

Grail Advisors

Investment Objective ■

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

Fund Strategy ■

The ETF invests primarily in taxable investment grade securities, including securities issued by the U.S. Government, its agencies and instrumentalities, mortgage-backed and other asset-backed securities, corporate obligations, and municipal securities.

Investment Style ■

The McDonnell taxable 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 Capital Aggregate 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 sectors and 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 sector, yield curve and security selection decisions.

Fund Data ■

Cusip	384742 805
Fund Trading Symbol	GMTB
Inception Date	1/29/10
IOPV ¹ Symbol	GMTB.IV
Benchmark	Barclays Aggregate 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):	4.35
Average Maturity (yrs):	6.49
Average Coupon:	5.14
30-Day SEC Yield	3.87

¹IOPV, or Indicative Optimized Portfolio Value: A calculation disseminated by the stock exchange that approximates the Fund's NAV every 15 seconds throughout the trading day.

* Holdings are subject to change.

Daily holdings are available at www.grailadvisors.com.

Grail McDonnell Core Taxable Bond ETF [GMTB]

Quality Distribution** ■

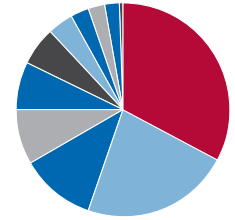
As of June 30, 2010

■ S&P ■ Moody's ■ Agency/Treasury

Agency	49.64%	/	49.64%
Treasury	14.59%	/	14.59%
AAA/Aaa	6.30%	/	6.30%
AA+/Aa1	0.85%	/	0.00%
AA/Aa2	0.62%	/	1.45%
A+/A1	1.45%	/	2.91%
A/A2	6.03%	/	3.08%
A-/A3	2.44%	/	4.61%
BBB+/Baa1	3.04%	/	2.93%
BBB/Baa2	4.38%	/	3.81%
BBB-/Baa3	4.36%	/	3.37%
BB+/Ba1	1.86%	/	3.90%
BB/Ba2	1.03%	/	0.00%
Unrated/Other	3.41%	/	3.41%

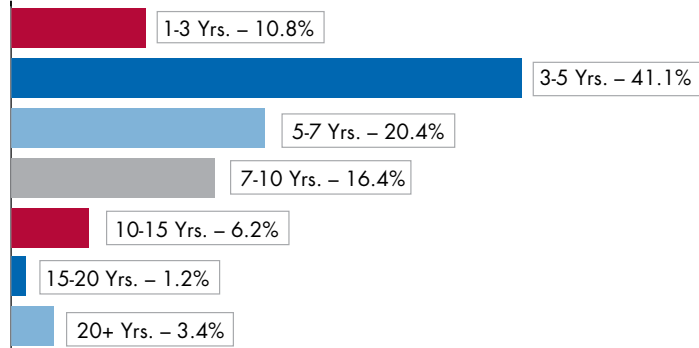
Sector Allocation ■

As of June 30, 2010



■ Mortgage Backed Securities	32.79%
■ Corporate Bonds	22.72%
■ Agency CMO	11.21%
■ US Treasury	8.49%
■ Asset Backed Securities	7.03%
■ US Treasury TIPS	6.04%
■ US Govt Agency	3.85%
■ Mutual Funds	2.85%
■ Foreign Bonds	2.42%
■ Municipals	2.10%
■ Cash	0.50%

Maturity Distribution ■



Top Ten Holdings ^ ■

FGLMC 5.0 02/01/40 A91180	7.80%
FNCL 4.5% 8/1/39 935533	7.24%
FGLMC 6.5 5/1/2035 A34902	6.38%
US T-NOTE 6.25% 8/15/2023	5.05%
FNR 2010-9 EA 1/25/2024	3.87%
FGLMC 6.0 10/01/38 G04713	3.35%
US TREASURY 02/15/2017	3.34%
TSY INFL IX 1.625 1/15/18	3.12%
GOVERNMENT NAT 06/16/2032	2.19%
GOVERNMENT NAT 03/16/2032	2.06%

Performance ■ As of June 30, 2010

	One Month	Three Months	Since Inception**
Total Returns (Net Asset Value)	1.56%	3.10%	3.79%
Total Returns (Market)	0.91%	2.82%	3.25%
Barclays Capital Aggregate Index	1.57%	3.49%	4.00%

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.

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Portfolio Managers ■

Mark J. Giura – Managing Director, Taxable Portfolio Management, has been responsible for the ETFs since 2009 and has been associated with McDonnell since 2001.

Dirk D. Davis – Vice President, Senior Portfolio Manager, has been responsible for the ETFs since 2009 and has been associated with McDonnell since 2001.

Thomas W. O’Connell – Vice President – Portfolio Manager, has been responsible for the ETFs since 2009 and has been associated with McDonnell since 2005. Prior to joining McDonnell, Mr. O’Connell served as Vice President and Corporate Bond Trader for J.P. Morgan Securities.

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.

Disclosure

Material must be preceded or accompanied by a Prospectus.

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

* Barclays Capital Aggregate Index - is made up of the Barclays Capital U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Based Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million. 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 Core Taxable Bond ETF is distributed by ALPS Distributors, Inc.

ALPS is not affiliated with McDonnell Investment Management.

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.

Agency: The “U.S. Government Agency” (AGY) securities. Agency Securities are backed by the full faith and credit of the U.S. Government, either directly or through a U.S. Government Agency.

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

BB+/BB, BB-/Ba1/Ba2/Ba3: Bonds with speculative fundamentals. The security of future payments is only moderate.

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