

## The Importance of Investment Strategy

Strategy Based Investing (SBI) is a revolutionary way to build active US and International equity portfolios. If you are an advisor who has grown weary of the style grid approach, you will find SBI a refreshing and innovative alternative.

SBI organizes the active mutual fund equity universe around the investment strategies being pursued by managers and is based on years of our own research, corroborated by dozens of recent independent studies conducted by top academic researchers from around the country. Using a sophisticated, patented algorithm along with 40,000+ pieces of strategy information, AthenaInvest identifies the strategy being pursued by equity mutual funds. The resulting fund peer groups exhibit several notable advantages:

- \* Managers are free to pursue their stated investment strategy
- \* Managers following similar investment processes are grouped together
- \* These Strategy groups remain stable over time, allowing for meaningful long-term comparisons
- \* Managers who consistently pursue their strategy produce benchmark-beating returns

Following provides an overview of the 10 strategies as well as various graphs and charts showing how the US and international SBI Strategy Indices perform over time.

## The Active Equity Strategies



### COMPETITIVE POSITION

Fund managers seek companies with traits such as high-quality management, defensible market position and a track record of innovation.



### ECONOMIC CONDITIONS

Fund managers start with a top-down approach and, using macro-economic forecasting, work their way down to favored industries and stocks.



### FUTURE GROWTH

Fund managers search for companies poised to grow rapidly relative to others, but are not limited to stocks that traditionally fall under the "growth" category.



### MARKET CONDITIONS

Fund managers take into consideration a stock's recent price and volume history relative to the market and similar stocks as well as the overall stock market conditions.



### QUANTITATIVE

Fund managers using mathematical and statistical modeling with little or no regard to company or market fundamentals.



### OPPORTUNITY

Employing strategies popular with hedge funds, these managers focus on market imbalances that are driven by events such as earnings surprises, mergers and acquisitions, spin-offs and companies "going private."



### PROFITABILITY

Fund managers favor companies with impressive gross, operating and net margins and/or return on equity.



### RISK

Fund managers look to control overall risk, with increasing returns as a secondary consideration.



### SOCIAL CONSIDERATIONS

Corporate social responsibility, ecological awareness or religious tenets are a factor for these fund managers when selecting companies. The fund manager may look for these traits or for a lack of these traits.



### VALUATION

Fund managers use financial ratios to determine stock valuations and invest in companies that are underpriced, but are not limited to stocks that have traditionally been labeled as "value."



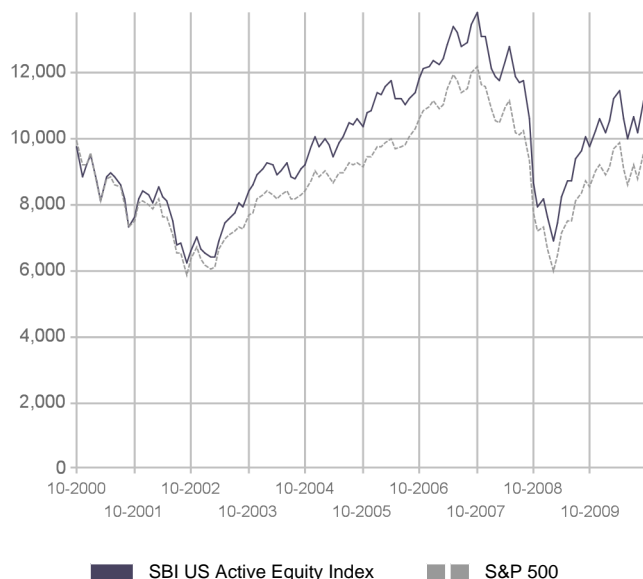
strategy based investing

#### INCLUDED IN THIS DOCUMENT

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# US EQUITY STRATEGY SUMMARY

SBI US Active Equity Index: 10 Year Performance



Strategy Index	10 Year Annual Return	Std Dev	Current # Funds
Competitive Position	1.2 %	17.5	631
Economic Conditions	0.6 %	16.8	68
Future Growth	-1.7 %	19.3	386
Market Conditions	0.6 %	18.0	16
Opportunity	3.0 %	16.2	68
Profitability	0.2 %	17.6	50
Quantitative	0.8 %	16.9	96
Risk	1.8 %	18.0	15
Social Considerations	0.7 %	16.6	71
Valuation	3.4 %	16.4	635
<b>Totals / Averages</b>	<b>1.1 %</b>	<b>17.3</b>	<b>2,036</b>
S&P 500	-0.4 %	16.3	

SBI US Active Equity Strategy Performance Chart

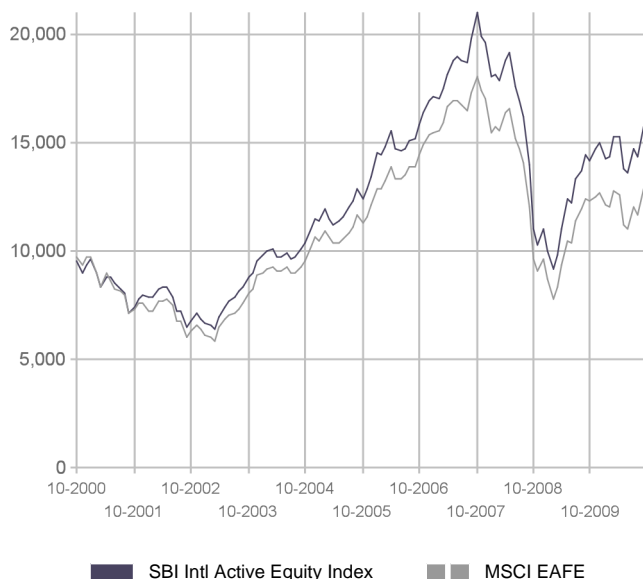
(Ranked by Annual Index Returns)

2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD
VAL 0.7%	VAL -16.3%	MC 38.9%	VAL 15.2%	EC 10.8%	VAL 15.9%	EC 14.4%	SC -34%	FG 36.8%	FG 6.1%
OPTY -2.2%	OPTY -18.1%	RISK 37.7%	MC 15%	RISK 10%	OPTY 14.9%	FG 12.8%	OPTY -34.7%	PROF 35.2%	MC 6%
QUAN -4.9%	RISK -19%	OPTY 36.9%	OPTY 13.8%	PROF 9%	RISK 13%	RISK 11.9%	MC -36.1%	CP 34.1%	PROF 5.9%
RISK -6.7%	QUAN -19%	CP 34.4%	EC 13.8%	OPTY 8.4%	CP 12.4%	CP 8.9%	VAL -36.9%	EC 32.4%	CP 5.4%
SC -9.3%	EC -21.2%	FG 34.3%	QUAN 12.9%	CP 8.3%	QUAN 12.3%	SC 7.4%	RISK -37%	SC 32%	OPTY 4.8%
MC -9.5%	MC -21.7%	EC 33.2%	CP 12.8%	FG 7.8%	PROF 12.2%	MC 7.3%	QUAN -38.4%	RISK 31.6%	VAL 4.7%
CP -10.1%	CP -22.1%	VAL 32.8%	PROF 12.6%	QUAN 7.4%	SC 11.7%	PROF 7.2%	EC -39%	VAL 28.9%	QUAN 4.7%
PROF -11.8%	SC -22.2%	QUAN 32.6%	SC 10.6%	VAL 7.1%	MC 11.5%	QUAN 3.6%	CP -39.1%	OPTY 27.7%	EC 4.1%
EC -14.5%	PROF -24%	PROF 30.4%	FG 10.3%	MC 6.4%	EC 10%	OPTY 2.6%	PROF -40.1%	QUAN 25.2%	SC 3.7%
FG -17.7%	FG -27.3%	SC 29.1%	RISK 9.8%	SC 4.2%	FG 8.9%	VAL 1.3%	FG -41.6%	MC 19.9%	RISK 3.4%

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE.

# INTL EQUITY STRATEGY SUMMARY

SBI Intl Active Equity Index: 10 Year Performance



Strategy Index	10 Year Annual		Current # Funds
	Return	Std Dev	
Competitive Position	3.9 %	18.7	268
Economic Conditions	5.8 %	19.7	104
Future Growth	4.0 %	19.0	77
Market Conditions	11.6 %	22.8	4
Opportunity	4.0 %	16.0	16
Profitability	4.0 %	16.6	4
Quantitative	4.1 %	18.5	36
Risk	5.8 %	17.8	11
Social Considerations	0.0 %	18.2	16
Valuation	4.9 %	18.4	167
<b>Totals / Averages</b>	<b>4.8 %</b>	<b>18.6</b>	<b>703</b>
MSCI EAFE	2.6 %	18.4	

SBI Intl Active Equity Strategy Performance Chart

(Ranked by Annual Index Returns)

2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD
MC -4.6%	MC -9.4%	MC 50%	MC 34.8%	MC 25%	MC 32%	MC 30.8%	OPTY -37.3%	MC 57%	MC 8.1%
RISK -12.5%	RISK -10.3%	EC 42.6%	PROF 22.8%	RISK 24.7%	EC 28.5%	EC 23.1%	PROF -40.6%	EC 45.9%	FG 6.7%
VAL -14.1%	QUAN -11%	QUAN 41.3%	QUAN 21.5%	EC 19.9%	RISK 27.3%	RISK 19.9%	SC -43.8%	FG 43%	CP 5.9%
EC -14.3%	VAL -11.9%	VAL 39.8%	VAL 19.6%	OPTY 18%	QUAN 26.7%	OPTY 19.1%	QUAN -43.9%	CP 40.3%	EC 5.7%
OPTY -14.9%	EC -14%	CP 39.6%	OPTY 19.6%	CP 17.4%	VAL 25.8%	FG 18.5%	VAL -44%	VAL 38.4%	PROF 4.9%
CP -16.1%	CP -14.1%	RISK 39.3%	RISK 19.2%	FG 16.4%	FG 24.8%	CP 15.3%	RISK -45.2%	SC 29.7%	RISK 4.5%
QUAN -16.2%	FG -15.7%	FG 38.2%	CP 18.5%	QUAN 16.3%	PROF 24.7%	VAL 12.8%	MC -45.8%	RISK 29.5%	VAL 4.5%
SC -17.6%	SC -17.3%	OPTY 34.5%	EC 18%	VAL 16.3%	CP 23.6%	QUAN 10.4%	FG -45.9%	OPTY 28.8%	OPTY 4%
FG -17.7%	OPTY -20.3%	SC 27.8%	FG 17.2%	SC 9.3%	SC 23.5%	SC 6.3%	CP -46.5%	QUAN 27.7%	QUAN 3.1%
		PROF 11.4%	SC 14.2%	PROF 6.5%	OPTY 20.2%	PROF 4%	EC -46.8%	PROF 25.6%	SC 0.6%

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## About Athenainvest Advisors

Athenainvest is a Greenwood Village, Colorado-based asset manager founded in 2005. We focus on successful active managers who are pursuing successful strategies. We have developed a carefully researched, patented methodology called Strategy Based Investing (SBI), along with a powerful US and international equity analytical engine which identifies successful strategy managers and their holdings.

We offer a range of SBI investment products and data services to the financial advisor, investment consultant, and asset manager segments of the financial services industry. For more information about Athenainvest or Strategy Based Investing, please visit us on the web:

[www.athenainvest.com](http://www.athenainvest.com)



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## Important Disclosures

This document is informational in nature and for use only by sophisticated investors who meet certain minimum financial requirements. This information is not intended to constitute legal, tax, accounting or investment advice. Prospective clients should consult their own advisors about such matters.

This information is not intended to be complete, and material aspects of the descriptions contained herein may change at any time. While the information prepared in this summary is believed to be accurate, we make no express warranty as to the completeness nor can we accept responsibility for errors made in good faith.

### Index Methodology

SBI Strategy Indices are benchmarks created specifically to help investors determine the investment strategy being pursued by active equity managers. The SBI Strategy Indices are comprised of all open-end active mutual funds pursuing a stated investment strategy. Unlike traditional benchmarks, SBI Strategy Index composition is not determined by an index committee but by active equity managers' stated investment strategy, which can be found in the funds' prospectuses. Identifying and categorizing managers by their investment strategy leads to more meaningful peer groups within the equity universe. Athenainvest maintains and publishes 10 SBI US Equity Strategy Indices and 10 SBI International Equity Strategy Indices

### Criteria for Index Inclusion

In order for a mutual fund to be included in a particular SBI Strategy Index, it must be an active open-end mutual fund with a stated investment strategy. Athenainvest's Strategy Identification Process excludes Index Funds, ETF's, Asset Allocation, Life Cycle, and other passively managed or mixed-asset class funds from the SBI Strategy Indices. More information about Athenainvest's Strategy Identification Process can be found at [www.athenainvest.com](http://www.athenainvest.com).

The underlying composition of mutual funds in a particular SBI Strategy Index changes when new funds pursuing that strategy are identified. The equity holdings of the mutual funds change over time, and Athenainvest does not control for the composition or characteristics of the securities that make up SBI Strategy Indices, including sector weighting, market capitalization, or other stock characteristics.

### Criteria for Index Removal

Once a mutual fund is strategy identified and becomes part of a particular SBI Strategy Index, there are only two reasons for removal:

1. The fund's stated investment strategy changes and as a result it is identified as pursuing a different strategy in which case it will be included going forward in its new strategy, or
2. The fund closes.

### Calculation of Index Performance

Monthly returns for each of the 20 SBI Strategy Indices, 10 US Equity and 10 International Equity, are calculated as a simple average of the monthly across share class fund returns in that strategy. Returns are net of all automatically deducted fees including management fees, administration fees, 12b1, trading costs, and other fees.

The SBI Strategy Indices were launched in May 2009 and cover the time period from January 1980 through the present on a monthly basis. Not all indices start in January 1980 due to the lack of strategy identified funds in earlier years. The Strategy Identification Process began in 2007, so funds that did not exist then are excluded from the indices.

### Market Indices

Market indexes are included in these materials only for comparative purposes and as context reflecting general market results. Our methodology does not seek to replicate the composition, or mirror the performance or volatility, of any such index, and can be expected to have investments that differ substantially from the securities or other instruments included in any such index. Accordingly, no representation is made that the performance or volatility of Our methodology will track or otherwise reflect any particular index. Index returns may not reflect transaction costs or the deduction of fees and it is not possible to invest directly in an index.

The S&P 500 Index is a market-capitalization weighted index which measures price movements of the common stock of 500 large U.S. companies within leading industries. Stocks in the Index are chosen for market size (large cap), liquidity and industry group representation. S&P 500 is a registered trademark of The McGraw-Hill Companies.

Morgan Stanley Capital International's Europe, Australia and Far East ("EAFE") Index is an unmanaged index that is a generally accepted benchmark for the major overseas markets. Data is dollar-adjusted. Investors may not actually make investments in this index.

PAST PERFORMANCE DOES NOT GUARANTEE OR INDICATE FUTURE RESULTS.

SOURCES: September 2010 Athenainvest and Thomson Reuters Financial databases