Cambridge Asset Allocation Platform

Your Investment Needs

The long term benefits of patience and diligence with regard to your investment strategy cannot be overstated. Armed with a commitment to long term results, you avoid chasing tips and rumors, thereby buying and selling at the wrong times. Misreading market events and the strong emotions that can result cause many investors to be "whipsawn" into the classic "buy high and sell low" behaviors that cost so much in volatile markets.

Your Key to Managed Money

The Cambridge Asset Allocation Platform (CAAP®)[1] is your key to accessing the benefits of accounts managed by some of the world's leading investment professionals. CAAP has one simple goal: to help you and your advisory team realize your dreams, using a time-tested program of wealth accumulation and asset management. Whether your dreams are unspoken or well defined, CAAP is designed to help you move toward financial independence.

The CAAP Platform – Created for You

CAAP was created to give careful, long term investors like you the financial advice and support you need in an ever-changing world. CAAP is equipped with all of the tools your advisory team needs to build and administer a fee-based asset management account. The CAAP program offers customized advice and "best of class" investment strategists to manage your portfolio.

We Do the Work for You

Using our partnerships with highly skilled investment professionals who are deeply committed to a thorough and disciplined investment process, CAAP delivers a state-of-the-art, diversified set of asset portfolios.

[1]CAAP® is a registered mark of Cambridge Investment Research, Inc. for its program for investment managers.

Your Future Is Our Focus

The right team can help you reach your investment goals.

Our team works with you. Our team works for you.

Our Focus Is on Your Future

We will guide you through a process designed to help you achieve your goals.

As your trusted advisor, we will be with you every step of the way.

Your Advisory Team Works with and for You

Your team, comprised of your financial advisor; the investment platform; your investment strategist; and investment managers, works with and for you. They are focused on your investments and committed to helping you reach your goals.

Your Financial Advisor Will:

- Analyze your current financial position and how well it supports your goals and objectives
- Recommend an investment strategy designed to help you towards achieving your goals
- Monitor portfolio performance and suggest appropriate adjustments
- Regularly review your plan and changing goals with you
- Be your trusted advisor every step of the way

The Investment Platform Will:

- Research and select the investment strategists
- Create your Investment Policy Statement
- Check your portfolio at least quarterly for correct allocations and rebalance your portfolio when needed
- Provide performance reporting

Your Chosen Investment Strategist Will:

- Develop model portfolios and asset class allocation
- Evaluate opportunities and risks
- Select the best-of-class money managers
- Recommend asset class shifts and money manager changes

Your Chosen Money Managers Will:

- Analyze and identify specific holdings using their specific style
- Maintain a disciplined and predictable investment style
- Provide a competitive performance/risk ratio relative to peer group and asset class benchmarks

Our Investment Process

Major accomplishments require careful discipline and cannot be reached using shortcuts. The road to your financial goals requires a map in the form of an investment process. The straightforward and disciplined approach of the CAAP program will make it easy for you to follow each step of this process and will help you move toward meeting your objectives and long term goals.

Step 1: Complete Financial Analysis

You are a unique investor, and we believe in customizing portfolio strategies based on your unique goals, financial needs, time horizons, and tolerance for risk. First, we need to understand what your financial position is today. Together with you, we will tailor an investment strategy based on a detailed analysis.

Your tolerance for risk will be measured by your answers to a Risk Tolerance Questionnaire. Using your questionnaire results and your current financial information, we will recommend a risk/return profile matching your unique situation. This profile sets the framework for our recommendations of the investment strategists and money managers.

Together We Will:

- Clarify your investment goals and objectives
- Evaluate your current financial position
- Determine your tolerance to risk
- Identify when the money needs to be available

Step 2: Select Your Investment Strategist

The investment strategist is a critical member of the team. The CAAP program has researched a number of the available strategists and identified a select few to create model portfolios and choose money managers. The strategist's role is key to creating portfolios that are well balanced and maintain the appropriate blend of asset classes. Your financial advisor will assist you in selecting the investment strategist that can best help achieve your objectives.

Your Investment Strategist Will:

- Determine management style
- Offer a proven and disciplined staff committed to management style
- Provide a disciplined investment option, i.e. standard, tax managed, socially responsible, or specialty
- Select the asset classes for model portfolios
- Conduct in-depth research of global money managers

Step 3: Portfolio Construction

According to leading experts, portfolio performance is mostly driven by appropriate asset allocation. Having the right mix of stocks, bonds, and cash is more important than selecting the right security or investing at just the right time. That is why an investment must follow a disciplined strategy and be monitored on a regular basis, while remaining flexible enough to adjust to ever changing market conditions. Choosing the appropriate model requires a thorough understanding of your tolerance to risk and a commitment to a minimum time horizon.

Your Financial Advisor Will:

- Complete your risk tolerance questionnaire
- Identify your time horizon
- Select the appropriate model portfolio
- Integrate asset allocation in a single portfolio

Step 4: Implement the Plan

After your financial advisor assists you in selecting the right investment strategist and portfolio, your personal Investment Policy Statement will be created. This statement will guide and direct the CAAP Team and assure that the appropriate investment strategy is followed. Your financial advisor will assist you in completing the required documents necessary to implement the strategy, and will transfer your assets into your new CAAP account.

To Implement Your Strategy, Your Financial Advisor Will:

- Create your personal Investment Policy Statement
- Complete your Advisory Agreement
- Transfer assets into your account
- Establish monitoring and communication procedures

Step 5: Monitor Performance

Your portfolio will be constantly monitored and never left to chance. Using discipline and expert advice, we will help you move toward your financial goals. Changing economic conditions are often accompanied by market forces that directly affect your portfolio and prompt the need for realignment of the asset classes. A member of the CAAP Team will check your portfolio for rebalancing each quarter and bring the assets back into balance when needed. Your financial advisor will keep you informed of the investment strategist's philosophy, market commentary, and up-to-date portfolio allocations.

You may receive core summary reports for your CAAP accounts on a quarterly basis and custodial statements on a monthly basis. This allows you to review and measure progress toward your financial goals and suitability of investment strategies. Your financial advisor will continually monitor the investment portfolio, oversee the investment strategist's decisions, and keep you on track.

Periodically, Your Financial Advisor Will:

- Monitor economic conditions and performance
- Provide regular updates on the strategist's opinions and allocation changes
- Review your financial goals and objectives
- Provide custodial confirms and statements
- Offer quarterly core summary reports
- Send year-end tax reports

CAMBRIDGE
INVESTMENT RESEARCH, INC.

1776 Pleasant Plain Road
Fairfield, IA 52556

Home Office
800-777-6080

rev. 02.11



Litman/Gregory Managed Portfolios

With 20 years of portfolio management experience and demonstrated asset-allocation and fund-selection expertise, Litman/Gregory Asset Management, LLC, in association with your rep-advisor, delivers a managed investment portfolio based on intensive investment research.

Professional financial advisors have been selecting Litman/Gregory as an investment strategist for their clients since 1996.

Litman/Gregory, based in Larkspur, California, is an investment advisor registered with the SEC. Founded in 1987, in total the Litman/Gregory Companies manage approximately $7.5 billion, as of March 31, 2011, in assets for high-net-worth clients, intermediaries and institutions.

Litman/Gregory has a distinct perspective among investment strategists. While they have the intense research focus of an institutional firm, Litman/Gregory also has hands-on experience managing money for individuals and they are mindful of the trust clients and advisors place in them. Advisors can be confident that Litman/Gregory makes independent investment decisions reflecting experience managing their own clients' accounts.

Investment decision-making, at Litman/Gregory is grounded by a carefully thought-out investment discipline that has been refined over many years. Staying true to this investment discipline has been a key to their success.

The Basis of Litman/Gregory's Investment Framework

1. Maintaining diversification: Openness to global diversification expands the universe of investments, while lowering portfolio risk.
2. The long view: The long view allows Litman/Gregory to take advantage of mispriced, out-of-favor investments.
3. Understanding history: While Litman/Gregory needs to understand historical trends, they can't depend on their repetition.
4. Having a bias towards action: If Litman/Gregory does not develop convictions and act upon them, they cannot achieve superior results.
5. Thinking creatively: Thinking "outside the box" can occasionally turn up unusually compelling opportunities.
6. Leveraging talent: Litman/Gregory delegates to selected professional money managers who they believe have world class talent in investment management.

Portfolio Type	Description	Relevant Neutral Benchmark	Time Horizon
Capital Preservation and Income	Preservation of capital with minimal tolerance for losses and fluctuations.	Investment Grade Bonds 78%, Larger Cap Stocks 15%, Smaller Cap Stocks 5%, Cash 2%	Appropriate for short or long time horizons but preferably in excess of two years.
Conservative Balanced	Preservation of capital with slight tolerance for losses and fluctuations.	Investment Grade Bonds 58%, Larger Cap Stocks 30%, Smaller Cap Stocks 5%, International Stocks 5%, Cash 2%	Appropriate for time horizons in excess of two years.
Balanced	A balanced approach seeking preservation of capital with some tolerance for short-term fluctuations in value to seek moderate growth.	Investment Grade Bonds 38%, Larger Cap Stocks 40%, Smaller Cap Stocks 8%, International Stocks 12%, Cash 2%	Appropriate for time horizons in excess of three years.
Equity-Tilted Balanced	Primary emphasis on capital growth with only moderate concern about short-term fluctuations in value.	Investment Grade Bonds 23%, Larger Cap Stocks 50%, Smaller Cap Stocks 10%, International Stocks 15%, Cash 2%	Appropriate for time horizons in excess of five years.
Equity	High long-term growth of assets without concern for short-term losses.	Larger Cap Stocks 63%, Smaller Cap Stocks 15%, International Stocks 20%, Cash 2%	Appropriate for time horizons in excess of five-to-seven years.
Focused Opportunity	Maximum long-term growth of assets without concern for short-term losses. Performance may be out-of-sync with equity markets.	Larger Cap Stocks 63%, Smaller Cap Stocks 15%, International Stocks 20%, Cash 2%	Appropriate for time horizons in excess of five-to-seven years.

Litman/Gregory Managed Portfolio Approach

Asset Class Research

1. Create Neutral Allocation

2. Apply Tactical Allocation Overlay

3. Investment Selection

OR

- **Active Manager Selection**
  Litman/Gregory will identify why a fund has performed well, determine if the portfolio management team has an investment edge, and assess whether the edge is sustainable.

- **A Select Few Make the Final Cut: Managers with a Sustainable Edge**
- **Index Investment Selection**
  Litman/Gregory will allocate the index portfolios with investment vehicles that provide exposure to each asset class such as index funds or exchange traded funds.

4. Construct and Implement Managed Portfolio According to Risk Profile

5. Ongoing Portfolio Monitoring with Tactical Asset Allocation, Manager Review, and Replacement and Rebalancing as Needed

rev. 09/11

Rogerscasey Managed Portfolios

Who We Are

Rogerscasey is a premier independent investment advisory firm serving sophisticated institutional clients since 1968. Representing $325 billion in assets, our clients are major corporate and public funds; leading endowments and foundations, large health care systems, select high net worth family offices and influential financial institutions and intermediaries. Rogerscasey is headquartered in Darien, Connecticut with offices in Atlanta, Boston, Chicago, and Portland.

Our Foundation of Excellence

Independence and objectivity are the hallmarks of our firm that focuses our efforts on providing creative investment solutions for our clients, like Cambridge Investment Research, Inc. Our dedicated team of 29 full-time investment research specialists drives our advice and gives us unique perspective and insight on all the ways we can help our diverse client base.

Our Investment Process

We bring our best to the Rogerscasey Strategic Income Portfolios:

- Sophisticated portfolio construction techniques with an emphasis on yield
- Outstanding managers identified for their ability to add value
- Risk management through asset allocation and manager combinations

We translate our extensive institutional investment expertise into our performance-driven, actively managed selection of Strategic Income Portfolios.

We employ a disciplined, strategic approach to investing, based on a set of core principles rooted in forward-looking capital markets intelligence and investment manager research:

What We Do	**How We Do It**
Identify Investment Objectives	Identify primary investment objectives in terms of risk, return, and yield preferences, and focus on the intended outcomes of these objectives.
Analyze Asset Allocation	Employ experienced global capital markets expertise to develop a forward-looking view of asset class performance and perform sophisticated asset allocation modeling to evaluate optimal combinations of investments at various risk levels.
Optimize Investment Structure	Generate additional opportunities to optimize portfolio performance, such as special combinations of investment styles.
Identify Best-In-Class Managers	Focus on identifying talented investment managers by performing an in-depth, fundamental examination of people, process and philosophy.
Monitor Portfolio	Translate investment research into disciplined portfolio rebalancing, performance monitoring and attribution, and, where appropriate, replacement of investment managers.

The Role of Income–Oriented Portfolios

- Why are income and yield important to investors?
  Our research into the importance of yield indicates that a substantial portion of total return for most asset classes is attributable to the generation and reinvestment of yield – dividends or other investment income. For example, looking at equity returns as represented by the S&P 500 Index since 1926, roughly 40% of total return from stocks is attributable to reinvestment of dividends. Not surprisingly, more than 90% of the total return for bonds, as represented by the Lehman Brothers Aggregate Index comes from reinvestment of coupon payments.
- Why is it important to diversify investors' sources of income and yield?
  If income is reinvested, yield tends to reduce some of the portfolio volatility. Volatility can be further managed with diversification. Asset classes perform differently depending on the market environment. Therefore, it is important to diversify across and within asset classes to further control the risk of a portfolio.
- What types of investors may want to invest in portfolios focused on income?
  If an investor's goal includes spending in the near term, they may prefer income oriented portfolios as income streams from underlying securities tend to be more consistent over time. Note that in order to take full advantage of the effects of the compounding of income, investors should be prepared to have a mid to longer term investment time frame.

ROGERSCASEY STRATEGIC INCOME PORTFOLIOS

Using our disciplined portfolio construction process, we have created six fully diversified strategies focused on balancing yield and capital appreciation across the risk spectrum. Portfolios with relatively high levels of yield demonstrate less volatility than similar portfolios without this characteristic. Further risk reduction is achieved through the broad diversification of both fixed income and equity strategies.

Portfolio	Objective	Characteristics
Preservation Focused	Yield generated through a conservative portfolio of domestic fixed income securities structured to emphasize downside protection.	Well-diversified portfolio of short- to intermediate-term fixed income securities with a focus on minimizing negative period returns.
Inflation Protected Income	Targets yield with emphasis on inflation sensitive fixed income sectors and securities.	Fully diversified portfolio of fixed income securities and strategies designed to capture the performance of investments that benefit from a rise in inflation.
Strategic Global Income	Actively seeks yield from a global opportunity set, including the U.S., of fixed income securities – corporate and sovereign.	Portfolio with range of allocations widely diversified to allow for opportunistic capture of yield opportunities from fixed income securities from around the world.
Opportunistic Income	Actively targets income from a wide variety of bond and equity securities within prudent risk boundaries.	Broadly diversified portfolio with range of allocations, including a modest equity allocation, to allow for opportunistic capture of yield opportunities.
Domestic Balanced Income	Income-focused traditional 60% equity, 40% fixed income domestic asset mix	Traditional balanced fund asset mix, but both portions tilted towards dividend and yield generation.
Equity Income	Total return with an emphasis on dividend yield.	Diversified portfolio of stocks and convertible securities with solid dividend growth and yield characteristics.



Russell Managed Portfolios

Giving individual investors the "big investor" advantage

Through access to institutional quality, multi-manager mutual fund strategies, the Russell approach is designed to strategically diversify each individual portfolio for every season of the market. The Russell approach is designed to strategically diversify each individual portfolio for every season of the market. One highly diversified portfolio may utilize 50+ world's top institutional money managers that are often not available to retail mutual fund investors.

Experienced

Founded in 1936, Russell's expertise as a manager of managers has been honed through decades of market cycles. Russell provides a full range of investment services to retirement plans, foundations, endowments, and individual investors of all types and sizes.
Founded 1936, Tacoma, Washington • **Principal offices:** Seattle, New York, London, Paris, Amsterdam, Johannesburg, Sydney, Melbourne, Auckland, Singapore, Seoul, Tokyo, Toronto, Chicago, San Diego, Milwaukee, San Francisco, Edinburgh • **Countries served:** Over 35 • **Assets managed:** $160 billion** • **Investments guided:** $2 trillion* • **Indexes worldwide:** Russell Global Indexes calculate over 50,000 benchmarks daily covering 48 countries and more than 10,000 securities.

Accomplished

As a global leader in unbiased manager of managers investing, Russell delivers individual and institutional mutual funds worldwide and performs deep, continuous research on the independent professionals who are managing the underlying funds.

Independent

A worldwide team of Russell investment professionals is dedicated to researching money managers through objective measurements. Because generally speaking the managers we select are independent, this gives Russell the freedom to structure portfolios with objectives that remain clear and uncompromised at all times.

Objective

The Russell process uses both qualitative and quantitative methods to pick some of the world's best managers. This combination of objective analysis and face-to-face interviews contributes to a better understanding of a manager's prospects for success. From a global pool of 8,000 money manager products that Russell scrutinizes, only 300 are selected for specific assignments. All managers chosen are continuously monitored for quality and performance, and are replaced or reassigned whenever necessary. Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets. **Fund objectives, risks, charges, and expenses should be carefully considered before investing. A prospectus containing this and other important information can be obtained by calling 800-787-7354 or by visiting www.russell.com. Please read the prospectus carefully before investing.**

*As of 12/31/2010.

**As of 3/31/2011.

Russell Model Strategies

Portfolio Type	Investment Strategy	Asset Allocation	Process
Conservative– 16% Equity 6% Real assets 78% Fixed income	• Seeks to provide high current income and low long-term capital appreciation • Emphasis on stability of investment principal and income with some exposure to equities and real assets for long-term capital appreciation • Diversifies across broad asset classes, multiple funds, and a variety of institutional money manager products	U.S. stocks* 6% International stocks* 10% Real assets 6% Bonds 78%	• 54 Money managers • 11 Russell funds • 4 Asset categories
Moderate– 33% Equity 9% Real assets 58% Fixed income	• Seeks to provide high current income and moderate long-term capital appreciation • Balances bond stability and income with a moderate allocation of equities and real assets for growth potential • Diversifies across broad asset classes, multiple funds, and a variety of institutional money manager products	U.S. stocks* 13% International stocks* 20% Real assets 9% Bonds 58%	• 67 Money managers • 12 Russell funds • 4 Asset categories
Balanced– 52% Equity 10% Real assets 38% Fixed income	• Seeks to provide above average capital appreciation and a moderate level of current income • Balances the growth potential of equities and real assets with a moderate fixed income allocation for some stability • Diversifies across board asset classes, multiple funds, and a variety of institutional money manager products	U.S. stocks* 23% International stocks* 29% Real assets 10% Bonds 38%	• 63 Money managers • 11 Russell funds • 4 Asset categories
Growth– 67% Equity 14% Real assets 19% Fixed income	• Seeks to provide high long-term capital appreciation with low current income • Emphasis on equities and real assets for capital appreciation with some exposure to fixed income • Diversifies across broad asset classes, multiple funds, and a variety of institutional money manager products	U.S. stocks* 29% International stocks* 38% Real assets 14% Bonds 19%	• 63 Money managers • 11 Russell funds • 4 Asset categories
Equity Growth– 80% Equity 15% Real assets 5% Fixed income	• Seeks to provide high long-term capital appreciation • Approximately two-thirds of the portfolio provides access to global and non-U.S. investments. • Diversifies across broad asset classes, multiple funds, and a variety of institutional money manager products	U.S. stocks* 36% International stocks* 44% Real assets 15% Bonds 5%	• 58 Money managers • 10 Russell funds • 4 Asset categories

Tax-managed Model Strategies

Portfolio Type	Investment Strategy	Asset Allocation	Process
Tax-Managed Conservative– 18% Equity 2% Real assets 80% Fixed income	• Seeks to provide, on an after-tax basis, high current income and low long-term capital appreciation • Offers a tax-managed approach designed to provide a way to maximize the after-tax returns of an investment with an eye on minimizing distributions • In constructing the strategies, Russell includes funds that are either inherently – or intentionally – tax efficient.	U.S. stocks 17% International 3% Bonds 80%	• Up to 17 money managers • 3 Russell funds • 3 asset classes
Tax-Managed Moderate– 37% Equity 3% Real assets 60% Fixed income	• Seeks to provide, on an after-tax basis, high current income and moderate long-term capital appreciation • Offers a tax-managed approach designed to provide a way to maximize the after-tax returns of an investment with an eye on minimizing distributions • In constructing the strategies, Russell includes funds that are either inherently – or intentionally – tax efficient.	U.S. stocks 24% International stocks 13% Real assets 3% Bonds 60%	• 39 Money managers • 8 Russell Funds • 4 Asset categories
Tax-Managed Balanced– 57% Equity 3% Real assets 40% Fixed income	• Seeks to provide, on an after-tax basis, above average capital appreciation and a moderate level of current income. • Offers a tax-managed approach designed to provide a way to maximize the after-tax returns of an investment with an eye on minimizing distributions • In constructing the strategies, Russell includes funds that are either inherently – or intentionally – tax efficient.	U.S. stocks 36% International stocks 21% Real assets 3% Bonds 40%	• 34 Money managers • 7 Russell funds • 4 Asset categories

Tax-Managed Growth– 76% Equity 4% Real assets 20% Fixed income	• Seeks to provide, on an after-tax basis, high long-term capital appreciation with low current income • Offers a tax-managed approach designed to provide a way to maximize the after-tax returns of an investment with an eye on minimizing distributions • In constructing the strategies, Russell includes funds that are either inherently – or intentionally – tax efficient.	U.S. stocks 49% International stocks 27% Real assets 4% Bonds 20%	• 34 Money managers • 7 Russell funds • 4 Asset categories
Tax-Managed Equity Growth– 92% Equity 5% Real assets 3% Fixed income	• Seeks to provide, on an after-tax basis, high long-term capital appreciation • Offers a tax-managed approach designed to provide a way to maximize the after-tax returns of an investment with an eye on minimizing distributions • In constructing the strategies, Russell includes funds that are either inherently – or intentionally – tax efficient.	U.S. stocks 59% International stocks 33% Real assets 5% Bonds 3%	• 32 Money managers • 6 Russell funds • 4 Asset categories

*International and U.S. stock allocations will vary over time depending upon the investment strategy of the Global Equity Fund's money managers.

Model strategies represent target allocations of Russell funds; these models are not managed and cannot be invested in directly. You and your financial advisor may work to combine selected funds that differ from the illustrated combinations depending upon individual investment objectives.

Russell LifePoints® Funds, Target Portfolio Series

The five single-ticket, risk-based LifePoints® Funds Target Portfolio Series are constructed and constantly rebalanced by Russell. LifePoints® Funds *Target Portfolio Series* are lifestyle fund of funds with assets that are allocated among a diversified mix of Russell Investment Company (RIC) Funds. LifePoints® Funds are exposed to the specific risks of the underlying funds in proportion to their allocation. Underlying mutual fund expenses apply.

Each of the LifePointsFunds, Target Portfolio Series, invests its assets in shares of a number of underlying Russell Funds. From time to time, the fund's advisor may modify the target strategic asset allocation for any fund and/or the underlying funds in which a fund invests, including the addition of new underlying funds. A fund's actual allocation may vary from the target strategic asset allocation at any point in time.

The LifePoints® Funds are a series of fund of funds which expose an investor to the risks of the underlying funds proportionate to their allocation. Investment in LifePoints Funds involves direct expenses if each fund and indirect expenses of the underlying funds, which together can be higher than those incurred when investing directly in an underlying fund.

Bond investors should carefully consider risks such as interest rate, credit risk, securities, lending, repurchase, and reverse repurchase transaction risk. Greater risk is inherent in portfolios that invest primarily in high yield bonds. They are subject to additional risks, such as limited liquidity and increased volatility.

Stock/Equity investors should carefully consider risks such as market risk when investing. There are no guarantees when it comes to individual stocks. Any stock may go bankrupt, in which case your investment may be worth nothing.

Non-U.S. markets entail different risks than those typically associated with U.S. markets, including currency fluctuations, political and economic instability, accounting changes, and foreign taxation. Securities may be less liquid and more volatile. If applicable, please see a prospectus for further detail.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes and tax laws and interest rates all present potential risks to real estate investments.

Income from funds managed for tax efficiency may be subject to an alternative minimum tax, and/or any applicable state and local taxes.

Specific sector investing, such as real estate, can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws, and interest rates all present potential risks to real estate investments. Fund investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards, andforeign taxation.

Exposure to the commodities markets may subject the fund to greater volatility than investments in traditional securities, particularly if the investments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or sectors affecting a particular industry or commodity, and international economic, political, and regulatory developments. The use of leveraged commodity-linked derivatives creates an opportunity for increased return, but also creates the possibility for a greater loss.

Investments in infrastructure-related companies have greater exposure to the potential adverse economic, regulatory, political, and other changes affecting such entities. Investment in infrastructure-related companies are subject to various risks, including governmental regulations, high interest costs associated with capital construction programs, costs associated with compliance and changes in environmental regulation, economic slowdown and surplus capacity, competition from other providers of services, and other factors. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries.



rev. 09/11



The Vanguard Group

Who We Are

Vanguard is one of the world's largest investment management companies, providing an extensive array of investments, services, and practice management solutions to help financial advisors build their practices and serve their clients. Vanguard manages more than $1.57 trillion in U.S fund assets, including a full range of low-cost ETFs and mutual fund as of December 31, 2010.

Our indexing expertise. Nearly four decades ago, Vanguard offered the first index mutual fund to individual investors. We remain a respected indexing leader today. Our intensive due-diligence process for benchmark selection enables our ETFs to reflect their target markets accurately, offer broad diversification within any market segment, and reduce transaction costs.

Our remarkably low costs. The average expense ratio for Vanguard ETFs is only about one-third of the industry average—$1.80 per $1000 invested for Vanguard ETFs versus $5.20 per $1000 invested the others.* All things being equal, lower costs help you keep more of your investment returns.

Our trusted name. Vanguard's unique ownership structure makes our clients the owners of the Vanguard funds and ETFs they invest in. Those funds and ETFs in turn own Vanguard. Our corporate structure enables us to manage our funds and ETFs at cost, keeps us focused on what is best for our clients, and helps make Vanguard a trusted investment company that millions of investors depend on.

**Sources: Lipper., as of December 31, 2010. Based on the 2010 ETF industry average expense ratio of 0.52% and Vanguard ETF average expense ratio of 0.18%.*

Vanguard Strategies

Portfolio Type	Investment objective	Asset Allocations	Benchmark Index with allocations
Vanguard 100% Fixed Income Portfolio	Seeks to keep pace with U.S. investment-grade bond market returns.	Equities: 0%, Fixed Income: 98%, Cash MMkt: 2%	Barclays U.S. Aggregate Bond (FA): 98%, Citigroup 3 Month T-Bill: 2%
Vanguard 20/80 Portfolio	Seeks to provide income and some capital appreciation.	Equities: 20%, Fixed Income: 78%, Cash MMkt: 2%	MSCI U.S. Broad Market: 14%, MSCI AC World Ex-USA IMI: 6%, Barclays U.S. Aggregate Bond (FA): 78%, Citigroup 3-month T-Bill: 2%
Vanguard 40/60 Portfolio	Seeks to provide current income and low to moderate capital appreciation.	Equities: 39%, Fixed Income: 59%, Cash MMkt: 2%	MSCI U.S. Broad Market: 27%, MSCI AC World Ex-USA IMI: 12%, Barclays U.S. Aggregate Bond (FA): 59%, Citigroup 3-month T-bill: 2%
Vanguard 60/40 Portfolio	Seeks to provide capital appreciation and a low to moderate level of current income.	Equities: 59%, Fixed Income: 39%, Cash MMkt: 2%	MSCI U.S. Broad Market: 41%, MSCI AC World Ex-USA IMI: 18%, Barclays U.S. Aggregate Bond (FA): 39%, Citigroup 3-month T-bill: 2%
Vanguard 80/20 Portfolio	Seeks to provide capital appreciation and some current income.	Equities: 79%, Fixed Income: 19%, Cash MMkt: 2%	MSCI U.S. Broad Market: 55%, MSCI AC World Ex-USA IMI: 24%, Barclays U.S. Aggregate Bond (FA): 19%, Citigroup 3-month T-bill: 2%
Vanguard 100% Equity Portfolio	Seeks capital appreciation.	Equities: 98%, Fixed Income: 0%, Cash MMkt: 2%	MSCI U.S. Broad Market: 69%, MSCI AC World Ex-USA IMI: 24%, Barclays U.S. Aggregate Bond (FA): 29%, Citigroup 3-month T-bill: 2%

Vanguard's investing principles

Vanguard's investment philosophy is based on enduring principles that have been a part of our culture since the company was founded:

- **Investing is for meeting long-term goals; saving is for meeting short-term goals.**
  We believe that investors should make asset allocation decisions that focus on the time-horizon of their investment objective.

- **Broad diversification reduces risk.**
  We believe that using broadly diversified low-cost index and actively managed funds is the most effective way manage investment risk.

- **Asset allocation is the most important determinant of long-term returns.**
  We believe a top-down approach to building portfolios is the most effective.

- **Consistently outperforming the market is extremely difficult.**
  We believe that indexing is the most efficient way to gain broad market exposure at very low cost.

- **Minimizing cost is vital for long-term investment success.**
  We believe that tax-efficient, low-cost investments within a buy-and-hold investment approach is the most effective way to position your portfolio for long-term success.

- **Investors should not expect future long-term returns to be significantly higher or lower than long-term historical returns for various asset classes and subclasses.**
  We believe that long-term stock returns will be higher than those for bonds, and that bond returns will exceed those of cash investments. That's why we recommend asset allocations intended for long-term goals, with significant exposure to stocks.



Lifetime Income Strategy from Horizon Investments, LLC

Sustain Your Retirement

Horizon's Lifetime Income Strategy is designed to be your client's complete answer to retirement income. Using a combination of traditional investment theories, Horizon puts you in control of your client's future. They've worked hard for their money. Naturally, you want a solution that gives them the best chance of success. Our solution is a natural continuation of your financial planning process. Once your client's budget has been established, taking into account your client's objectives and risk, Horizon uses its process to achieve your client's financial goals.

Simplify

Horizon's Lifetime Income Strategy is a process that is simple for you and your client. It creates a thorough plan that incorporates your client's objectives... and potential risks. For instance, equity investing during retirement can mean having to liquidate an equity investment at a loss to fund immediate needs. So, Horizon isolates income upfront in order to outlast most normal market declines. Equity investing during retirement can also mean experiencing an extraordinary market loss. Horizon seeks to protect against this unlikely event by employing Principal Protection, an active defense strategy, to dynamically sweep money out of the equity investment and shelter it in a fixed account. These are just two examples that are automatic solutions within Lifetime Income Strategy. Using this simple strategy can help your client:

1) Budget
2) Fund Immediate Needs
3) Invest for Future Needs
4) Protect Their Investment

Retirement Goals

- Establish Desired Income
- Review Risk Profile

Current Income

- Isolates Multiple Years of Spending
- Provides Automatic Withdrawal

Horizon Diversified Equity

- Maintains Client's Purchasing Power
- Client's Equity Exposure Creates Future Income

Principal Protection

- 7 Year Principal Protection Strategy
- Uses a Fixed Account Holding U.S. Treasury Zero Coupon Bonds Which Seeks The Protection of the Horizon Diversified Equity Component

Horizon's products, including the Horizon Lifetime Income Solution, are subject to risk including, general market risk, currency fluctuations, and economic conditions. The underlying investments of Horizon's products fluctuate in price and may be sold at a price lower than the purchase price resulting in a loss of the client's principal.

Principal Protection from Horizon Investments, LLC

Principal Protection is a risk management strategy with an objective to return, at a minimum, an investor's initial principal, minus any fees and withdrawals, at the end of a 7-year period. Horizon Investments, LLC offers this risk management strategy[1] as an overlay to individual investors who are participating in the Lifetime Income Strategy and select CAAP portfolios.

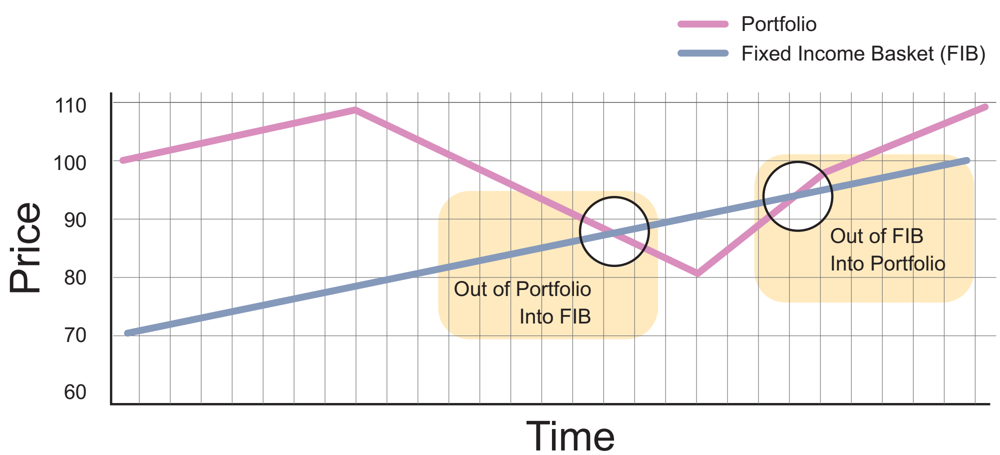
Horizon Investments uses principal protection as a risk management strategy which analyzes the portfolio holdings inside your account, and provides a quantitative reason to reallocate a portion of the portfolio to a fixed income basket in order to protect your principal.

How does Principal Protection Management Strategy work?

- Principal Protection tracks the value of your portfolio as well as the value of a theoretical fixed income basket related to your specific holdings.
- Principal Protection uses its proprietary volatility modeling algorithms to forecast future volatility of your portfolio. It simultaneously calculates a series of trigger levels that will generate signals to reallocate assets based on the value of your portfolio.
- These trigger levels may vary depending on the value of your portfolio relative to its initial protected value, the time remaining on the term of the Principal Protection, the level of forecasted volatility within your portfolio, and the general level of interest rates, among other factors.
- You may liquidate your portfolio from Principal Protection at any time at the then-current market value of the portfolio.
- Principal Protection value will also be less any withdrawals and fees.

Why does Principal Protection Management Strategy work?

- The Principal Protection model was jointly developed by a team of industry and academic professionals.
- The combination of theoretical modeling and real-world trading experience was crucial when constructing the Principal Protection model. The scarceness of experienced Equity and Fixed Income volatility traders combined with the uniqueness of the theoretical/real-world approach helps explain why the strategy employed by Principal Protection has not been widely applied.
- The Principal Protection model has been thoroughly and successfully back-tested through the worst financial markets of the last 25 years, including the 1987 Crash, the 1998 Long Term Capital Management/Russian Default crisis, the Internet bubble meltdown of 2000, September 11, 2001 and the severity of 2008.



1 *Principal Protection is NOT A GUARANTEE against loss or declines in the value of your portfolio*



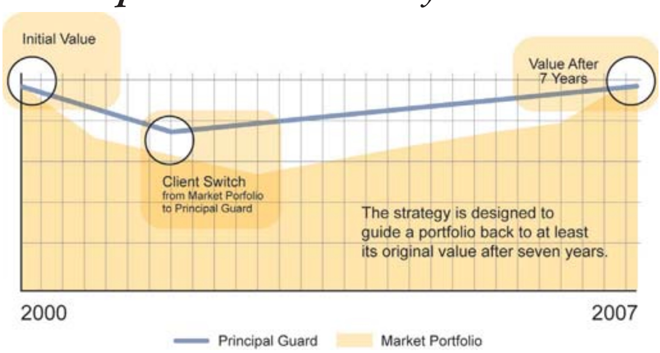
Principal Protection Management Strategy Set-up

The client also has the option to change or step up the protection value of the account. The step up can be made at the beginning of each calendar quarter. It will be based upon the market value of the protected portfolio on the last day of the quarter in which notice is given indicating that the client wishes to have the protection amount changed. Changing the protection amount will reset the program time horizon to a new 7-year period. Notification for the change must be received at least 2 business days before the end of the quarter. Forms will be processed on a best efforts basis. There is a 0.0005% (5 basis point) charge for this change in protection. However, the 5 basis point charge will be waived if the following conditions are met: (1) the account has been in the principal protection program for at least 12 months, (2) the upcoming calendar quarter is the quarter nearest but after the initial principal guard establishment date.

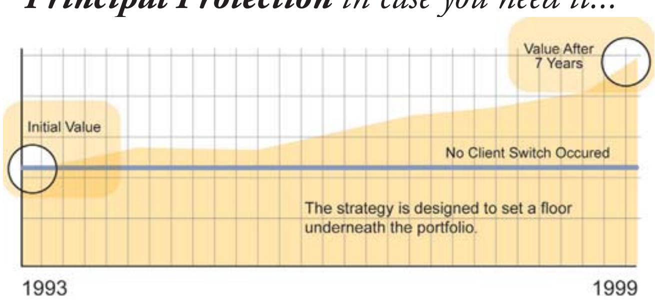
Q&A

Protection is defined as a covering or a shield from exposure. Protection is not an insurance product, and offers no guarantee that the entire amount of principal will be returned. Principal Protection was designed to guard your portfolio from a catastrophic market experience. Volatility is quite normal for market participants but unfortunately volatility can swing from normal to extreme very rapidly. Principal Protection protects the client in this extreme environment by using a US Treasury portfolio to hedge the portfolio's risk.

***Principal Protection** when you need it...*



***Principal Protection** in case you need it...*



Q. When do switches occur between managed and Treasury portfolios?

A. Switches into the Treasury portfolio may occur when the managed portfolio declines in value by an amount which could threaten the goal of principal protection. Switches back into the managed portfolio may also occur, however, when the managed portfolio increases in value by an amount which Principal Protection determines is sufficient. In either case switches do happen dynamically. The program has dual objectives, protecting principal and achieving growth. Therefore, once assets are switched into the treasury portfolio, the strategy automatically begins to look for the right circumstances to switch back into the managed portfolio.

Q. Will the portfolio experience loss?

A. The portfolio may experience two types of losses. The first type of loss would occur as the portfolio declines before the movement of the portfolio into Principal Protection. These losses will be recovered because of the nature of the Treasuries. The second type of loss that would be based off the price of the Treasuries. This loss may not be realized if a client holds the bonds to maturity.

Q. Is my portfolio liquid and can I take money whenever I want?

A. Principal Protection Management Strategy will not adversely effect the liquidity of your existing portfolio. You can cancel the program at any time and withdraw your assets at current market value.

Q. Even if I am not currently in Treasuries, is Principal Protection still monitoring the account?

A. Yes. Principal Protection monitors your individual portfolio on a daily basis to determine if a switch is necessary in order to accomplish its goals.

Q. What about the fee?

A. The fee for Principal Protection is .0025% (25 basis points) per year based upon the market value of the protected portfolio. The fee will become effective the first day of the next calendar month following the engagement of principal protection and will be reflected in the account fee billing.

The client also has the option to change or step up the protection value of the account. The step up can be made at the beginning of each calendar quarter. It will be based upon the market value of the protected portfolio on the last day of the quarter in which notice is given indicating that the client wishes to have the protection amount changed. Changing the protection amount will reset the program time horizon to a new 7-year period. Notification for the change must be received at least 2 business days before the end of the quarter. Forms will be processed on a best efforts basis. There is a 0.0005% (5 basis point) charge for this change in protection. However, the 5 basis point charge will be waived if the following conditions are met: (1) the account has been in the principal protection program for at least 12 months, (2) the upcoming calendar quarter is the quarter nearest but after the initial principal guard establishment date.

Q. Is this an insurance product?

A. No, principal Protection Management Strategy is not an insurance product, and offers no guarantee that the entire amount of principal will be returned. Fees and fluctuating market conditions could cause investors to have less money at maturity than the amount of principal invested. It is possible to be excluded from participating in market gains in the event that Principal Protection is enacted on an account. This investment strategy may not be appropriate for every investor. You should consult your Advisor to consider your risk tolerance and understand any fees, charges, or other expenses before investing.

13024 Ballantyne Corporate Place, Suite 225 | Charlotte, NC 28277
Telephone: 866.371.2399 | Facsimile: 704.544.2883 | www.horizoninvestments.com