Diversified Risk Parity Portfolio

August-31-2011

Multi-strategy, multi-manager, diversified exposure to global financial markets

Investment Highlights

» The DRP[1] strategy offers exposure to the alternative investment space with lower risk and less volatility than most traditional equity investment returns.

» Over time, alternative investments have produced returns that are significantly less correlated to traditional investments. This is particularly beneficial in down markets.

» The goal of the Diversified Risk Parity Portfolio is to seek to compound returns as frequently as possible.

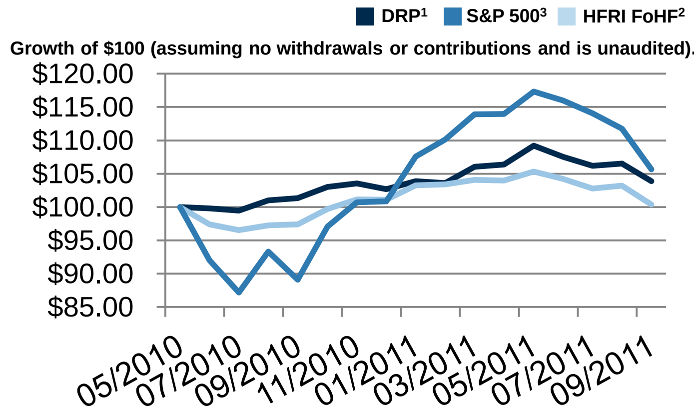
Statistics (US $)	DRP[1]	S&P 500[3]	HFRI[2]
August 2011†	-2.47%	-5.43%	-2.72%
Average Monthly Return†	0.25%	0.46%	0.05%
Standard Deviation†	4.86%	16.97%	5.16%
Sharpe Ratio†	0.39	0.19	-0.10
Beta to S&P 500†	0.19	1.00	0.26

†Based on past 16 monthly returns, net of fees and is unaudited

Standard Deviation: A measurement of risk, also known as the historical volatility of an investment. The lower the ratio, the less risk.

Sharpe Ratio: A measure of risk-adjusted returns. The higher the ratio, the better returns per unit of risk.

Investment Performance



General Information

Inception Date: 5/1/2010
Inv. Manager: Risk Paradigm Group
Subscription: Daily
Redemption: Daily
Min. Investment: $25,000
Addl. Investment : $1,000
Comparative Indices: HFRI Fund of Hedge Fund Index
Standard & Poor's 500 DRI Index
Management Fee: 2.0%
Performance Fee: None
Lock-up Period: None
Eligible Investors: Non-IRA and IRA eligible

Performance

DRP - Monthly Historical Performance (Unaudited)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual (Net)
2011(YTD)	-0.24%	2.36%	0.32%	2.64%	-1.53%	-1.25%	0.31%	-2.47%					0.02%
2010					-0.21%	-0.32%	1.52%	0.36%	1.66%	0.51%	-0.85%	1.16%	3.87%

HFRI Fund of Funds Index - Monthly Historical Performance (Unaudited)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual (Net)
2011(YTD)	0.15%	0.83%	-0.10%	1.22%	-1.07%	-1.28%	0.41%	-2.72%					-2.59%
2010					-2.60%	-0.89%	0.77%	0.13%	2.35%	1.48%	-0.10%	2.20%	3.29%

S & P 500 - Monthly Historical Performance (Unaudited)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual (Net)
2011(YTD)	2.37%	3.43%	0.04%	2.96%	-1.13%	-1.67%	-2.03%	-5.43%					-1.77%
2010					-7.99%	-5.23%	7.01%	-4.51%	8.92%	3.80%	0.10%	6.68%	7.57%

***YTD performance numbers are not annualized**
1. Diversified Risk Parity Portfolio
2. HFRI Fund of Funds Index
3. Standard & Poor's 500 DRI Index

(Past performance is not a guide to future results. Performance is net of fees. Please see Important Information (following page) for more details regarding performance.)

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Manager's Commentary

Hedge funds experienced their largest monthly declines since May 2010 in August as sovereign debt tensions in Europe and economic data suggesting a slowdown persisted. Most strategies were negative with the majority of our losses coming in the event driven, credit and relative value strategies. Our global macro allocation – which had taken on a more defensive posture since June – was a positive contributor with gains primarily coming from long fixed income and short equity positions.

DRP was –2.45% in August vs -2.72% for the HFRI Fond of Funds index and -5.43% for the S&P 500. While readers of our commentary have heard about our defensive positioning because of our fears of the realities of an economy that is in deleveraging mode and what we feel the reality of the Eurozone is, a month like August is even tough for us. Realized equity correlation on the S&P 100 hit 82%, which is higher than the 72% peak reached in 2008. And while we continue to have high conviction in many of our individual positions, the market extremes made for a difficult environment. With correlations this high, stocks essentially moved in tandem minimizing the potential for alpha production with the exception of the global macro trend following strategies.

Looking forward we are seeing an opportunity in the MBS arena, high yield is compelling again (although it may get more compelling in the short-run), and merger arbitrage spreads widened significantly which has opened our eyes to certain positions we follow in that space. Our risk exposure hasn't been large throughout the beta run, but we believe our opportunity set to take risk will improve as the sovereign debt crisis in Europe will continue to weigh on the markets and general investor risk appetite until there is some credible resolution. While our slow and steady posture has been boring to watch over the massive beta run, we feel the market is facing the reality of a deleveraging global economy and our diversity is paying off during these turbulent times. Despite these trying times, we will continue to be patient, and continue to look for opportunities that meet our criteria. As always, please do not hesitate to call. (512) 327-6000

DRP Strategy Development

Diversified Risk Parity Portfolio, (DRP), ("the Fund") seeks to achieve superior risk adjusted returns by replicating the return streams found within a global hedge fund strategy. Within that framework DRP seeks risk factor neutrality within three major risk factors: Economic Growth, Inflation, and Risk.

In an effort to move the hedge fund allocation toward risk factor balance, we feel it is important to shift the risk exposure of the portfolio from those areas where the general hedge fund allocation creates an outsized exposure to certain economic factors. This risk can then be reallocated into those environments where the portfolio lacks material exposure.

For example, the HFRI Fund of Funds index's largest sensitivity is to rising growth and risk seeking environments with less protection during the opposite conditions or to rising inflation. In an effort to gain meaningful exposure to these factors, we believe that an investment in the Diversified Risk Parity Portfolio can make a material change in a portfolio's overall risk profile. In addition to providing a compelling risk reward profile, the Fund maintains a highly liquid portfolio, offering daily liquidity.

Return Distributions