GUIDE TO FUND PROFILES

Clients reviewing Fund Profiles for advisory services should read this *Guide to Fund Profiles* (the "Guide"). The Guide provides important information about investment programs and explains specific terms and data contained in the Fund Profiles. Please note that certain mutual funds may not be available to all non-US clients. Fund Profiles are only available for eligible mutual funds that have been selected by Oppenheimer Asset Management Inc. ("OAM") Consulting to qualify for the Focus List. For further information, please contact your financial advisor.

Mutual funds are purchased in advisory programs at net asset value ("NAV") and the accounts are charged an annual asset-based advisory fee. OAM Consulting and OAM Program Administration may place researched mutual funds/strategies on "Watch" because of due diligence concerns with the mutual funds/strategies. Funds placed on "Watch" are indicated as such on the Mutual Fund Focus List. Clients are directed to discuss the reason for a "Watch" status with their Oppenheimer & Co. ("Oppenheimer") Financial Advisor.

A fee-based account program may not be suitable for all investors; anticipated annual commission costs should be compared to anticipated annual fees. Please refer to Oppenheimer's and OAM's Forms ADV Part 2A Appendix 1 for full disclosure of the fee schedules for advisory programs.

Exchange Traded Funds (ETFs) are subject to market risk, including the loss of principal. The value of any ETF and thus the portfolio that holds an ETF will fluctuate with the value of the underlying securities in the ETF reference basket. ETFs trade with the same brokerage commissions associated with buying and selling equities unless trading occurs in a fee-based account. ETFs often trade for less than their net asset value. Not all ETFs are diversified and certain ETFs contain significant concentration risks. Diversification does not ensure a profit and does not protect against loss in declining markets.

An open-end mutual fund is a collection of investor money pooled together to achieve a common investment objective. An open-end mutual fund is open to new investors. Investors who want to purchase shares of an open-end mutual fund would purchase it directly from the fund manager. An investor seeking to sell his/her shares sells the shares back to the mutual fund upon demand, which is also called a redemption. The money pooled by investors is managed by a mutual fund manager who invests according to the mutual fund style or objectives. There are many different types of mutual funds for many different types of securities, going from conservative in style to aggressive or speculative.

A closed-end fund is a type of mutual fund that issues a fixed number of shares through a single initial public offering (IPO) to raise capital for its initial investments. Its shares can then be bought and sold on a stock exchange but no new shares will be created and no new money will flow into the fund.

Investors should consider an ETF or mutual fund's investment objectives, risks, and charges, and expenses carefully before investing. The prospectus contains this and other information. For more complete information including a prospectus describing fees, expenses, and risk factors contact your Oppenheimer & Co. Financial Advisor or call 800-221-5588. Please read the prospectus carefully before investing.

Risk Factors

PAST PERFORMANCE DOES NOT GUARANTEE RESULTS. The success of an investment program may be affected by general economic and market conditions, such as interest rates, the availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of a portfolio's investments. Unexpected volatility or illiquidity could result in losses. Investing in securities is speculative and entails risk. There can be no assurance that the investment objectives will be achieved or that an investment strategy will be successful.

Special Risks of Foreign Securities

Investments in foreign securities are affected by risk factors generally not thought to be present in the US. The factors include, but are not limited to, the following: less public information about issuers of foreign securities and less governmental regulation and supervision over the issuance and trading of securities. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations.

Special Risks of Small and Mid-Capitalization Companies

Investments in companies with smaller market capitalization are generally riskier than investments in larger, well-established companies. Smaller companies often are more recently formed than larger companies and may have limited product lines, distribution channels and financial and managerial resources. These companies may not be well known to the investing public, may not have significant institutional ownership and may have cyclical, static or moderate growth prospects. There is often less publicly available information about these companies than there is for larger, more established issuers, making it more difficult for the Investment Manager to analyze that value of the company. The equity securities of small and mid-capitalization companies are often traded over-the-counter or on regional exchanges and may not be traded in the volume typical for securities that are traded on a national securities exchange. Consequently, the Investment Manager may be required to sell these securities over a longer period of time (and potentially at less favorable prices) than would be the case for securities of larger companies. In addition, the prices of the securities of small and mid-capitalization companies may be more volatile than those of larger companies.

Special Risks of Fixed Income Securities

For fixed income securities, there is a risk that the price of these securities will go down as interest rates rise. Another risk of fixed income securities is credit risk, which is the risk that an issuer of a bond will not be able to make principal and interest payments on time. Liquidity risk is the risk of not being able to buy or sell investments quickly for a price that is close to the true underlying value of the asset.

Funds that invest in lower-rated debt securities (commonly referred to as high yield or junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Environmental, Social and Governance (ESG)

Environmental, social, and governance (ESG) criteria are a set of standards investors may use to analyze potential investments for socially conscious factors. Environmental criteria consider the utilization of natural resources and the effect of operations on the physical environment, both in direct operations and across supply chains. Social criteria includes social capital issues such as data security, diversity and inclusion, human rights, customer welfare, and human capital issues such as labor practices, employee health and safety. Governance is centered on business ethics including corporate governance, executive compensation and shareholder rights as well as supply chain management and other risk management and compliance areas (e.g., bribery, fraud, and financial crime).

Funds that invest in one sector or strategy such as ESG involve additional risks. The lack of diversification, or the pursuit of a strategy such as ESG may lead to less opportunities or choice.

Special Risks of Absolute Return Investments
The use of leverage, short sales and derivative transactions, investment in foreign or illiquid securities, and potentially limited diversification could result in significant losses. The risk of shorting securities is theoretically unlimited.

Special Risks of Real Estate Securities
Real estate investing may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investing may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

Special Risks of Alternative Mutual Funds
Alternative Mutual Funds ("Alt Funds") are SEC registered funds but they use investment strategies that are different from those used by traditional mutual funds. As their name implies, Alt Funds seek to accomplish the fund's objectives, such as reduced volatility, increased diversification, and non-correlated returns, through non- traditional investments and trading strategies. Alt Funds might invest in assets such as global real estate or global bonds, currencies, futures, options, swaps, short positions, commodities, leveraged loans, start-up companies and unlisted securities that offer exposure beyond traditional stocks, bonds and cash. In addition to the usual market and investment specific risks mutual funds have, Alt Funds carry additional risks from the strategies they use. Other risks include but are not limited to the following: liquidity risk, leverage risk, derivative risk, valuation risk, counterparty risk, regulatory risk, specialized trading risk, manager risk, investment process risk, portfolio turnover risk, and strategy risk.

As Alt Funds tend to be complex investments with potentially complicated tax implications, they are not appropriate for all investors and may only be offered to certain investors. Many Alt Funds are newer products and may have a limited performance history. In addition, these funds may have higher operating fees and expenses when compared with traditional mutual funds and as a result, over time, these higher costs could detract from long-term returns.

Special Risks of Master Limited Partnerships
Master limited partnerships (MLPs) are publicly listed securities that trade much like a stock, but they are taxed as partnerships. MLPS are typically concentrated investments in assets such as oil, timber, gold and real estate. The risks of MLPS include concentration risk, illiquidity, exposure to potential volatility, tax reporting complexity, fiscal policy and market risk. MLPS are not suitable for all investors.

Glossary of Terms

Alpha: A measure of nonsystematic return, or the return that cannot be attributed to the market. Alpha is useful in analyzing a manager's specific contribution or "value-added" to a portfolio's performance. It is how the portfolio would have performed had the market had no gain or loss.

American Depository Receipt (ADR): A receipt for the shares of a foreign-based corporation typically held as a US bank, entitling the shareholder to all dividends and capital gains. Instead of buying shares of foreign-based companies in overseas markets, these shares are brought in the US markets in the form of an ADR. ADRs are available for hundreds of stocks from numerous countries.

Annualized Return: Returns for periods longer than one year are expressed as "annualized returns", equivalent to the compounded rate of return. This is the annual increase in value of an investment, including compounding of interest and dividends as well as price appreciation, which is expressed as a percentage of the starting price.

Average Effective Duration: A key fixed income measure that is a time measure of a bond's interest rate sensitivity. It is based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder. A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, for which maturity and duration are equal.

Average Market Capitalization: For a portfolio of stocks, this statistic is equal to the average of the cumulative summary of market capitalizations.

Average Effective Maturity: A straight average of the time to maturity of each bond in the portfolio.

Average Weighted Coupon: Calculated by weighting each bond's rate of interest by its relative size in the portfolio.

Beta: A measure of systematic risk (relative to a specific benchmark), or the portion of the investment's return that is attributable to market movements. An investment with a beta of 1.0 has an expected risk level equal to that of the market. Investments are considered more risky than the market if their beta is greater than 1.0 or less risk than the market if their beta is less than 1.0.

Credit Analysis/Quality Distribution: For bond portfolios, the credit quality review depicts the average quality of bonds in the portfolio.

Dividend Yield: On a portfolio level, this ratio is the weighted average of the dividend yield figures for each individual stock in the portfolio. On an individual basis, the dividend yield is calculated by taking the stock's annual dividend and dividing it by the stock's current price.

Down Market Capture Ratio: Measure of a product's performance in down markets relative to the market (appropriate benchmark). The lower the ratio the better the product protected capital during a market decline. Specifically, the down market capture ratio links returns for the product and the market for all down quarters over the selected time period. The product's return during down market quarters is then divided by the market return for the same period. Note: The statistic may be less significant if the number of down quarters over the total period is low or if the benchmark is not relevant to the manager's style.

Earnings Growth: The annual compound annual growth rate (CAGR) of earnings from investments.

Growth: A style of equity management based on an attempt to invest in companies that one believes to have above average growth prospects. Growth managers are generally willing to pay higher market multiples for what they believe to be superior growth rates and the profitability they anticipate. As a result, stocks in growth portfolios will tend to have higher price/earnings ratios and lower dividends.

Historical Capital Gains: Capital Gains are the difference between an asset's adjusted purchase price and selling price (when the difference is positive). A **Long Term** capital gain is achieved once an asset has been held for at least 12 months. Selling assets for a profit after holding them for less than 12 months generates **Short Term** capital gains. (As with all transactions having potential tax implications, clients should consult with their own tax advisers on this topic; nothing herein should be construed as offering tax advice.)

Information Ratio: A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns. The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark.

Market Capitalization: The value of a corporation as determined by the market price of its issued and outstanding shares of common stock. Managers often use market capitalization as one of their investment criteria.

Net of Tax: The index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from dual taxation treaties. Net-of-tax indexes reduce the dividend received by the amount of taxes withheld. Most countries, however, have dual taxation treaties, so most investors receive a partial tax refund on dividend taxes. Net-of-tax indexes assume the investor receives none of the tax back. Returns will always be lower for a net-of-tax index than a gross-of-tax index, so net-of-tax indexes may be easier to beat.

Price/Cash Flow (P/CF): represents the amount an investor is willing to pay for a dollar generated from a particular company's operations. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

Price/Earnings Ratio (P/E): On a portfolio level, this ratio is the weighted average of the P/E multiples for each individual stock in the portfolio. The individual stock P/E ratio is found by taking the current price of each stock divided by its earnings per share.

Price/Book Ratio (P/B): the weighted average of the price/book ratios of all the stocks in a fund's portfolio. Book value is the total assets of a company, less total liabilities (sometimes referred to as carrying value). A company's book value is calculated by dividing the market price of its outstanding stock by the company's book value, and then adjusting for the number of shares outstanding.

Rate of Return: The gain or loss on an investment over a specified period, expressed as a percentage increase over the initial investment cost. Gains on investments are considered to be any income received from the security plus realized capital gains.

Risk/Return: A measure of how much money your fund made relative to the amount of risk it took on over a specific time period.

R-Squared: Measures how much of a change in a particular product can be accounted for by the benchmark it is measured against. If that product's return is explained perfectly by the benchmark, the R-Squared would equal 1.00, while an R-Squared of 0.00 would indicate that no relationship exists between the product's returns and the benchmark. Higher R-Squared values also indicate more statistically accurate alpha and beta figures.

Return on Equity (ROE): On a portfolio level, this ratio is the weighted average of the ROE figures for each individual stock in the portfolio. The ROE, expressed as a percentage, is the amount earned on the company's common stock investment for a given time period. The ROE numbers presented represents the 3-year historic rate of growth. The figure is calculated by dividing common stock equity at the beginning of the period into the net income for the period after preferred stock dividends but before common stock dividends.

Sector: A particular group of securities with similar characteristics. For example, the stock market can be broken down into several sectors.

Sharpe Ratio: Relates to the difference between the investment's return and the T-bill rate divided by the standard deviation of the investment's return for a given time period (i.e. the investment's return minus the T-bill rate divided by the investment's standard deviation.) The Sharpe ratio is stated in absolute terms. This ratio represents the unit of return (minus the risk-free rate) for each unit of total risk (standard deviation).

Standard Deviation: A gauge of risk that measures the spread of the difference of returns from their average. The more a series of returns vary from the average, the higher the standard deviation. To calculate the standard deviation, the difference between each month's return and the Monthly Average Return, defined below, is squared, and then all of them are added together. The square root of that number is calculated and then annualized by multiplying that result by the square root of 12.

Tracking Error: When using an indexing or any other benchmarking strategy, the amount by which the performance of the portfolio differed from that of the benchmark.

Turnover Ratio: a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

Up Market Capture Ratio: Measure of a product's performance in up markets relative to the market (appropriate benchmark). The higher the ratio the better the product performed relative to the market. Specifically, the up market capture ratio links returns for the product and the market for all up market quarters over the selected time period. The product's return during up market quarters is then divided by the market return for the same period. Note: The statistic may be less significant if the number of up quarters over the total period is low or if the benchmark is not relevant to the manager's style.

Value: A style of equity management based on an attempt to invest in companies at attractive valuations. Often referred to as "price driven" investors, these managers look for undervalued stocks, focusing on issues with low price/earnings ratios and/or above-average cash flow to shareholders (dividends or share buy backs) as indicators of value.

Yield to Maturity: the rate of return an investor will receive if a long-term, interest-bearing security, such as a bond, is held to its maturity date.

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting.

Glossary of Index Comparisons

Indices are unmanaged, hypothetical portfolios of securities that are often used as a benchmark in evaluating the relative performance of a particular investment. An index should only be compared with a mandate that has a similar investment objective. An Index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or management fees.

Alerian MLP Index: This index is a gauge of large and mid-cap energy Master Limited Partnerships (MLPs). The float-adjusted, capitalization-weighted index, which includes 50 companies and captures approximately 75% of available market capitalization, is disseminated real-time on a price-return basis and on a total-return basis.

BofA Merrill Lynch 3-Month Treasury Bill Index: is an unmanaged index of three-month Treasury bills. Unless otherwise noted, index returns reflect the reinvestment of dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. It is not possible to invest directly in an index.

BarclayHedge BTOP50 Index: The BTOP50 Index seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure. The BTOP50 employs a top-down approach in selecting its constituents. The largest investable trading advisor programs, as measured by assets under management, are selected for inclusion in the BTOP50. In each calendar year the selected trading advisors represent, in aggregate, no less than 50% of the investable assets of the Barclay CTA Universe. To be included in the BTOP50, the program must be open for investment, the manager must be willing to provide daily returns, the program must have at least two years of trading activity and the program's advisor must have at least three years of operating history. The BTOP50's portfolio will be equally weighted among the selected programs at the beginning of each calendar year and will be rebalanced annually.

Bloomberg Barclays Intermediate Aggregate Bond Index: is an unmanaged index representing domestic taxable investment grade bonds with an average maturity and duration in the intermediate range, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. This index represents a sector of the Barclays Aggregate Bond Index.

Bloomberg Barclays Global Aggregate Bond Index: provides a broad-based measure of the global investment-grade fixed-rate debt markets. It contains three major components that comprise over 94% of the value: the U.S. Aggregate Index, the Pan-European Aggregate Index and the Asian-Pacific Aggregate Index. In addition to securities from these three benchmarks, the index also includes Global Treasury, Eurodollar, Euro-Yen, Canadian and Investment-Grade 144A index-eligible securities not already in the three regional aggregate indices.

Bloomberg Barclays Government/Credit Bond Index: This index includes securities in the government and corporate indices. Specifically, the government index includes treasuries (i.e., public obligations of the US Treasury that have remaining maturities of more than 1 year) and agencies (i.e., publicly issued debt of US Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the US Government). The corporate index includes publicly issued US corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

Bloomberg Barclays Government/Credit Intermediate Bond Index: A subgroup of the Barclays Govt/Credit Bond Index that is based on maturity with greater than 1 to 10 years.

Bloomberg Barclays Aggregate Bond Index: This index is comprised of the Barclays Govt/Credit Index, Mortgage-backed Securities and the Asset-backed Securities Indices. All issues in the Aggregate Index are rated BBB or higher, have at least one year to maturity and have an outstanding par value of at least $200 million.

Bloomberg Barclays Government Index: A measurement of all publicly issued debt securities by the US government or its agencies, as well as quasi-federal corporations or corporate debt guaranteed by the US government. It also includes all public obligations of the US Treasury, excluding flower bonds and foreign-targeted issues.

Bloomberg Barclays Municipal Bond: An index that includes approximately 40,000 municipal bonds and is generally representative of the broad market for tax-exempt bonds. It is comprised of investment-grade, tax-exempt, and fixed-rate bonds. All issues are rated Baa or higher, have at least one year to maturity and an outstanding par value of at least $3 million.

Bloomberg Barclays 5-Year Municipal Bond Index: This index, representing a subset of the Barclays Municipal Bond Index, includes approximately 5,000 municipal bonds. The Index is comprised of investment-grade, tax- exempt and fixed-rate bonds with a minimum credit rating of Baa and a maturity range typically between 4 to 6 years. All issues have at least one year to maturity and an outstanding par value of at least $5 million. The Barclays 5 yr Municipal Bond Index may have a shorter maturity and duration than the Barclays Municipal Bond Index.

Bloomberg Barclays 7-Year Municipal Bond Index: This index, representing a subset of the Barclays Municipal Bond Index, includes approximately 5,000 municipal bonds and is comprised of investment-grade, tax-exempt and fixed-rate bonds with a minimum credit rating of Baa and a maturity range typically between 6 to 8 years. All issues have at least one year to maturity and an outstanding par value of at least $5 million. The Barclays 7yr Municipal Bond Index may have a shorter maturity and duration than the Barclays Municipal Bond Index.

Dow Jones UBS Commodity Index: is a rolling commodities index composed of futures contracts on 19 physical commodities traded on U.S. exchanges. The index serves as a liquid and diversified benchmark for the commodities' asset class. Weightings are based on the economic significance of individual components, while maintaining low volatility and sufficient liquidity.

Dow Jones Industrial Average Index (DJIA): The oldest continuing US market index, includes 30 "blue-chip" US stocks selected for their history of successful growth and wide interest among investors. It is called an average because it originally was computed by adding up stock prices and dividing by the number of stocks. This methodology remains the same today, but the devisor has been changed to preserve historical continuity.

FTSE National Association of Real Estate Investment Trusts (FTSE NAREIT) Equity Index: An index consisting of all tax qualified real estate investment trusts whose common shares are listed on the NYSE, AMEX and the NASDAQ. It is capitalization-weighted and all REITs must have at least 75% of their gross invested book assets invested directly or indirectly in the equity ownership of real estate.

FTSE Non-US World Government Bond Index: This index covers thirteen government-bond markets: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden, and the United Kingdom. For inclusion in this index, a market must total at least (U.S.) $20 billion for three consecutive months.

HFRI Convertible Arbitrage Index: Convertible Arbitrage includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument. Strategies employ an investment process designed to isolate attractive opportunities between the price of a convertible security and the price of a non-convertible security, typically of the same issuer. Convertible arbitrage positions maintain characteristic sensitivities to credit quality the issuer, implied and realized volatility of the underlying instruments, levels of interest rates and the valuation of the issuer's equity, among other more general market and idiosyncratic sensitivities.

HFRI Equity Hedge Index: Equity Hedge (EH) managers maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50%, and may in some cases be substantially entirely invested in equities, both long and short.

HFRI Equity Market Neutral Index: Equity Market Neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Factor-based investment strategies include strategies in which the investment thesis is predicated on the systematic analysis of common relationships between securities. In many but not all cases, portfolios are constructed to be neutral to one or multiple variables, such as broader equity markets in dollar or beta terms, and leverage is frequently employed to enhance the return profile of the positions identified. Statistical Arbitrage/Trading strategies consist of strategies in which the investment thesis is predicated on exploiting pricing anomalies which may occur as a function of expected mean reversion inherent in security prices; high frequency techniques may be employed and trading strategies may also be employed on the basis on technical analysis or opportunistically to exploit new information the investment manager believes has not been fully, completely or accurately discounted into current security prices. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

HFRI Event Driven Index: Event Driven (ED) Managers maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

HFRI Fund of Funds Index (Total): Fund of Funds invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies. The minimum investment in a Fund of Funds may be lower than an investment in an individual hedge fund or managed account. The investor has the advantage of diversification among managers and styles with significantly less capital than investing with separate managers.

HFRI Macro Index: Macro strategy managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ RV techniques, Macro strategies are distinct from RV strategies in that the primary investment thesis is predicated on predicted or future movements in the underlying instruments, rather than realization of a valuation discrepancy between securities. In a similar way, while both Macro and equity hedge managers may hold equity securities, the overriding investment thesis is predicated on the impact movements in underlying macroeconomic variables may have on security prices, as opposed to EH, in which the fundamental characteristics on the company are the most significant and integral to investment thesis.

HFRI Merger Arbitrage Index: Merger Arbitrage strategies employ an investment process primarily focused on opportunities in equity and equity-related instruments of companies which are currently engaged in a corporate transaction. Merger Arbitrage involves primarily announced transactions, typically with limited or no exposure to situations which pre-, post-date or situations in which no formal announcement is expected to occur. Opportunities are frequently presented in cross border, collared and international transactions which incorporate multiple geographic regulatory institutions, with typically involve minimal exposure to corporate credits. Merger Arbitrage strategies typically have over 75% of positions in announced transactions over a given market cycle.

HFRI Relative Value Index: Relative Value (RV) investment managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.

HFRI Short Bias: Short Biased strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying overvalued companies. Short Biased strategies may vary the investment level or the level of short exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent short exposure and expects to outperform traditional equity managers in declining equity markets. Investment theses may be fundamental or technical in nature and manager has a particular focus, above that of a market generalist, on identification of overvalued companies and would expect to maintain a net short equity position over various market cycles.

ICE BofA ML All Convertibles All Qualities: The Bank of America Merrill Lynch All Convertibles All Qualities Index is a widely used, unmanaged index that measures convertible securities' performance. It measures the performance of U.S. dollar-denominated convertible securities not currently in bankruptcy with a total market value greater than $50 million at issuance.

ICE BofA ML 1-3 Government Bond Index (ML 1-3 Govt): Includes all US Treasury Notes and Bonds with maturities greater than or equal to 1 year and less than 3 years, excluding US Treasury STRIPs.

ICE BofA ML 3-Month US Treasury Bill Index: The Bank of America Merrill Lynch 3-Month U.S. Treasury Bill Index is an unmanaged index of Treasury securities that assumes reinvestment of all incomes.

ICE BofA ML High-Yield Master Index (ML High Yld): A capitalization-weighted index that provides a broad measure of the performance of the non-investment grade US domestic bond market. It is limited to US domestic and Yankee markets. Bonds must have greater than 1 year remaining to final maturity, at least $100 million face outstanding, be US dollar pay, have a fixed coupon schedule with a credit rating below investment grade not in default.

ICE BofA ML Municipal Index: Comprised of municipal securities selected and priced by Merrill Lynch traders. At the heart of the index is a matrix created by the Merrill Lynch Municipal Bond Research Group. The individual municipal issues which make up the master index are selected based on the fit of the securities characteristics into a specific matrix block. The index weights are derived from the matrix, as each matrix block has a specific weight

assigned to it. Individual securities within the blocks have equal weighting. For inclusion in the index, bond issues must be publicly placed, have a maturity of at least 1 year, and fit into one of the previously established matrix blocks.
JP Morgan Global Bond Index (JPM GBI): A capitalization-weighted index comprised of fixed-rate coupon issues of 18 markets in their local currency. The selection of the issues and their weightings reflects the current opportunities available to global investors.
JP Morgan International Bond Index (JPM IBI): A capitalization-weighted index comprised of the non-US portion of the JPM GBI which includes only the traded issues available to international investors.
Morningstar Multi-alternative Category: These funds offer investors exposure to several different alternative investment tactics. Funds in this category have a majority of their assets exposed to alternative strategies. An investor's exposure to different tactics may change slightly over time in response to market movements. Funds in this category include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. The gross short exposure is greater than 20%.
Morgan Stanley Capital International, Europe, Australasia, Far East Index (Net of Tax)(MSCI EAFE): An index in US dollars based on the share price of companies listed on stock exchanges in 20 developed countries outside of North America. This index is created by aggregating the 20 different country Indices, all of which are created separately and is considered to be generally representative of overseas stock markets.
MSCI EAFE Value Index (Net of Tax)(EAFE Value): An index in US dollars representing approximately half of the total market capitalization of the MSCI EAFE Index. The companies in this index tend to have lower price-to-book ratios than the MSCI EAFE Growth Index. The MSCI EAFE Value is calculated using the constituents of the Value Indices of the 20 developed countries outside of North America composing the MSCI EAFE Index.
MSCI EAFE Growth Index (Net of Tax)(EAFE Growth): An index in US dollars representing approximately half of the total market capitalization of the MSCI EAFE Index. The companies in this index tend to have higher price-to-book ratios than the MSCI EAFE Value Index. The MSCI EAFE Growth Index is calculated using the constituents of the Growth Indices of the 20 developed countries outside of North America composing the MSCI EAFE Index.
Morgan Stanley Capital International, World Index (Net of Tax)(MSCI World): An index in US dollars based on the share price of companies listed on stock exchanges in 22 developed countries including the US and Canada. This index is created by aggregating the 22 different country indices, all of which are created separately. It is considered to be generally representative of domestic and overseas stock markets.
MSCI World Value Index (Net of Tax)(World Value): An index in US dollars representing approximately half of the total market capitalization of the MSCI World Index. The companies in this Index tend to have lower price-to-book ratios than the MSCI World Growth Index. The MSCI World Value is calculated using the constituents of the Value Indices of the 22 developed countries including the US and Canada that compose the MSCI World Index.
MSCI World Growth Index (Net of Tax)(World Growth): An index in US dollars representing approximately half of the total market capitalization of the MSCI World Index. The companies in this index tend to have higher price-to-book ratios than the MSCI World Value Index. The MSCI World Growth is calculated using the constituents of the Growth Indices of the 22 developed countries including the US and Canada that compose the MSCI World Index.
Morgan Stanley Capital International, World ex-US Index (Net of Tax)(World ex-US): An index in US dollars based on the share price of companies listed on stock exchanges in 21 developed countries excluding the US. This index is created by aggregating the 21 different country Indices, all of which are created separately. It is considered to be generally representative of overseas stock markets.
MSCI All Country World Index (Net of Tax)(MSCI ACWI): The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of May 27, 2010 the MSCI ACWI consisted of 45 country indices comprising 24 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.
MSCI Emerging Markets Free Index (Net of Tax)(MSCI EMF): A market capitalization weighted index in US dollars representing 26 emerging markets in the world. It is created by aggregating the 26 different country indices, all of which are created separately. It is considered to be generally representative of emerging markets.

MSCI AC Pacific Free ex-Japan Index (Net of Tax)(Pac Basin All): Measures the performance of stock markets in Australia, China, Hong Kong, Indonesia, Thailand, Taiwan, Indonesia, Malaysia, Philippines, New Zealand and Singapore. Portions of markets that are not free and open to foreign investment are excluded. This index is market capitalization weighted with each country weighted by its total market capitalization in US dollars.
Russell 1000 Index (Russell 1000): Measures the performance of the 1,000 largest companies in the Russell 3000 Index. Frank Russell Co. ranks the US common stocks from largest to smallest market capitalization at each annual reconstitution period. The Russell 1000 Index represents the vast majority of the total market capitalization of the Russell 3000 Index. It is considered to be generally representative of US Equity Large Cap performance.
Russell 1000 Growth Index (R1000 Growth): Measures the performance of the Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 1000 Value Index (R1000 Value): Measures the performance of the Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell 2000 Index (Russell 2000): Measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The Russell 2000 Index represents a very small percentage of the total market capitalization of the Russell 3000 Index. It is considered to be generally representative of US Equity Small and Mid Cap performance.
Russell 2000 Growth Index (R2000 Growth): Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 2000 Value Index (R2000 Value): Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell 2500 Index (Russell 2500): Measures the performance of the 2,500 smallest companies in the Russell 3000 Index. The Russell 2500 Index represents a small percentage of the total market capitalization of the Russell 3000 Index. It is considered to be generally representative of US Equity Small and Mid Cap performance.
Russell 2500 Growth Index (2500 Growth): Measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values than those in the Russell 2500 Value Index.
Russell 2500 Value Index (2500 Value): Measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values than those in the Russell 2500 Growth Index.
Russell 3000 Index (Russell 3000): Measures the performance of the 3,000 largest US companies based on total market capitalization, which represents nearly the entire market capitalization of the investable US equity market.
Russell 3000 Value Index (R3000 Value): Measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes.
Russell Midcap Index (Russell Midcap): Measures the performance of the mid-cap segment of the US equity universe. The Russell Midcap Index includes the smallest 800 securities in the Russell 1000.
Russell Midcap Growth Index (Russell Midcap Growth): Contains those Russell Midcap (800) securities with a greater-than-average growth orientation. Companies in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the value universe.
Russell Midcap Value Index (Russell Midcap Value): Contains those Russell Midcap (800) securities with a less-than-average growth orientation. Securities in this index generally have lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the growth universe.
S&P 500 Index (S&P 500): The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted Index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value. The S&P 500 is one of the most widely used benchmarks of US equity large cap performance.
S&P 500 Inverse Index: The S&P 500 Inverse Index is designed to provide the inverse performance of the S&P 500, representing a short position in the index. **S&P 500/Citigroup Growth Index (S&P Growth):** Companies in the S&P 500 Index are split into two groups based on price-to-book ratios to create growth and value indices. This index contains those with higher price-to-book ratios and represents approximately 50% of the total market capitalization of the Index.
S&P 500/Citigroup Value Index (S&P Value): Companies in the S&P 500 Index are split into two groups based on price-to-book ratios to create growth and value Indices. The value index contains those with lower price-to-book ratios and represents approximately 50% of the total market capitalization of the Index. **S&P Diversified Trends Indicator (S&P DTI):** The S&P DTI is a diversified composite of commodity and financial futures designed to provide exposure to major global market trends. The S&P DTI is a composite of 24 highly liquid futures grouped into 14 sectors, evenly weighted between financials and physical commodities. The internal non-correlation among

the components makes the S&P DTI a well-diversified low volatility indicator. The S&P DTI is a "rolling indicator" because futures contracts have limited durations.

S&P Midcap 400 Index (S&P Midcap): Portfolio characteristics of the S&P Midcap 400 Index consist of 400 domestic stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index and measures the performance of the mid-size company segment of the U.S market.

S&P Midcap 400/Citigroup Growth Index (S&P Midcap Growth): Constructed by dividing the stocks in the S&P Midcap 400 Index according to price-to-book ratios. The growth index contains stocks with higher price-to- book ratios than the Value Index.

S&P Midcap 400/Citigroup Value Index (S&P Midcap Value): Constructed by dividing the stocks in the S&P Midcap 400 Index according to price-to-book ratios. The value index contains stocks with lower price-to-book ratios than the Growth Index.

SP50/BIGC50 Index: a benchmark blend consisting of 50% in the S&P 500 Index and 50% in the Barclays Intermediate Government Credit Index. See individual index descriptions for more detail.

SP60/BIGC40 Index: a benchmark blend consisting of 60% in the S&P 500 Index and 40% in the Barclays Intermediate Government Credit Index. See individual index descriptions for more detail.

US Treasury Bill Index (US T-Bills): A debt obligation issued by the US Treasury with a maturity of one year or less. Because of their short maturities and government guarantee of principal and interest payment, T-bills are generally regarded as safe, highly liquid investments.

US Consumer Price Index (CPI): A measurement of the average change in prices over time of a fixed basket of consumer items: food, clothes, shelter, transportation and entertainment. It is calculated monthly by the government to give insight on inflationary or deflationary trends.

Wilshire Real Estate Securities Index (Wilshire RESI): An Index that consists of all tax-qualified real estate investment trusts whose common shares are listed on the NYSE, AMEX and the OTC markets. This Index is a market capitalization-weighted index of equity securities that provides a broad measure of the performance of the REIT market. This index has primary business in equity ownership of commercial real estate, equity (non-health) REITs and storage-properties.