



iSectors Liquid Alternatives Overview

iSectors® Liquid Alternatives Allocation provides investors with a diversified portfolio of alternative investments such as hedge funds, private equity, soft commodities, precious metals, natural resources, real estate, and other real assets. Designed for investors that lack important alternative investments in their overall portfolio, the iSectors Liquid Alternatives Allocation is tax-efficient, diversified, liquid and low cost relative to other alternative investments and even many actively managed equity mutual funds.

Benefits of Alternative Investments —

The attractiveness of alternative investments is the potential for better returns. This is best exemplified by university endowment fund managers such as Yale University's David Swenson. Recognizing that traditional stock and bond markets are efficient (and thus offer average return potential), these managers have invested a greater percentage of their portfolios in alternative asset classes. As a result, they have profited from the inefficiencies within those various alternative asset class markets while, at the same time, reducing risk because of the low correlation between alternatives and traditional investments.

Alternatives Have Historically Contributed to Higher Returns		
Asset Class Holdings as % of Portfolio-- Yale vs. Other Endowments		
	Yale University Endowment	Average University Endowment
Domestic Equity	7.5	18.0
International Equity	9.8	14.0
Fixed Income	4.0	13.0
Real Assets	32.0	25.0*
Private Equity	24.3	
Hedge Funds	24.3	
Cash/Short-Term	-1.9	8.0
10 Yr. Avg. Annual Return (%) <i>For period end 6/30/2009</i>	11.8	4.0
* Reflects entire alternative assets allocation (Real Assets, Private Equity & Hedge Strategies) Sources: 2008-09 Yale University Financial Report; 2009 NACUBO-Commonfund Study of Endowments		

Yale University allocates a greater percentage of their Endowment portfolio to alternative asset classes, leading to higher returns.

The Problems — Alternative investments (i.e., hedge funds, private equity and real assets) have historically been legally restricted to institutional and high net-worth or accredited investors (those whose net worth exceeds \$1 million). These legal restrictions (meant to protect investors) were primarily due to the lack of alternative investments available as registered securities. Unregistered securities (like limited partnerships) require large investment minimums; they lack transparency; they tend to be very illiquid; they have astonishingly high fees; and, they possess complicated tax reporting issues (such as annual K-1 tax reports).

Solution — In recent years, many alternative investments have become available in the form of liquid, regulated securities. These include: open and closed-end mutual funds, ETFs, ETNs and others. iSectors has combined alternative investments such as Real Estate, Hedge Strategies and Private Equity into the Liquid Alternatives model, so investors can obtain the potential benefits of alternative investments (in the form of liquid registered securities) without the drawbacks typically associated with unregistered securities, such as partnerships.

iSectors' Liquid Alternatives Allocation is available to unaccredited investors as a separately managed account (SMA) held in the client's name at an independent custodian. The iSectors Liquid Alternatives model maintains low expenses relative to many actively managed mutual funds; provides daily pricing and performance updates; and, timely year-end tax reporting. In addition, iSectors Liquid Alternatives model maintains daily liquidity, accepts low minimum investments and assesses no performance-based fees.

What Are Alternative Investments?

Examples include hedge funds, commodities, precious metals, real estate and foreign currency.



Diversification does not ensure a profit nor prevent a loss in a general market decline. iSectors Liquid Alternatives model is not guaranteed and will fluctuate in value. See reverse for fee and additional disclosure information.

About The Manager:

iSectors has developed and provides a comprehensive suite of 21 proprietary Exchange-Traded Fund (ETF)-based asset allocation models and services. Collectively, the iSectors web-based platform and series of allocation models offer advisors and their clients a broad selection of strategies, services and support to assist them in building and managing an appropriate investment solution designed to achieve a client's financial objectives.

Allocation models are segregated by risk and return characteristics and are organized into four unique series of asset allocation approaches, including Domestic, Institutional, Endowment, Post-MPT Series, as well as Capital Preservation, Inflation Protection, Liquid Alternatives and Tactical International models.

iSectors ETF-based portfolios are low-cost, liquid and provide complete transparency with respect to portfolio holdings. Investment portfolios are conveniently proposed, contracted, invested, allocated, monitored, priced daily, and reported upon through a self-contained, web-based platform. All assets are held in separately-managed accounts (SMAs) titled in the client's name. Investors are fully supported by their independent registered investment advisor (RIA) and team of back-office service professionals.

iSectors is an affiliate of Sumnicht & Associates, LLC, an SEC registered investment advisor. With \$270 million under management, Sumnicht has provided wealth management services to high net-worth individuals, foundations and endowments since 1988.

Fees

iSectors fee: The current maximum annual fee for any iSectors model is 0.30% of assets under management. iSectors' fees are negotiable and subject to change. Minimum investment in any single iSectors Liquid Alternatives Portfolio is \$50,000.

Additional fee information: Other fees apply. These fees may include investment platform, custody, trading, and advisor fees. ERISA (retirement) accounts may be subject to additional record keeping and administrative fees. For information about the fees that pertain to your account, check with your adviser.

iSectors® is a series of proprietary asset allocation models and services. iSectors®, LLC is an affiliate of Sumnicht & Associates, LLC (Sumnicht) and, as such, iSectors and Sumnicht share certain employees' services. iSectors became a separate Registered Investment Advisor in August 2008. iSectors Allocation Portfolios are only available through Registered Investment Advisors. iSectors is a registered trademark of Sumnicht Holdings, LLC.

Asset class and position allocation percentages indicated are the desired target allocation size under normal market conditions. Actual portfolio allocations may vary. For reasons including variances in portfolio account holdings, variances in fees incurred, market fluctuation, the date on which a client engaged iSectors' services, and timing of account contributions or withdrawals, the performance of a specific client's account may vary substantially from reported iSectors composite performance results for any particular iSectors' portfolio and/or period of time. iSectors' Allocation Portfolios are not guaranteed and involve risk of loss. At any given point in time, the value of an iSectors Allocation Portfolio may be worth more or less than the amount invested. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments and/or investment strategies devised or undertaken by iSectors) will be either suitable or profitable for a client's or prospective client's portfolio.

This is not an offer to buy, nor an offer to sell securities. Information pertaining to iSectors advisory operations, services, and fees is set forth in its current disclosure statements (Form ADV, Part II), a copy of which is available upon request.

This presentation has not been approved by FINRA or SEC.