

Grail Advisors

Grail McDonnell Intermediate Municipal Bond ETF [GMMB]

Investment Objective ■

High level of current tax-exempt income and higher risk-adjusted returns relative to its benchmark.

Fund Strategy ■

The ETF typically invests in municipal securities and will invest, under normal market conditions, primarily in tax-exempt general obligation, revenue and private activity bonds and notes, which are issued by or on behalf of states, territories or possessions of the U.S. and the District of Columbia and their political subdivisions, agencies and instrumentalities.

Investment Style ■

The McDonnell municipal bond team adheres to a time-tested, total return investment philosophy. The investment team seeks to reduce the Fund's exposure to interest rate risk by limiting dependence on market timing by controlling the interest rate sensitivity (i.e. duration) of the portfolio relative to the benchmark—the Barclays 3-15 year Municipal Bond index.

McDonnell employs a conservative approach to actively managed fixed income portfolios. The investment team seeks to outperform the Fund's stated risk tolerance/benchmark by identifying opportunities among states, sectors, securities, and exploiting the changing shape of the yield curve. Fundamental credit analysis is an integral part of the portfolio strategy. Credit analysts and portfolio managers participate in regular discussions of trends and opportunities in making state, sector, yield curve and security selection decisions.

Fund Data ■

Cusip	384742 706
Fund Trading Symbol	GMMB
Inception Date	1/29/10
IOPV ¹ Symbol	GMMB.IV
Benchmark	Barclays 3-15 Year National Municipal Bond Index*
Stock Exchange	NYSE Arca
Net Expense Ratio	0.35%
Total Expense Ratio	0.58%
Regional Allocation	100% United States
Dividend Frequency	Monthly

Statistics ■

Average Effective Duration (yrs):	6.35
Average Maturity (yrs):	8.13
Average Coupon:	4.90
30-Day SEC Yield	2.95

disseminated by the stock exchange that approximates the Fund's NAV every 15 seconds throughout the trading day.

¹ Holdings are subject to change.

Daily holdings are available at www.grailadvisors.com.

Quality Distribution** ■

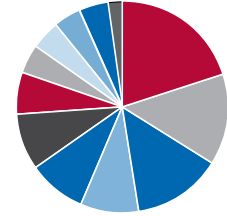
As of June 30, 2010

■ S&P ■ Moody's ■ Treasury

Treasury	4.28% / 4.28%
AAA/Aaa	13.52% / 0.00%
AA+/Aa1	0.00% / 4.49%
AA/Aa2	13.45% / 4.60%
AA-/Aa3	27.82% / 42.84%
A+/A1	30.38% / 15.29%
A/A2	4.30% / 4.28%
BBB+/Baa1	4.09% / 0.00%
Unrated/Other	2.17% / 24.21%

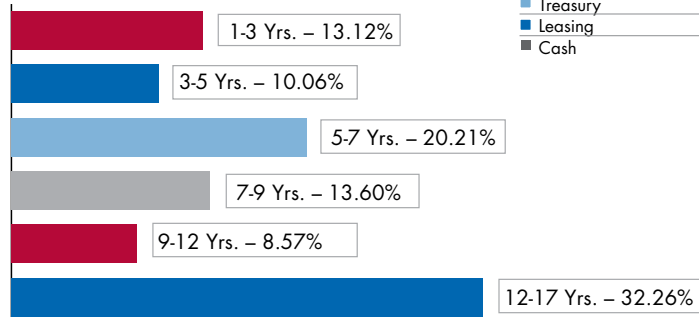
Sector Allocation ■

As of June 30, 2010



Transportation	20.16%
Hospital	13.86%
Local Gen Obligations	13.57%
Prerefunded	9.06%
Electric	8.70%
Education	8.70%
Water & Sewer	6.41%
Industrial Revenue	4.48%
Special Tax	4.34%
Treasury	4.28%
Leasing	4.27%
Cash	2.17%

Maturity Distribution ■



Top Ten Holdings ^ ■

CHARLOTTE REV BDS 7/1/16	6.74%
SAN DIEGO CALI 05/15/2024	6.47%
SOUTH MIAMI FL 08/15/2014	5.47%
NEW YORK ST TW 03/15/2018	4.64%
NEW JERSEY STA 12/15/2015	4.59%
NEW YORK NY GO BDS 8/1/15	4.58%
NORTH SLOPE BO 06/30/2017	4.55%
IPS MULTI-SCH 01/15/2017	4.54%
ALASKA MUNI 5% 04/01/2019	4.49%
HARRIS CNTY TE 08/15/2022	4.44%

Performance ■ As of June 30, 2010

	One Month	Three Months	Since Inception**
Total Returns (Net Asset Value)	0.30%	2.13%	2.53%
Total Returns (Market)	1.04%	2.32%	2.49%
Barclays 3-15 Yr National Muni Index	0.22%	2.02%	2.48%

The performance data quoted above represents past performance. Past performance is not a guarantee of future results. Investment return and value of the Fund shares will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost. Performance may be lower or higher than performance data quoted. Fund performance current to the most recent month-end is available by calling (415) 677-5870 or by visiting www.grailadvisors.com. Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00pm net asset value (NAV). Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the NYSE. Market price returns do not represent the returns you would receive if you traded shares at other times.

Portfolio Managers ■

Steve Wlodarski, CFA – Managing Director, Municipal Portfolio Management, has been responsible for the ETFs since 2009 and has been associated with McDonnell since 2001.

James Grabovac, CFA – Vice President, Senior Portfolio Manager, has been responsible for the ETFs since 2009 and has been associated with McDonnell since 2002.

Dawn Daggy-Mangerson – Vice President, Senior Portfolio Manager, has been responsible for the ETFs since 2009 and has been associated with McDonnell since 2006. Prior to joining McDonnell, Ms. Daggy-Mangerson served as Managing Director and Fixed Income Portfolio Manager at ABN AMRO/Chicago Capital Management, beginning in 2000.

Lawrence Jones – Portfolio Manager, has been responsible for the ETFs since 2009 and has been associated with McDonnell since 2001.

Disclosure

Material must be preceded or accompanied by a Prospectus.

Grail McDonnell Intermediate Municipal Bond ETF is subject to market risk and potential loss of the principal amount invested.

* Barclays Capital 3-15 Year Blend Municipal Bond Index, an unmanaged index, is a market value-weighted index of investment grade fixed-rate municipal bonds with maturities of 2-17 years. The index is frequently used as a general performance measure of tax-exempt bonds with intermediate maturities. The index reflects reinvestment of all distributions and changes in market prices. You cannot invest directly in an index.

**The quality distribution chart is based on Moody's and Standard & Poor's credit ratings as of 6/30/10. The fund itself has not been rated by an independent credit rating agency. Data is subject to change.

*** Fund inception date is 1/29/10.

The Fund is new and has limited operating history.

Grail McDonnell Intermediate Municipal Bond ETF is distributed by ALPS Distributors, Inc.

ALPS is not affiliated with McDonnell Investment Management.

About Grail Advisors LLC ■

Grail Advisors is a San Francisco-based investment advisor created specifically to build and distribute Actively-Managed Exchange Traded Funds to the global investment community. Known as an innovator in the marketplace, Grail combines the features of the ETF format with the experience of established active investment managers traditionally found in mutual funds and separate accounts.

About McDonnell Investment Management, LLC ■

McDonnell Investment Management, LLC ("McDonnell") is an independent registered investment adviser providing customized investment management services for institutions, private clients, mutual fund companies and private investment funds. The firm specializes in fixed income investment management, offering both investment grade taxable and tax-exempt strategies and below investment grade strategies using separate accounts, structured products and other private investment vehicles. McDonnell is 100% employee owned and its interests are directly aligned with client satisfaction. The firm places strong emphasis on credit research and risk management, utilizing an integrated investment team approach and a progressive technology platform.

Rates may fluctuate daily. The exact characteristics and security selection of a portfolio designed to meet a client's specific investment objectives will change and could be materially different depending on prevailing economic or market conditions at the time of implementation. The characteristics set forth do not reflect the deduction of advisory fees, transaction costs, and other expenses that a client would pay. Further they will be impacted by the reinvestment of dividends, market value changes, and/or other earnings.

The securities listed do not represent either investment advice or legal opinions. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time a client receives this report. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable. Any securities listed herein are not intended to reflect past specific recommendations or investment decisions of McDonnell.

Shares are not individually redeemable. Investors buy and sell shares on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund(s), typically in blocks of 50,000 shares.

There are risks involved with investing including possible loss of principal. The ETFs will be actively managed and the Shares may trade above or below their net asset value. The trading price of Shares may deviate significantly from net asset value during periods of market volatility. Shares will not be FDIC insured, may lose value and will have no bank guarantee.

The views expressed by McDonnell Investment Management are as of the date of compilation of this information, and are subject to change without notice. There are no assurances that any predicted results discussed herein will actually occur.

Definitions

AAA/Aaa: Bonds of the highest quality that offer the lowest degree of investment risk.

AA+/AA/AA-/Aa1/Aa2/Aa3: Bonds are of high quality by all standards, but carry a slightly greater degree of long-term investment risk.

A+/A/A-/A1/A2/A3: Bonds with many positive investment qualities.

BBB+/BBB/BBB-/Baa1/Baa2/Baa3: Bonds of medium grade quality. Security currently appears sufficient, but may be unreliable over the long term.

Treasury: United States Treasury Bond. The Treasury Bond is issued by the U.S. government and backed by its full faith and credit.