BondWave Advisors Program Portfolios™

20-Year Municipal Index Targeted Program

Program Considerations and Objectives

The 20-Year Municipal Index Targeted Program provides an index-based allocation program designed to assist investment advisors with their selection of tax-exempt municipal securities for their clients. The model takes a stratified approach to approximate the performance of the 20 (17-22) Year Component of the Barclays Capital Municipal Bond index (the "Index"). (See the following page for a description of the Index.)

The Program Model utilizes filters (Branches) that contain a set of attribute-based Bond Types, not specific securities. Bond Types are used during the portfolio construction and maintenance process to select bonds that have similar structural and risk characteristics to those of the Index. A specified number of bonds must be purchased for each Bond Type in the Program Model. As a result, the bonds held in a portfolio constructed using the Program Model may differ from investor to investor. The Program Model recommends that each portfolio rebalance every 13 months. However, the Program Model is updated monthly to allow for portfolio monitoring.

The 20-Year Municipal Index Targeted Program seeks to offer principal preservation, predictable income and potentially higher yield compared to short and intermediate maturity strategies. Due to longer duration target (greater interest rate risk), principal value fluctuations may be greater compared to short and intermediate maturity strategies.

Key Investment Features

Branches - Branches are weighted "partitions" within the portfolio. Branches are weighted by maturity in accordance with the Index with a minimum of three holdings per branch. Call protection is a minimum of 3 years. Duration and coupon ranges are targeted to the Index.

Restrictions - The following bonds will be excluded from the portfolio: taxable municipal bonds, non-rated bonds and bonds subject to alternative minimum tax. Although included in the Index, the program excludes student loan bonds, hospital revenue bonds and those rated below Aa3/AA- in an attempt to create a more conservative credit profile than the Index.

Portfolio Targets and Limits (Security Attributes) - The following statistical guidelines are targeted to the Index: average coupon, portfolio duration, average rating and average years to effective maturity. Although not targeted to the Index, percentage of issuer saturation is another attribute considered by the Program Model.

Strategy Performance - Backtesting

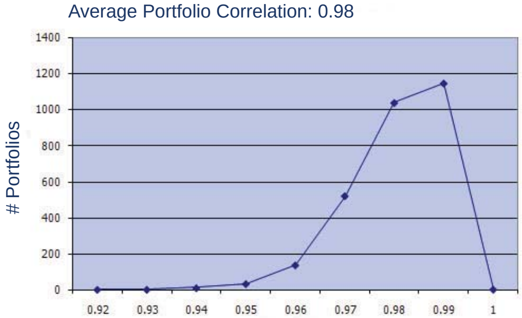
Unlike the stock market, specific bonds available in the marketplace will change from day to day. Additionally, the specific bonds held in a portfolio that is constructed through the use of the Program Model for one bond investor will differ from those held by other investors. To simulate how individual portfolios would actually be constructed, 50 unique portfolios were generated each month over the test period of May 2001 – January 2009. MSRB historical trade data provided pools of bonds that met the Bond Types with similar structural and risk characteristics to those of the Index. We believe this process provides meaningful pools of bonds that were actually available in the marketplace during each investment period.

During the hypothetical portfolio construction, bonds that met the Bond Types of the Program Model for that month were chosen for hypothetical portfolios through random selection from each pool of available bonds. The selected bonds were then assumed to be held for 13 months. At each rebalance date, bonds no longer meeting the strategy requirements were removed and replaced through random selection from the current pool of bonds.

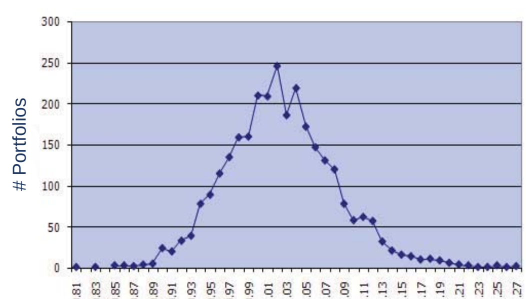
Calculations for *correlation* and *beta* were used to measure the effectiveness of the Program Model to approximate the performance of the Index. *Correlation* is a statistical measure of the strength and direction of a linear relationship between two variables, with a correlation of 1 indicating a strong positive correlation. *Beta* is a statistical measure of the degree of relative volatility between two variables, with a beta of 1 indicating that the volatility of the two variables is similar. To allow for a meaningful selection of statistical data, the hypothetical proxy portfolios with at least 3 years' of backtesting data were selected for analysis. Monthly returns from these hypothetical proxy portfolios were compared with the corresponding returns of the Index to determine correlation and beta.

As can be seen from the charts below, back tested portfolios had a very high correlation with the Index. All portfolios exhibited a correlation of at least 0.92, with 92% of the test portfolios having a correlation of at least 0.97. The adjacent chart also shows the volatility of the hypothetical portfolios compared with the Index, as measured by beta: 92% of the portfolios exhibited a beta between 0.90 and 1.10.

Average Portfolio Correlation: 0.98



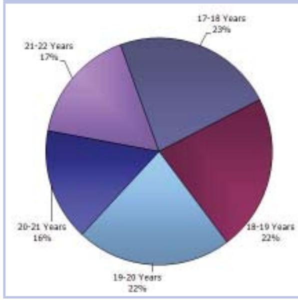
Average Portfolio Beta: 1.02



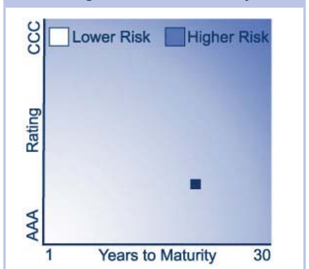
Barclays Capital Municipal Bond Index - 20 (17-22) Year Component

BondWave Advisors' 20-Year Municipal Index Targeted Program is designed to create portfolios that attempt to approximate the performance of the 20 Year (17-22) component of the Barclay's Capital Municipal Bond Index. The index represents tax-exempt U.S. municipal bonds that have a remaining maturity of greater than or equal to 17 years and less than 22 years. Securities have at least $7 million par amount outstanding and were issued as part of at least a $75 million transaction. Securities must be rated investment grade (Baa3/BBB- or higher) and have a fixed rate coupon.

Branch Distribution



Program Risk Summary



* All rules and calculations as of 2/27/2009

Trade data courtesy of MSRB

About BondWave Advisors

BondWave Advisors' (BWA) Program Portfolios™ fixed income portfolio construction process incorporates a rules-based, disciplined methodology that creates professional diversified portfolios defined by detailed bond attributes. Our approach covers the U.S. municipal, corporate, agency and treasury securities markets. BWA's approach seeks to manage risk through minimizing tracking error versus the chosen benchmark. Our highly customizable models are utilized to (1) Represent an existing professional index, (2) Create a bias by emphasizing specific attributes of an index or (3) Assist in creating a customized strategy based on the needs of the client.

Furthermore, BWA's pre-trade analysis process seeks to provide price assurance through identification of a clearly-defined peer group. This group is the result of the screening of actual trades and executable offerings available in the marketplace of bonds that meet the defined model parameters. This screening creates an acceptable pricing range (min., max., target) for offerings that will comprise the portfolio. BWA's rules-based models and price assurance create an efficient and transparent process for easily constructing, executing, monitoring and managing the elements of the portfolio.

Risk Considerations

An investment in municipal bonds should be made with an understanding of the risks involved, such as interest rate risk, inflation, economic recession and the possible deterioration of either the financial condition of the issuers or the general condition of the bond market. You should be aware that portfolios constructed using the program are comprised of municipal bonds which involve additional risks, including limited diversification. You should consider the portfolio's investment objectives, risks, and charges and expenses carefully before investing. Contact your financial advisor before investing.

The performance shown for the strategies does not guarantee future correlation to its stated objective or underlying index, nor should it be used as a predictor of future returns. There can be no assurance the Program Portfolios™ strategies will match or outperform a given index or sampling over any time period or that it will have positive results. The strategies have a potential for loss. The charts provided assume the strategies were rebalanced every 13 months and that cash balances did not earn a return. The returns do not reflect the effect of taxes; however they do reflect the maximum fees charged by BondWave Advisors of 25 bps per year. There may be additional fees and expenses imposed in connection with any investment program.

The performance of the strategies does not represent actual trading results using clients' assets; they were achieved by the retroactive application of a model designed with the benefit of hindsight and should not be considered indicative of the competence or skill of the investment adviser. The strategy only represents current allocation by the investment adviser based on the strategies described. In addition, the strategy results do not reflect (i) the fact that an account may not be fully invested at all times, (ii) that an account may be customized in accordance with a client's investment objectives, (iii) the impact material economic and market factors might have had on the investment adviser's decision-making if the investment adviser had actually managed client money during the period indicated, and (iv) fees charged by a client's investment advisor, custody fees or the fees associated with the purchase or sale of municipal securities.

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