary is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

Eileen Leary does not receive any additional compensation for providing advisory services beyond the compensation she receives as a Senior Vice President.

Item 6: Supervision

Eileen Leary reports directly to Richard Tomney. You may contact Mr. Tomney at 866-288-7657. Eileen Leary is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

F-Squared's Chief Compliance Officer Kara Brown is responsible for administering and maintaining F-Squared's written policies and procedures adopted pursuant to Rule 206(4)-7 under the Investment Advisers Act.

William Thompson – Senior Vice President

Year of Birth: 1972

Education:

- Bachelors of Science, Finance, Boston College

Business Background:

Mr. Thompson is a Senior Vice President of the firm and is a member of F-Squared's Investment Committee. Mr. Thompson has over 19 years of experience in the financial services industry including investment management, wealth management, and market data & analytics. Previously, Mr. Thompson was the lead client portfolio manager for discretionary portfolios at UBS Wealth Management in London as the Head of Mandate Distribution. Prior to that role, Bill worked with research-based portfolio construction, structured products, separately managed accounts, and alternative investments at UBS Wealth Management Americas. Mr. Thompson began his career working with private clients as a financial advisor at Tucker Anthony in Boston. He also worked with financial institutions at Thomson Reuters and Dow Jones.

Item 3: Disciplinary Information

William Thompson has never had any disciplinary disclosures to be reported.

Item 4: Other Business Activities

William Thompson is currently not actively engaged in any other investment related business or occupation.

Item 5: Additional Compensation

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

Item 6: Supervision

William Thompson reports directly to Richard Tomney. You may contact Mr. Tomney at 866-288-7657. William Thompson is a member of the F-Squared Investment Committee which is co-chaired by Howard Present and Richard Weed.

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