

FIRM OVERVIEW

Validea Capital Management is an exclusive money management firm serving high net worth individuals and institutions.

- Validea Capital manages and sub advises approximately \$135 million through a combination of separate accounts in the US and mutual funds in the Canadian market through a partnership with the National Bank of Canada.
- Founder John Reese is an expert on quantitative investing utilizing proven strategies. He holds 2 patents for automated stock analysis and is the author of "*The Guru Investor: How to Beat the Market Using History's Best Investment Strategies*". John holds an MBA from Harvard Business School with a computer science degree from MIT.
- Private clients invest via separately managed accounts, which offer customization, transparency and real-time money management performance.

VALIDEA HOT LIST & HOT LIST ROTATION PORTFOLIOS (NET RETURNS AS OF SEPTEMBER 30, 2009)

The Hot List portfolio seeks long-term appreciation by utilizing a multi-strategy approach to uncover fundamentally sound stocks. This focused strategy looks for the 10 stocks that attain high scores from multiple individual strategies and thus have "consensus" from approaches with varying valuation, growth and financial strength tests. The majority of the strategies utilized are value oriented, but the model incorporates uncorrelated growth-driven methods. The Hot List portfolio is a highly concentrated approach that exhibits above market risk and volatility. The portfolio is rebalanced monthly and is appropriate for investors with a high risk tolerance and a long term time horizon. In most cases, this portfolio is paired with one or many of our other portfolio offerings.

PORTFOLIO	Annualized Return	2009	2008	2007	2006	2005	2004	2003
	Actual & Model	Actual					Model	
Hot List	13.8%	46.0%	-37.6%	-9.0%	27.1%	12.6%	21.5%	55.6%
BENCHMARK								
S&P 500 Index	2.5%	19.2%	-37.0%	5.5%	15.8%	4.9%	9.0%	11.2%

Returns are presented based on a representative client account that was invested in exact accordance with the specified model without deviation. Returns cover the period from January 1, 2005 – September 30, 2009 and are not annualized. Figures, which are time-weighted total returns including dividends, are reported net of accrued advisory fees and brokerage commissions at the highest fee level (total fees for advisory services and commissions range from 1.15% – 1.7% of assets per year depending on account size). Returns do not include any investment restrictions. Model Returns cover the period from July 15, 2003 – December 31, 2003 and January 1, 2004 – December 31, 2004. Model Returns do not indicate actual trading and are calculated net of accrued advisory fees and brokerage commissions at the highest fee level (1.7% per annum) and exclude dividends. Model returns are presented to provide general information regarding how the strategy behind the portfolio performed in our historical testing. The Annualized Return statistic is a combination of model returns and actual returns and therefore do not represent the return an investor would have realized by investing in the portfolio over the entire period. Net returns for actual, model and back tests reflect fees deducted monthly (i.e. 1/12th of the relevant fee amount is deducted each month). More information about advisory fees and expenses is available upon request. The S&P 500 is presented as a benchmark because it is the most widely followed benchmark of the overall US market and is most often used by clients for return comparison purposes. Past performance does not guarantee future results. As with any investment strategy, there is potential for profit as well as the possibility of loss and investors may incur a loss despite a past history of gains. Results will vary with economic and market conditions. A full list of all individual recommendations that comprise this composite performance is available upon request.

The Hot List Rotation portfolio combines our quantitative guru-based stock selection strategies with a multi-factor technical analysis timing system that allows the portfolio to shift in and out of equities. The rotational approach, which was developed based on extensive historical testing, will rotate out of stocks when a negative trend persists and the market breaks down technically. It will return to stocks when a confirmed uptrend has developed. When invested, the portfolio will hold a concentrated number of stocks and as a result will exhibit above market risk and volatility. The portfolio, which is rebalanced monthly, is appropriate for investors with high risk tolerance and a long term time horizon, but who seek protection from market downturns. In most cases, this portfolio is paired with one or many of our other portfolio offerings.

PORTFOLIO	Annualized Return	2009	2008	2007	2006	2005	2004	2003
	Actual & Back Tested	Back Tested						
Hot List Rotation	18.8%	36.4%	-8.1%	-13.1%	26.4%	12.6%	21.5%	55.6%
BENCHMARK								
S&P 500 Index	2.5%	19.2%	-37.0%	5.5%	15.8%	4.9%	9.0%	11.2%

Returns as of September 1, 2009 are based on a single representative client account that was invested in exact accordance with the specified model without deviation. Results which are indicated as Back Tested returns are for the period of July 15, 2003 – August 31, 2009, do not indicate actual trading and are calculated net of accrued advisory fees and brokerage commissions at the highest fee level (1.7% per annum for the Hot List Rotation). The performance results shown are hypothetical and are not the result of real-time management of actual accounts. The back testing of performance differs from actual account performance because the investment strategy may be adjusted at any time, for any reason and can continue to be changed until desired or better performance results are achieved. Back tested returns are presented to provide general information regarding how the underlying strategy behind the portfolio performed in our historical testing. Returns for the Market Rotation portfolio assume investment in Validea Capital's Consensus portfolio when invested and assume 1.7% annual interest during periods when the portfolio is in a cash position. Returns for 2003 and 2004 do not include dividends and are based on model returns, while returns after December 31, 2004 are inclusive of dividends and are based on actual returns. Net returns for actual, model and back tests reflect fees deducted monthly (i.e. 1/12th of the relevant fee amount is deducted each month). More information about advisory fees and expenses is available upon request. The S&P 500 is presented as a benchmark because it is the most widely followed benchmark of the overall US market and is most often used by clients for return comparison purposes. As with any investment strategy, there is potential for profit as well as the possibility of loss and investors may incur a loss despite a past history of gains. Results will vary with economic and market conditions. A full list of all individual recommendations that comprise this performance is available upon request.