

# Grail Advisors

## Grail American Beacon Large Cap Value ETF [GVT]

### Investment Objective ■

Long-term capital appreciation and current income.

### Fund Strategy ■

This actively managed exchange traded fund seeks to achieve its objective primarily through investment in U.S. companies with market capitalizations similar to the market capitalization of the companies in the Russell 1000® Value Index at the time of investment.

### Investment Style ■

The Fund's value style emphasizes securities that the sub-advisors believe: have below-average projected price to earnings or price to cash flow ratios, exhibit below-average price to book value ratios, generate above-average dividend yields, and have above-average return on equity or earnings growth potential.

### Fund Data ■

Cusip	384742 102
Fund Trading Symbol	GVT
Inception Date	5/4/09
IOPV Symbol	GVT.IV
Benchmark	Russell 1000 Value Index
Stock Exchange	NYSE Arca
Net Expense Ratio	0.79%*
Total Expense Ratio	0.85%
Regional Allocation	100% United States

### Statistics ■

Price-to-Earnings Ratio (P/E)	13.95
Price-to-Book Ratio (P/B)	2.30
Weighted Average Market Cap	\$65.8b
5 Year Earnings Growth	6.09%

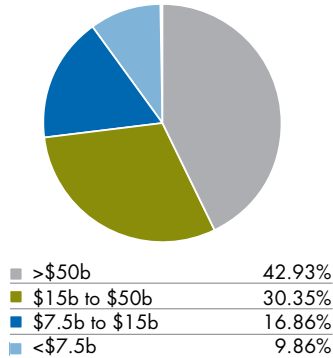
\*The Manager has contractually agreed to reduce its fees and/or reimburse ETF expenses (excluding interest, taxes, brokerage commissions, Acquired Fund Fees and Expenses, and extraordinary expenses) in order to limit Net Annual Operating Expenses for shares of the ETF to 0.79% of the ETF's average net assets ("Expense Cap"). The Expense Cap will remain in effect until at least February 28, 2011. The Manager may recoup fees reduced or expenses reimbursed at any time within three years from the year such expenses were incurred, so long as the repayment does not cause the Expense Cap to be exceeded.

^ As of 6/30/10. Holdings are subject to change.

Daily holdings are available at [www.grailadvisors.com](http://www.grailadvisors.com).

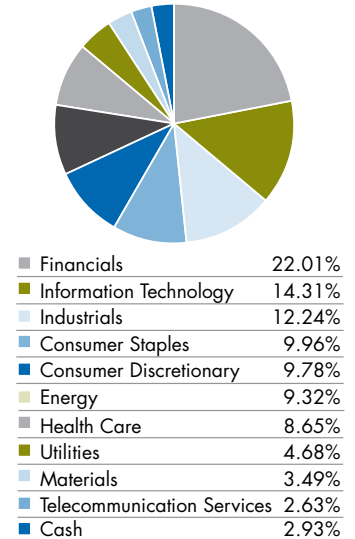
### Market Capitalization ■

As of June 30, 2010



### Sector Breakdown ■

As of June 30, 2010



### Equity Allocation ■



### Top Ten Fund Holdings^ ■

ConocoPhillips	3.66%
JPMorgan Chase & Co.	3.56%
Bank of America Corp.	3.18%
Vodafone Group PLC	2.63%
International Business Machines Corp	2.63%
Eli Lilly & Co.	1.83%
Wells Fargo & Co.	1.72%
Merck & Co, Inc.	1.58%
Royal Dutch Shell PLC	1.57%
The Boeing Co.	1.54%

### Performance ■ As of June 30, 2010

	One Month	Three Months	YTD	Since Inception <sup>†</sup>
Total Returns (Net Asset Value)	-5.08%	-10.91%	-4.21%	20.09%
Total Returns (Market)	-5.06%	-10.94%	-4.31%	20.04%
Russell 1000® Value Index**	-5.63%	-11.15%	-5.12%	19.24%
Lipper Large-Cap Value Funds Index***	-5.35%	-12.17%	-7.13%	19.85%

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](http://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. The Russell 1000 Value Index since inception return uses 5/4/09 as the period begin date. The Lipper Large-Cap Value Funds Index since inception return uses 5/1/09 as the period begin date.

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### Fund Sub-Advisors ■

*Brandywine Global Investment Management, LLC*, Philadelphia, Pennsylvania, believes that companies with the lowest stock prices relative to current earnings, book value and cash flow provide superior returns over market cycles. They combine the success of value investing with an emphasis on buying leading companies with strong management, solid financial positions, and favorable earnings prospects.

*Hotchkis and Wiley Capital Management, LLC*, Los Angeles, California, believes that a value approach can provide superior long-term performance with below-average volatility. Investor psychology can lead to irrational decisions resulting in the mispricing of stocks. Hotchkis and Wiley strives to exploit these opportunities by employing disciplined purchase and sell criteria, rigorous in-house fundamental research and a bottom-up stock selection process with emphasis on tangible valuation support.

*Metropolitan West Capital Management, LLC*, Newport Beach, California, identifies the stocks of high-quality, growing businesses that are selling at a discount to their "intrinsic" or true value. MetWest Capital's investment professionals examine each company from top to bottom, as if they were buying the whole firm. They look beyond the balance sheet and income statement for hidden assets. They focus only on high-quality businesses that have financial strength, capable, proven and properly motivated managements and improving business fundamentals.

### Disclosure

**An investor should consider investment objectives, risks, charges and expenses carefully before investing. The Prospectus contains this and other information. For more complete information about the Grail American Beacon Large Cap Value ETF or to obtain a Prospectus, call 415-677-5870 or visit [www.grailadvisors.com](http://www.grailadvisors.com). Please read the Prospectus carefully before investing.**

**Grail American Beacon Large Cap Value ETF is subject to market risk and potential loss of the principal amount invested.**

† Fund inception date is 5/4/09.

\*\* The Russell 1000® Value Index is an unmanaged index of those stocks in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth

### Differences in Sub-Advisors Investment Process ■

#### Brandywine

- Market Cap: Greater than \$1 billion
- 60% of companies in portfolio must have market cap greater than \$5 billion
- Substantially undervalued P/E, P/B, price-to-cash flow or other current valuation basis

#### Hotchkis and Wiley

- Market Cap: Greater than \$1 billion
- Earnings yield (earnings/price)
- Payout yield (dividends plus stock buybacks)
- Financial strength

#### Metropolitan West

- Market Cap: Typically greater than \$2 billion
- High-quality businesses in each economic sector
- Focus on qualitative as well as quantitative measures

### Management Breakdown



 Hotchkis and Wiley Capital Management 36.23%

 Metropolitan West Capital Management, LLC 32.03%

 Brandywine GLOBAL 31.74%

values. The Russell 1000 and Russell 1000 Value Indices are registered trademarks of Frank Russell Company. An investor cannot invest directly in an index.

\*\*\* The Lipper Large-Cap Value Funds Index tracks the results of the 30 largest mutual funds in the Lipper Large-Cap Value Funds category. Lipper is an independent mutual fund research and ranking service.

The Fund is new and has limited operating history.

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.

Grail American Beacon Large Cap Value ETF is distributed by ALPS Distributors, Inc.

ALPS is not affiliated with with the mentioned entities - Brandywine, Hotchkis, and MetWest.

### Definitions

**P/E Ratio:** A valuation ratio of a company's current share price compared to its per-share earnings. The P/E ratio of the fund is calculated as the weighted average of the P/E ratios of all the stocks in the fund's portfolio. Stocks with negative P/E ratios are excluded from this calculation.

**P/B Ratio:** A ratio used to compare a stock's market value to its book value. Book value is simply total assets minus intangible assets and liabilities.

The P/B ratio of the fund is calculated as the weighted average of the P/B ratios of all the stocks in the fund's portfolio. Stocks with negative P/B ratios are excluded from this calculation.

**IOPV, 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.