MONEY MANAGER REVIEW

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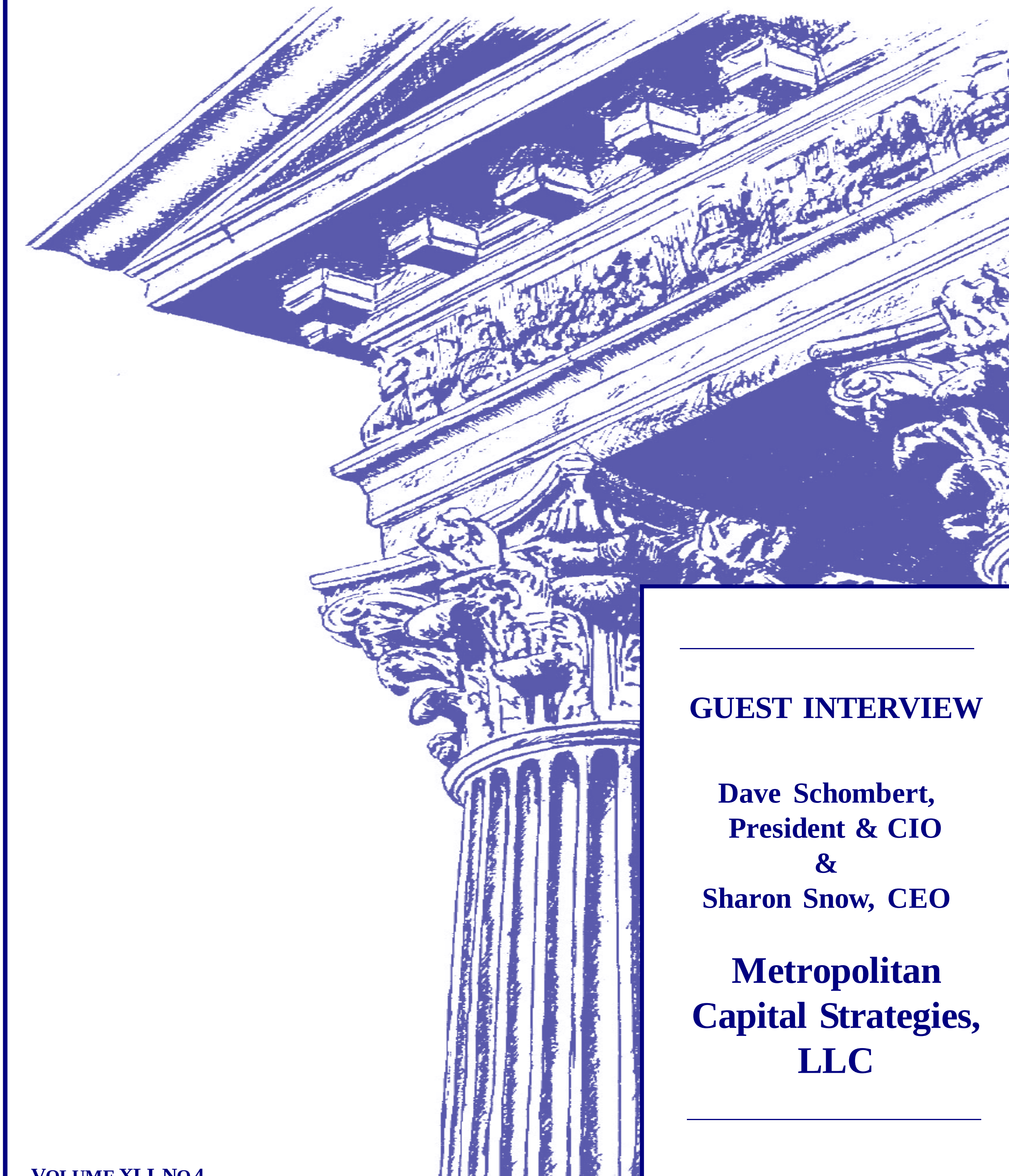

GUEST INTERVIEW

**Dave Schombert,
President & CIO
&
Sharon Snow, CEO**

Metropolitan Capital Strategies, LLC

VOLUME XLI NO 4.

Guest Interview:

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Dave Schombert, President & CIO;
Sharon Snow, CEO

Please give us a brief overview of Metropolitan Capital Strategies?

Metropolitan Capital Strategies was founded in April 2007 as a limited liability corporation. Sharon Snow and David Schombert are the principal owners and have worked as a team for 9 years. MCS is located in Manassas, Virginia and has 5 full-time employees. MCS is certified as a Woman-owned Business Enterprise in Virginia.

Metropolitan Capital Strategies has AUM of $87 million as of 12/31/2010. These assets are in separately managed accounts. The firm also runs a model portfolio for FolioFn.

The firm began managing the strategy May 1, 2007, which is the inception of the firm. The inception of the strategy, which includes the portable track record, dates back to October 1, 2005.

Tell me a little about your strategy?

The MCS philosophy and approach to investing is unique compared to traditional money managers. Our goal is a 15% annualized rate of return over five years, or a 100% compounded rate of return. We successfully achieved this goal over the five year period from September 2005 through September 2010. Our investment process identifies the likelihood of 10% - 20+% upward market moves and determines the associated confidence level of achieving this return. We invest tactically only when our confidence in an upward market move is 90% or greater. We focus on protection of principal, managing risk, avoiding losses and appreciation of capital.

We have two motivating principals. The first is a quote by Donald Trump, “You have to think anyway, so why not think big.” Our way of thinking big is to strive for a compounded annualized return of 15% over any five year time frame. While we compare our returns with the MSCI World Index and the S&P 500, we are not focused on outperforming these indexes. We are focused on our goal – achieving the 15% annualized return over a five year investment cycle. We believe at certain points in time, there are opportunities to earn 10 to 20+% returns that occur in broad based segments of the market. We must have a confidence factor of 90% or greater that we will achieve a 10 - 20+% return. Investments in these segments can be made using Exchange Traded Funds, such as broad based US indexes, global indexes, commodities, currencies, bonds, or sectors; we use the full range of the ETF universe. We do not limit ourselves to only using ETFs and can, if necessary, use individual stocks, bonds or other investments, but this would be very rare due to our risk criteria.

Our second motivating principal is illustrated by a quote from Warren Buffett, “Rule 1 - Never lose money. Rule 2 - Never forget Rule 1.” When MCS cannot find an investment that meets our criteria: 10 - 20+% upside with low risk, we invest in the lowest risk asset class. Historically, that has been in money market. We believe that the difficulty for most money managers is the lack of flexibility to use cash equivalents for extended periods of time. This restriction does not allow a manager the ability to minimize the portfolio risk when confidence in the market is at a low point.

So what would your typical portfolio look like?

Our portfolios can have only one of two profiles: Either we are 80 to 100% invested in tactical investments when we have 90%+ confidence factor in achieving at 10 – 20%+ return, or we are 100% invested in the lowest risk asset class, often cash equivalents. We are not limited to certain sectors, regions, or asset classes. MCS's flexibility is a key component to our investment strategy.

Do you have different investment strategies?

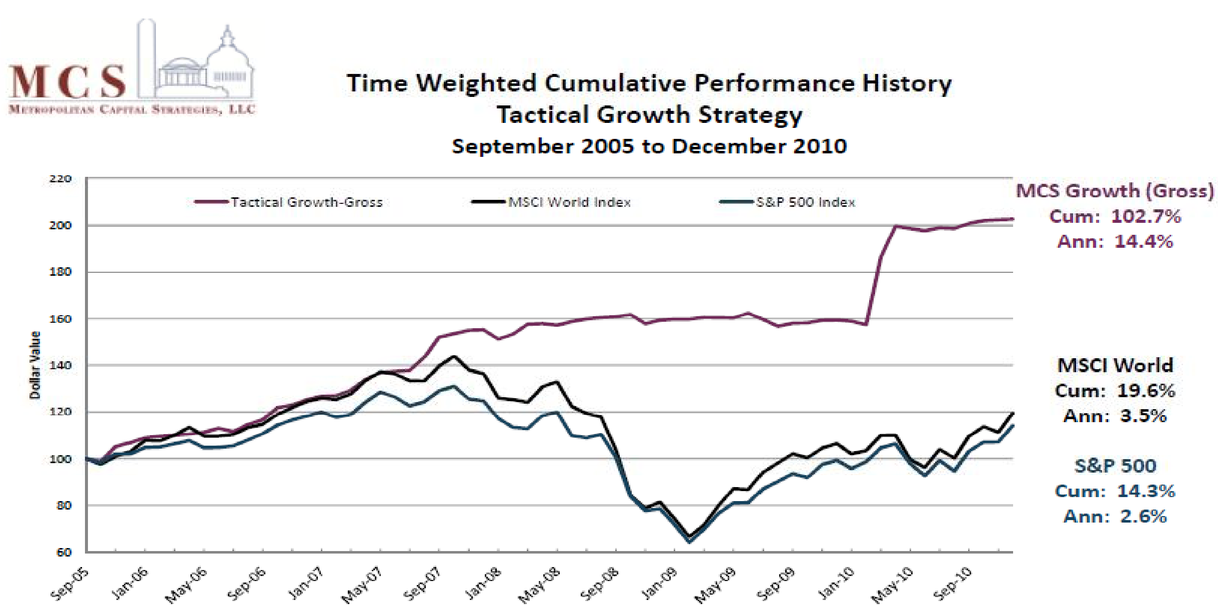
We offer two investment strategies, Tactical Growth and Tactical Moderate. These two strategies are similar because both are tactical strategies that employ ETFs and cash equivalents to generate absolute return. The portfolios in both strategies receive the same tactical investments in the same weightings. The Tactical Growth strategy employs an option writing strategy to augment our returns. The Tactical Moderate strategy does not use options, making it appropriate for ERISA accounts.

Would you please elaborate on your investment process?

Our investment process allows us to make money in a low risk environment and then protect the money once it is made. We call this "The Step Effect", because it is like climbing a staircase. We identify the likelihood of upward market moves that will give us the opportunity to earn money in steps of 10 - 20+%. Generally there are 6-14 of these opportunities in a number of broad based indexes, occurring in rolling five year periods. From these 6-14 opportunities there are about 5-8 that carry acceptable risk (a confidence factor of at least 90%). If we cannot find investments that meet both criteria, we invest in the lowest risk asset class and augment the return using the options strategy. On average, portfolios are in the lowest risk asset class approximately 50% of a five year investment cycle. When invested, a typical portfolio will hold 2-12 ETF positions.

Why do you use ETF's?

ETFs are baskets of stocks that are traded openly on an exchange. ETFs are highly diversified and very appropriate for different market environments at certain points in time. We only invest in broad-



	2005 (3 months)	2006	2007	2008	2009	2010
Tactical Growth-(Gross)	6.9%	17.2%	23.9%	2.7%	0.04%	27.1%
Tactical Growth- (Net)	6.9%	17.2%	21.7%	-0.2%	-2.9%	23.7%
MSCI World Index	3.2%	20.7%	9.6%	-40.3%	30.8%	12.3%
S&P 500 Index	2.1%	15.8%	5.5%	-37.0%	26.5%	15.1

For Further Information Please See Chart Addendum: Page 8.

based ETFs that have high liquidity. Historically, over the last five years, we have used very broad based ETFs like the Midcap 400, S&P 500 and Emerging Market Indexes. ETFs are very transparent. They provide the opportunity to take advantage of real time market prices that are beneficial to our clients in an inherently diversified product. A typical holding period for a tactical investment is 7 weeks to 4 months.

In addition to your ETFs and cash positions, doesn't MCS also use options at times?

Yes we do write options to enhance our portfolio returns in the Tactical Growth strategy. Option writing is determined by the overbought or oversold conditions of the market place. We also assess the risk using our algorithms and write the option approximately 10% plus or minus from the current market price. They provide a beneficial way to increase portfolio value while minimizing risk. We use our algorithms to determine the valuation of the option premium versus the risk and always have several exit strategies. Our options typically add approximately 3% per year to the return of the portfolio.

What makes your investment strategy so successful?

As we mentioned earlier, we like to compare our philosophy and approach with climbing a staircase. The first part of our strategy is to make money in a low risk environment which is analogous with climbing a stair. The second part of the strategy is to protect the money once it is made, which is similar to pausing on the landing. Then we repeat the process of climbing the stairs. This is unlike many managers that make a profit and give back some of those gains when the market declines.

MCS provides two services to our clients. Many managers make money when their respective asset class increases in value, but they do not have an avenue to protect that money. MCS provides that protection by routinely realizing profits. There are other managers that invest in tactical asset classes but they do not employ an all-in or all-out type of strategy. They could be 40% in equities, 60% in cash and shift those percentages around. The MCS strategy is allowed to go to 100% cash, or the lowest risk asset class, when market risk is high. Our approach produces an acceptable risk/return ratio and limits market, systemic, geopolitical and other risks.

Would you go into some additional detail about your algorithms and research?

Our investment process uses fundamental and technical analysis, combined with the economic indicators to determine the asset allocation and selection of ETFs. This process uses algorithms which quantify our confidence in attaining our goal. Although we primarily look at broad based tactical investments, MCS can use the entire ETF universe which includes any market capitalization, country, sector, bonds, commodity or currencies to achieve our goal. The weighting of an investment in the portfolio is dependent on our evaluation of its risk/reward profile. When making tactical investments, usually 50% of the portfolio is invested in a broad based ETF such as S&P 500 (SPY) or Midcap 400 (MDY).

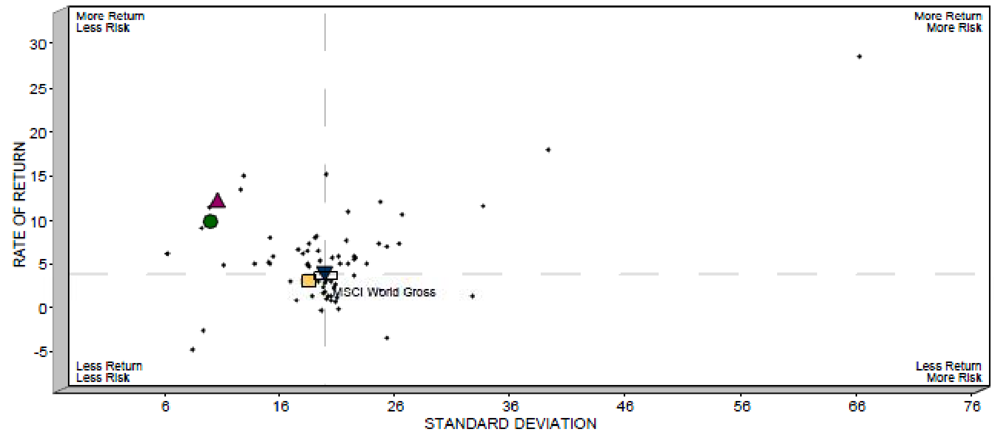
In our three step process, we start with the charts and technical indicators for confirmation of inflection points and/or oversold indicators. If there is an area that looks interesting we proceed to the fundamentals. There are 26 fundamental indicators that are the core of the MCS algorithm. The two primary fundamental indicators are revenue and earnings. The weightings of each of these indicators can be changed depending on circumstances. Once an investment is identified, we look at the top 15 and bottom 15 constituents in each ETF. If the fundamental algorithm is positive we then move to the economic influences that are relevant and most likely to impact the particular segment or sector we have chosen for investment. We then affirm or re-weight the algorithm and run the formula for risk assessment. If everything is positive, we make a decision to invest consistent with those risk rankings. Some of our economic indicators that are used to determine a favorable, low risk environment include GDP, CPI, PPI, and employment. Our algorithms produce a mathematical calculation indicative of a confidence level of one to 100. We are looking for a 90% or greater confidence factor to make tactical investments at any point in time.

The sell decision is the inverse of the buy decision. Exit signals also include technical indicators forming a top, relative strength deteriorating, or the end of the earning's season. We will exit the market if there is an unexpected negative material news event regardless of our return.

Would you please define risk?

Risk occurs when general market pressure causes

METROPOLITAN CAPITAL STRATEGIES, LLC
TOTAL RISK REWARD
PSN GLOBAL EQUITY UNIVERSE
DECEMBER 31, 2005 TO DECEMBER 31, 2010



	ROR	Std Dev Pop	Alpha	Beta
MCS - Tactical Growth (Net)	11.35	9.92	9.19	0.11
MCS - Tactical Moderate (Net)	9.16	9.18	7.01	0.10
Standard & Poor's 500	2.29	17.67	-0.70	0.90
MSCI World Gross	2.99	19.23	0.00	1.00

Source: PSN Informa. Past performance is no guarantee of future results. Investments may lose value. Results presented include reinvestment of all dividends and other earnings. Metropolitan Capital Strategies, LLC (MCS) claims compliance with the Global Investment Performance Standards (GIPS®). Compliance with GIPS® has been verified for the periods May 1, 2007 through May 31, 2008 by Cohen Fund Audit Services and for periods June 1, 2008 through June 30, 2010 by Ashland Partners & Co, LLP. MCS is a registered investment adviser established in 2007. MCS manages a variety of equity assets for primarily U.S. retail clients. The Tactical Growth strategy primarily involves purchasing and selling Exchange Traded Funds ("ETF's") along with writing covered and uncovered put and call options, coupled with risk management techniques. Financial derivatives, or option contracts, allow clients to generate income that is intended to offset fees, increase account value, and limit downside potential in a specific underlying investment. There are special risks associated with uncovered option writing, which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions. Cash positions and options are employed continually throughout the year. The Tactical Moderate strategy primarily involves purchasing and selling Exchange Traded Funds coupled with risk management techniques. The Company intends to buy and sell securities on behalf of its clients on a short-term basis, generally at least every few months. The composites were created on May 1, 2007. Returns prior to composite creation are those from a previous firm and have been linked to current firm performance. Prior firm returns have been reduced by transaction costs only. The Composites include MCS discretionary accounts consistent with the investment strategy noted above. Composite returns calculated in US dollars are presented net and gross of investment management fees and wrap fees. Gross returns are pure gross and considered supplemental to the net returns because they are not reduced by the transaction costs. Information regarding policies for calculating and reporting returns is available upon request. To receive a complete list and description of MCS investment composites and/or a presentation that adheres to GIPS standards, contact Cheryl Parrish at 571-379-8585, or email [illegible]. Effective January 1, 2010, MCS compares its composite performance to the performance of the MSCI World (Gross) Index ("MSCI World"). The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. For periods prior to December 31, 2009 the S&P 500 Index is used for comparison purposes. The S&P 500 Index consists of 500 US stocks chosen for the market size, liquidity and industry group representation. The benchmark was changed to more accurately reflect the strategy of the composite. Tactical Growth Composite net annual returns compared to the MSCI World Index are as follows, 2010: 23.68% vs 12.34%, 2009: -2.85% vs 30.79%, 2008: -0.15% vs -40.33%, 2007: 21.73% vs 9.57%, 2006: 17.19% vs 20.65%, 9/30/05-12/31/05: 6.88% vs 3.16%. Tactical Moderate Composite net annual returns compared to the MSCI World Index are as follows, 2010: 20.28% vs 12.34%, 2009: -2.76% vs 30.79%, 2008: 0.79% vs -40.33%, 2007: 18.83% vs 9.57%, 2006: 10.60% vs 20.65%, 9/30/05-12/31/05: 2.06% vs 3.16%.

the value of an investment to fluctuate. MCS manages portfolio risk by moving the entire portfolio to the lowest risk asset class when we cannot identify upward moves in which we are confident. Please note you will see MCS in the most northwest quadrant of the risk return scatter gram.

What is your maximum drawdown over the past five years?

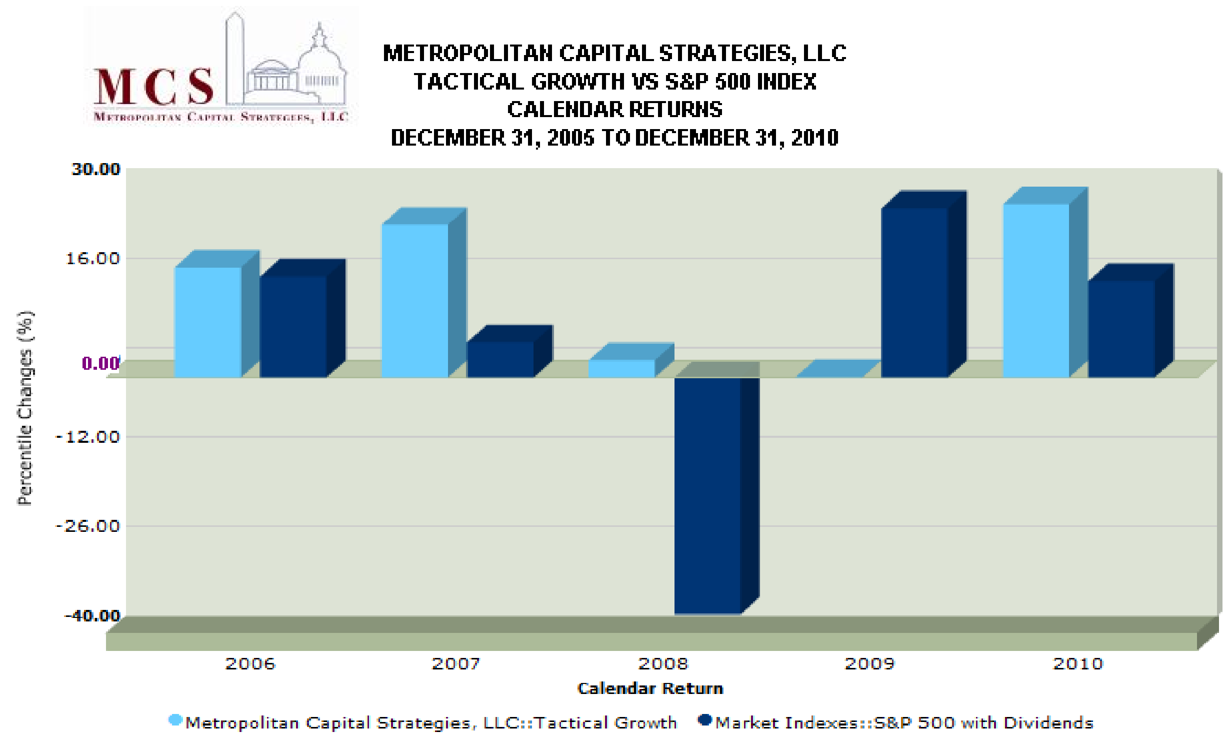
We strive for drawdowns of zero or close to zero. As of 12/31/2010, our maximum drawdown has been -3.5%. Our approach minimizes market, political, systemic, economic and currency risk as compared to a strategy that must be fully invested at all times. We believe that the difficulty for many money managers, (including other tactical managers) is their restraint of flexibility to use cash equivalents for extended periods of time. This restriction does not allow a manager the ability to truly minimize portfolio risk when confidence in the market is low.

Your strategy is very risk adverse, yet you have extremely good returns-help the readers understand your risk management?

Thank you. Our returns of 100% over the past five years support our approach. MCS adheres strictly to the guidelines that there must be a 90%+ confidence factor with a 10% - 20+% potential return prior to investing. Once this appreciation is achieved and confidence in a continued rise falls below 90%, we move to the lowest risk asset class to protect the gains in the portfolio. We then research the next opportunity to earn double digit returns. We will also exit the market if there is an unexpected negative material news event regardless of our return. We define portfolio risk as the inverse of our confidence in achieving our return. The core of the value we add to a portfolio is the assessment of our confidence in a 10% to 20% upward move in a segment or segments of the world markets.

Why is MCS only in the market approximately 50% of the time if you can go anywhere at any point in time?

That's a great question and the simple answer is risk. There is inherent risk in all investments, including bonds. Many people have still not recovered all their losses from the stock market, housing market, and technology market since these



Past Performance does not guarantee future returns. Performance shown gross of fees.

Company	Product	2006	2007	2008	2009	2010
Metropolitan Capital Strategies, LLC	Tactical Growth	17.19	23.90	2.66	0.04	27.13
Market Indexes	S&P 500 with Dividends	15.81	5.50	-37.00	26.47	15.10

assets peaked, some back in 2000! Currently interest rate risk and geopolitical risk are concerns of many investors. While exit strategies can be difficult to adhere to during a market rise, we believe exit strategies should be a part of every investment plan.

When corrections in asset classes occur, they are usually swift and profits can be evaporated quickly. By investing with MCS over a full five year investment cycle, investors can make money when the risk is low and protect those gains during times of uncertainty. Investing is longer term in nature, and one needs to have specific goals when committing money to an investment. MCS is looking to achieve a 10 – 20+% upside return when we invest in the market. It is not our intention to go into an investment for a small return, or move in and out of asset classes often. We wait patiently for the opportunity to earn profit, and then keep it. Our objectives are protection of principal, risk management, loss avoidance and capital appreciation.

What is the biggest benefit to investors with your strategy?

The benefit is twofold. A 15% annualized return over a five year time period with the emphasis placed on managing risk. We do not want our clients to wake up to find overnight events have caused their portfolios to be devastated. Being fully invested in many asset classes exposes investments to systemic events. This can be seen today, February 2011, with the events currently unfolding in Egypt. The conflict may escalate and the overseas markets, as well as the US markets, could react negatively; or the uprising may be settled with little damage to the markets. The MCS approach minimizes risk without sacrificing return. Please look at the risk/return chart attached which illustrates our method.

Anything else you would like to add?

Looking ahead, MCS is confident of 10 - 20+% upside returns with high confidence in the following areas: the broad based US market, possibly US midcaps and the S&P 500, emerging markets, bond market (perhaps using inverse ETFs), possibly commodities and currencies as well. We expect to continue meeting our goal of 15% annualized over five year time periods with low risk. Over five years, a 15% annualized return would double the value of a portfolio.

Who are the principals of the firm?

David A. Schombert received his B.S. in Finance from George Mason University in 1975. Mr. Schombert began his career in finance as a financial risk analyst evaluating risk-reward on major contracts for Fortune 500 Companies. After 20 years in the private sector, Dave continued his career for 11 successful years as a Vice President of Private Client Wealth Management for the Smith Barney division of CitiGroup Global Markets, Inc. During his tenure in the financial arena, Dave developed a tactical and quantitative investment philosophy that set him apart from the standard investment approach. Dave is the Founder, President and CIO of Metropolitan Capital Strategies where he now uses his unique philosophy to manage its portfolios which are made up of two strategies, Tactical Growth and Tactical Moderate. He has shared his expertise as part of a panel speaking about Risk at the Opal Emerging Manager Summit in May 2010 and has been on camera for Business News Network discussing the MCS investment strategy. Dave resides in Fairfax, VA with his wife, Gail.

Sharon Snow, Chief Executive Officer, comes to MCS after a very successful career in Private Client Wealth Management with Citigroup Global Markets, Inc., Smith Barney. Prior to receiving her B.S. in Business Management from the University of Maryland, Sharon owned several different corporations. She now utilizes her business expertise at MCS as CEO, assisting Dave with the trading strategy and working with the investment professionals that utilize MCS as a money manager for their clients. She is a CFA Level I candidate. Involved in leadership and community roles, Sharon has held several board positions and received various recognitions at Smith Barney. Her current philanthropic passions are Multiple Sclerosis, Autism and a Women's Transitional Homeless shelter called B.A.R.N. located in Northern Virginia. She has been quoted in numerous investment publications including The Street.com, Investment News, The Wall Street Transcript, Dow Jones, Investment Manager Weekly and Emerging Manager Monthly. Sharon is a mother of three, and lives in Haymarket, VA with her husband Dan.

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