

## GRAIL ADVISORS ISSUES WHITE PAPER ON EXCHANGE-TRADED BOND FUNDS

**SAN FRANCISCO – April 20, 2010** – Grail Advisors, a leader in the development and distribution of actively-managed Exchange Traded Funds (ETFs), today announced the firm has issued a white paper on Fixed Income ETFs and the state of the ETF marketplace.

The paper—“Fixed Income ETFs – Bonds Get to Work”—provides a backdrop on the use of fixed-income ETF securities as well as an analysis of the funds’ evolution. Most importantly, the paper looks forward to development possibilities for the ETF industry, including the expanding marketplace for actively-managed ETFs.

“Given the sheer numbers of folks coming to the retirement market in the next several years, it’s reasonable to think the demand for income and sensible fixed-income investments will expand,” said William M. Thomas, CEO of Grail Advisors LLC. “Investors need to be aware of the opportunities and investment vehicles across all asset classes as they seek the best strategies for their unique situations.”

The paper notes that while bond ETFs haven’t gained as much attention as equity ETFs, growth in the absolute numbers and assets of fixed-income ETFs has been impressive. At the end of the third quarter 2009, TrimTabs Investment Research reports that assets invested in the fixed-income piece of the ETF market stood at around \$91 billion, a 59% increase from a year earlier.

The Grail Advisors paper outlines five specific uses for bond ETFs as part of a broad investment strategy:

- “Bondetizing” cash,
- Managing cash flows,
- Diversifying credit exposure,
- Filling gaps or taking active views on sectors, and
- Shorting or hedging index exposure.

“The paper outlines why some managers, advisors, and investors are increasingly moving out of traditional mutual funds and in to ETFs,” said Thomas. “We’re not at all surprised to see the impressive growth of worldwide ETF assets.”

To receive a copy of Fixed Income ETFs – Bonds Get to Work”, call Grail Advisors at **(415) 677-5870**, or email [cchappell@grailadvisors.com](mailto:cchappell@grailadvisors.com).

In 2010, Grail Advisors launched two fixed-income products with McDonnell Investment Management, the Grail McDonnell Core Taxable Bond ETF (GMTB) and the Grail McDonnell Intermediate Municipal Bond ETF (GMMB). In 2009, the firm launched the market’s first ETF to use traditional active manage-

ment, the Grail American Beacon Large Cap Value ETF (GVT), and the industry’s first actively-managed ETFs using a single-manager approach, RP Growth ETF (RPX), RP Focused Large Cap Growth ETF (RWG), RP Technology ETF (RPQ), and RP Financials ETF (RFF).

#### *About Grail Advisors LLC*

Grail Advisors LLC, an innovator in the creation and distribution of actively managed Exchange Traded Funds, partners with established asset managers, distributors, and related financial institutions to design and deliver actively managed ETFs. Grail Advisors was created to deliver ETFs using fully disclosed active portfolio management to the global investment community.

*William M. Thomas is a registered representative of ALPS Distributors, Inc.*

*Ordinary brokerage fees apply. Frequent trading of ETFs could significantly increase commissions and other costs which could offset any savings from lower fees.*

**Shares are not individually redeemable. Investors buy and sell shares on a secondary market. Only market makers and “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 Grail ETFs are 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 are not FDIC insured, may lose value, and will have no bank guarantee.*

*Investors in any bond fund are subject to fluctuations in price due to issuer and credit quality, rising interest rates, inflation and call risks associated with the underlying bonds owned by the fund.*

**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 ETFs or to obtain a Prospectus, call 415-677-5870. Please read the Prospectus carefully before investing.**

*ALPS Distributors, Inc. is not affiliated with McDonnell Investment Management.*

*The Grail ETFs are distributed by ALPS Distributors, Inc.*

###