



December 28, 2009

Dear Clients and Friends,

I am very pleased to announce the appointment of Mr. Michael D. Walton as Vice President for Marketing and Product Development of Exchange Traded Fund (ETF) investment management services for Sage Advisory Services.

Michael comes to Sage with a strong background in Wealth Management Services as well as institutional distribution system design and management. He was previously employed with U.S. Fiduciary, LLC (USF) in Houston, Texas as the Director of Wealth Management services. While at USF Michael was responsible for the design, development and supervision of the USF Wealth Management Platform. Prior to his professional experience with USF, Michael worked from 1996 through 2007 with AIM Distributors, Inc. in a variety of senior marketing and supervisory roles within the organization's internal marketing and financial advisor sales group. He received his Bachelor of Business Administration Degree from Texas Tech University in Lubbock, Texas.

In his new position Michael will work closely with me and other members of the Sage institutional research and client service teams to expand the market awareness of our seasoned and unique line up of ETF investment management strategies and services. This new appointment reaffirms and fortifies our commitment to becoming a leading force in the field of ETF investment management services and market research. As always, we encourage you to contact us about our ETF strategies and other investment management services.

Sincerely,

A handwritten signature in black ink that reads 'Robert G. Smith, III'. The signature is written in a cursive style with a large, stylized 'R' and 'S'.

Robert G. Smith, III  
President & CIO