



## Wrap Fee Program

This brochure provides clients with information about Vision Investment Advisors, LLC that should be considered before becoming a client of Vision Investment Advisors' Wrap Fee Program. This information has not been approved or verified by any governmental authority.

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## Description of Wrap Fee Program and Fees

### The Wrap Fee Program

Vision Investment Advisors, LLC (“Vision Advisors”) offers a wrap fee program (“Program”) to all new clients who open a Vision Advisors account on or after May 8, 2003. The wrap fee program option is not available to those clients who opened Vision Advisors accounts prior to May 8, 2003. Under the Program, Vision Advisors offers clients discretionary investment advice based on a client’s investment objectives and risk tolerances, along with brokerage, custodial and administrative services for a single asset-based fee. Occasionally, if requested by a client, Vision Advisors may provide investment advice on a non-discretionary basis.

### Investment Portfolios

Vision Advisors provides discretionary advisory services in equity, balanced, dividend and fixed income portfolios to individual and institutional investors. A Vision Advisors’ client may establish an account in one or more of its investment portfolios, each of which consists of accounts with similar investment objectives, portfolio construction, market exposure and risk tolerance. These portfolios offer the investor several choices consistent with a fundamental objective of long-term capital appreciation. Occasionally, if requested by a client, Vision Advisors may provide investment advice on a non-discretionary basis.

### The Equity Portfolio (The E-Portfolio)

Vision Advisors’ principal objective in its equity portfolio is to provide returns from a diversified group of large cap growth companies that outpace the S&P 500 Composite Stock Price Index over a broad market cycle. Vision Advisors strongly believes that a select number of quality stocks which fit the investment characteristics displayed by seasoned companies poised for further growth are worth owning. Accordingly, the equity portfolio will be primarily comprised of 15 to 30 large cap stocks which exhibit a high level of financial strength coupled with a demonstrated record of substantial growth and with strong prospects for continued growth. A modest sized account generally will incorporate fewer stocks and may be less diversified.

Vision Advisors’ internal research efforts focus on identifying companies that have sustainable revenue (top-line) and earnings (bottom-line) growth, competitive advantages and above-average returns on equity. Vision Advisors employs proprietary screening methods to predict expected revenue and earnings over the next one to two years. Upon identifying a number of issuers, the selection is further narrowed by applying other proprietary investment rules to predict

price earnings ratios and evaluate future price prospects. Final winnowing of the portfolio is made through analysis of an issuer’s quality of management, new product developments, potential for unabated growth, capitalization and other significant factors.

Securities in the equity portfolio may represent several sectors of the economy, but generally will not be concentrated in any one sector or constitute more than 15% in any one issuer. Therefore, this portfolio may have less diversification at times and may be more exposed to sector trends than a fully diversified portfolio. Securities are sold when they are deemed to have reached their maximum level of growth or to make room for securities with more attractive growth potential. Other selling considerations may be deceleration in sales or earnings growth, excessive competition, over-expansion or product pricing weakness.

Vision Advisors also believes that it makes sound economic sense to employ from time to time a strategy of writing covered call positions against some or all of the stocks in the equity portfolio. The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, Vision Advisors works to optimize the trade off between premium income and the potential for future price appreciation. When options are employed, Vision Advisors anticipates that the benefits of premium income received will outweigh the limitation of gains by use of those option contracts. At the same time, the investor receives a measure of downside protection if the price of the stock declines. By means of this option writing program, Vision Advisors will attempt to enhance total returns in the portfolio by judiciously covering the options written and capturing the premium before the underlying stock price increases or decreases by more than the amount of the premium or by letting the options expire worthless (thus keeping 100% of the premium), depending on market conditions.

In addition to covered calls, Vision Advisors may, from time to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less than the number of long shares of stock owned in the account. Please recognize that employing put options to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase the put options), but does provide downside protection against declines in the underlying stocks.

## The Dividend Portfolio (The D-Portfolio)

Visions Advisors' principal objective in its dividend portfolio is to provide returns from a diversified group of companies that have an attractive dividend rate, but still maintain many growth characteristics. Accordingly, the dividend portfolio will be comprised of an appropriate number of mid cap and/or large cap stocks that maintain a targeted minimum dividend yield of at least 2.00% for each stock and exhibit a high level of financial strength coupled with a historical above average return on equity. Mid-cap stocks represent companies that have a total market capitalization of between \$2 billion and \$10 billion dollars. Mid-cap stocks do have a higher risk/reward ratio than large cap stocks. Large-cap stocks represent companies that have a total market capitalization of over \$10 billion dollars. Based upon market conditions, this portfolio may have less diversification at times and may be more exposed to sector trends than a more diversified portfolio.

Vision Advisors employs proprietary screening methods to predict expected revenue and earnings over the next one to two years. Upon identifying a number of issuers, the selection is further narrowed by applying other proprietary investment rules to predict price/earnings ratios and evaluate future price prospects. In addition to financial strength, dividend yield and return on equity, Vision Advisors also examines the dividend payout ratio, the debt/equity ratio and forward looking PE ratios. Finally, we look at companies that also have an established history of buying back their stock and raising their dividend payments. Although certain industries tend to offer higher yielding stocks, the additional factors that we employ tend to screen out many less desirable stocks.

Vision Advisors also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the dividend portfolio. The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, Vision Advisors works to optimize the trade off between premium income and the potential for future price appreciation. When options are employed, Vision Advisors anticipates that the benefits of the premium income received will outweigh the limitation of gains by use of those option contracts. At the same time, the investor receives a measure of downside protection if the price of the underlying stock declines. By means of this option writing program, Vision Advisors will attempt to enhance total returns in the portfolio by judiciously covering the options written and attempting to capture (all or most of) the premium before the options on the underlying stocks become susceptible to a possible assignment.

In addition to covered calls, Vision Advisors may, from time

to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less than the number of long shares of stock owned in the account. Please recognize that employing put options to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase the put options), but does provide downside protection against declines in the underlying stocks.

## The Balanced Portfolio (The B-Portfolio)

The principal objective of the balanced portfolio is to provide a maximum return attainable from a combination of stocks (common and preferred), bonds and the use of cash, cash equivalents or option premium income within prudent risk parameters. The balanced portfolio, which is compared to market benchmarks with a similar composition, seeks to achieve long-term capital appreciation, but with less exposure to the equity markets. The equity portion of the balanced portfolio is managed using the same methods as the accounts in the equity portfolio. Within the fixed income portion, securities are evaluated and selected based upon Vision Advisors' interest rate assumptions, the U.S. Treasury yield curve, credit risk and a number of macro-economic variables that may affect the relative performance of the specific bonds. Fixed income holdings are concentrated in preferred stocks, municipal bonds, callable U.S. Government Agency securities and other debt instruments such as investment grade corporate bonds.

Vision Advisors also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the balanced portfolio. The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, Vision Advisors works to optimize the trade off between premium income and the potential for future price appreciation. When options are employed, Vision Advisors anticipates that the benefits of premium income received will outweigh the limitation of gains by use of those option contracts. At the same time, the investor receives a measure of downside protection if the price of the stock declines. By means of this option writing program, Vision Advisors will attempt to enhance total returns in the portfolio by judiciously covering the options written and capturing the premium before the underlying stock price increases or decreases by more than the amount of the premium or by letting the options expire worthless (thus keeping 100% of the premium), depending on market conditions.

In addition to covered calls, Vision Advisors may, from time to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased

put options may be less than the number of long shares of stock owned in the account. Please recognize that employing put options to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase the put options), but does provide downside protection against declines in the underlying stocks.

### **The Fixed Income Portfolio (The I-Portfolio)**

On the more conservative end of the spectrum, the fixed income portfolio (taxable and non-taxable) seeks to provide returns from municipal bonds, U.S. Government Agency securities and corporate debt. Fixed income securities are selected using the same means as the fixed income segment in the balanced portfolio. The fixed income program seeks to produce total returns over complete market circles that exceed returns that may be expected from random trading and passive management strategies.

The investment methodologies at Vision Advisors have been developed by Howard Rothman, its Chief Investment Officer. Mr. Rothman makes the ultimate investment selections or recommendations and monitors the investment portfolios. Vision Advisors has an internet facility related to its advisory services at <http://www.advicewithvision.com>, which is available to clients. Clients may access their brokerage accounts as well as obtain research and market information at <http://www.visionbrokerageservices.com>.

### **Investment Portfolio Review**

Vision Advisors also will analyze a client's investment portfolio and make investment recommendations regarding asset allocation based on a client's stated investment objectives for an hourly fee. These services are not offered through the wrap fee program. For more information about Investment Portfolio Review services, refer to Vision Advisors' Form ADV, Part II.

## Program Fees

Vision Advisors charges a single asset-based fee for advisory services, which includes the cost of executing securities transactions. Its compensation is based on a combination of a one time asset-based start-up fee and an asset-based management fee. There is no separate charge for brokerage commissions; however, clients normally will be charged any mark-ups or mark-downs with respect to fixed income securities and other fees as described in the section entitled "Brokerage Commissions" on page 6. Wrap fee clients will also incur a \$2.50 charge per transaction when trades are placed in their accounts. This transaction fee is paid directly to Vision Brokerage Services, LLC. The start-up fee is payable on the date the funds are deposited with Vision Financial Markets LLC ("VFM") an SEC-registered broker/dealer and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), pursuant to Vision Advisors' investment advisory agreement. VFM is an affiliate of Vision Advisors. The management fee, set forth in the schedules below, is payable (in arrears) at the end of each calendar quarter based on the total value of the account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the last trading day of the quarter.

If the account starts in the middle of a quarter, the management fee is prorated for the number of days remaining in the quarter. If an account is terminated in the middle of a quarter, the fee will be calculated based on the value of the account on the day of termination, prorated for the number of days in the quarter the account was under management. The management fee is deducted from the account before distribution of account assets to the client.

Although fees may be negotiated in some instances, they are generally based upon the following schedules:

### ASSET-BASED MANAGEMENT FEE:

Equity: E-Portfolio		Balanced: B-Portfolio	
On Amounts	Annual Fee	On Amounts	Annual Fee
\$ 25,001 - \$ 50,000	3.00%	\$ 25,001 - \$ 50,000	2.75%
\$ 50,001 - \$ 100,000	2.75%	\$ 50,001 - \$ 100,000	2.50%
\$ 100,001 - \$ 250,000	2.50%	\$ 100,001 - \$ 250,000	2.25%
\$ 250,001 - \$ 500,000	2.25%	\$ 250,001 - \$ 500,000	2.00%
\$ 500,001 - \$ 750,000	2.00%	\$ 500,001 - \$ 750,000	1.75%
\$ 750,001 - \$ 1,000,000	1.75%	\$ 750,001 - \$ 1,000,000	1.25%
\$1,000,001 - \$ 3,000,000	1.50%	\$1,000,001 - \$ 3,000,000	1.00%
\$3,000,001 - \$ 5,000,000	1.25%	\$3,000,001 - \$ 5,000,000	0.90%
\$5,000,001 - \$10,000,000	1.00%	\$5,000,001 - \$10,000,000	0.80%
Over \$10,000,000	Negotiable	Over \$10,000,000	Negotiable

  

Dividend: D-Portfolio		Fixed Income: I-Portfolio	
On Amounts	Annual Fee	On Amounts	Annual Fee
\$ 25,001 - \$ 50,000	2.50%	\$ 25,001 - \$ 50,000	2.00%
\$ 50,001 - \$ 100,000	2.25%	\$ 50,001 - \$ 100,000	1.75%
\$ 100,001 - \$ 250,000	2.00%	\$ 100,001 - \$ 250,000	1.50%
\$ 250,001 - \$ 500,000	1.75%	\$ 250,001 - \$ 500,000	1.25%
\$ 500,001 - \$ 750,000	1.50%	\$ 500,001 - \$ 750,000	1.00%
\$ 750,001 - \$ 1,000,000	1.25%	\$ 750,001 - \$ 1,000,000	0.90%
\$1,000,001 - \$ 3,000,000	1.00%	\$1,000,001 - \$ 3,000,000	0.80%
\$3,000,001 - \$ 5,000,000	Negotiable	\$3,000,001 - \$ 5,000,000	0.70%
		\$5,000,001 - \$10,000,000	0.60%
		Over \$10,000,000	Negotiable

**Asset-Based Start-up Fee:**

The one time start-up fee for all accounts is based on the following schedule and deducted from the client's account on the day of the initial deposit of the funds to VFM. Start up fees may be reduced in exchange for an additional increment in the management fee. Additional significant deposits in the account may, at the adviser's discretion, incur start-up fees:

<b>On Amounts</b>	<b>Start-Up Fee</b>
\$ 25,000 - \$ 50,000	5.00%
\$ 50,001 - \$ 100,000	4.50%
\$ 100,001 - \$ 250,000	3.50%
\$ 250,001 - \$ 500,000	2.50%
\$ 500,001 - \$ 750,000	1.75%
\$ 750,001 - \$1,000,000	1.00%
\$1,000,001 - \$3,000,000	0.50%
\$3,000,001 - \$5,000,000	0.25%
Over \$ 5,000,000	No Fee

Vision Advisors considers the following factors in negotiating fees: clients with multiple accounts; size of the account; a prior or existing relationship with a Vision Advisors' affiliate; and a client's particular needs or financial characteristics. Because fees may vary, clients with existing accounts may be charged fees which do not match precisely the foregoing fee schedules or the fees paid by other clients.

Generally, 70% to 90% of the wrap fee charged to a client is for advisory services.

Clients should also be aware that Vision Advisors' wrap fees may be higher than normally charged by other investment advisers for comparable services. There may be other investment advisers who can provide comparable types of services at a lower fee rate.

## Brokerage Commissions

In addition to the advisory services provided to clients, the Program's annual fee also includes execution of securities transactions through VFM. Clients are required to establish accounts at Vision Brokerage Services, LLC ("VBS"), a FINRA member affiliated with Vision Advisors. Clients' funds and securities are held at VFM, which clears transactions on a fully-disclosed basis for VBS, which is an affiliate with VFM.

The wrap fee does not include: (i) annual account fees or other administrative fees, such as wire fees, charged by VFM; (ii) underwriting or dealer concessions or related compensation in connection with securities acquired in underwritten offerings; (iii) certain odd-lot differentials, transfer taxes, transaction fees mandated by the Securities Act of 1934, postage and handling fees, and charges imposed by law with regard to transactions in the client's account; and (iv) advisory fees and expenses of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any are held in client's account.

When VBS acts as the client's agent in purchasing securities (except in purchases in underwritten offerings other than for open-end mutual funds), the client should be aware that the annual fee does not cover certain costs associated with securities transactions in the over-the-counter market where VBS must approach a dealer or market maker to purchase or sell the security. Such costs include a mark-up, mark-down or spread and odd lot differentials or transfer taxes imposed by law.

A client may transfer securities into a wrap fee account on which the client previously has paid a brokerage commission or similar fee for the purchase of those securities. The wrap fee will be applied to such securities even though a commission or fee previously has been paid by the client. In some cases, a client may have paid VBS compensation for the purchase of the securities. Prior to effecting such a transfer, the client should consider whether it is appropriate to make such a transfer and should consult Vision Advisors prior to doing so.

Clients should understand that mutual funds or closed-end investment companies purchased for an account may pay VBS a proportionate share of such fees or expenses (i.e., 12b-1 or shareholder servicing fees). However, if VBS receives any such compensation from a mutual fund or other issuer related to a security or other asset that is included in calculating the client's wrap fee, the wrap fee otherwise payable by the client will be reduced by the amount of that compensation. Such reductions normally appear in the account in the calendar quarter after VBS actually receives the

compensation from the issuer. Shareholder servicing or 12b-1 fees or the equivalent received by VBS on assets not held in the wrap fee account will be retained by VBS.

Clients also should be aware that Vision Advisors' exclusive use of VFM may result in the client receiving less favorable execution on some transactions.

In determining whether to establish a Program account, a client should be aware that the overall cost to the client of the Program may be higher or lower than the client might incur by purchasing separately the types of securities available in the Program. To meaningfully compare the cost of the Program with unbundled services, the client should consider the turnover rate in Vision Advisors' investment strategies (described above), trading activity in the account and standard advisory fees and brokerage commissions that would be charged at VFM, or at other broker/dealers and investment advisers. Accordingly, the Program may not be suitable for clients whose accounts have less than a certain number of transactions per year, for clients choosing to have assets of the Program account held in custody by an organization other than VFM, or for clients who simply want to purchase individual securities.

## Proxy Voting

For all client accounts which are not subject to the Employees Retirement Income Security Act ("ERISA"), unless a client directs Vision Advisors in writing to vote proxies pertaining to investments in a client's account, the client should understand that Vision Advisors will not vote any proxies for securities or exercise voting rights pertaining to investments in a client's account (including without limitation matters relating to conversions, exchanges, mergers, stock splits, rights offerings, recapitalizations and reorganizations). Vision Advisors also will not act for clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by a client's account. It is the client's responsibility to vote any proxies for securities, exercise voting rights, or take any legal actions pertaining to investments in his or her account. Ordinarily, VFM will forward proxies or other communications pertaining to investments in client's account to client. Client should contact VFM if he or she does not receive proxies or other mailings pertaining to the investments in the account.

For those accounts which are subject to ERISA, unless client directs Vision Advisors in writing to the contrary, or the documents of an employee benefit plan reserve the right to vote proxies to the plan's trustees or named fiduciary, Vision Advisors will vote all proxies for securities and exercise voting rights pertaining to investments in client's account (including without limitation matters relating to conversions, exchanges, mergers, stock splits, rights offerings, recapital-

izations and reorganizations).

Vision Advisors may retain a third party to advise it in making proxy decisions and to process the return of proxies. Client also should understand that Vision Advisors will not be responsible or liable for failing to vote any proxies where it has not received such proxies or related communications on a timely basis from VFM. Wrap fee clients will also incur a \$2.50 charge per transaction when trades are placed in their accounts. This transaction fee is paid directly to Vision Brokerage Services, LLC ("VBS").

## Certain Conflicts of Interest

Because Vision Advisors' may receive more compensation from a client from the client's participation in the Program than if the client received advisory services and brokerage services separately, Vision Advisors may have a financial incentive to recommend the Program to clients over other types of advisory services.

Because of the single fee charged to a Program account, Vision Advisors may be regarded as having a conflict of interest in that it may realize a greater profit on a Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

Vision Advisors may give advice to others that may be different from the advice given to Program clients.

## Type of Clients

Vision Advisors caters primarily to affluent individuals and their retirement accounts, family offices and family investment vehicles who seek an approach to capital appreciation by investing in established stocks with demonstrable prospects for growth coupled with a strategic covered call writing program. Vision Advisors' investment programs are also suitable for institutional investors such as corporate pension plans, trusts, endowments and charitable organizations with similar investment objectives. Vision Advisors also currently manages a substantial customer segregated funds account for VFM in its capacity as a futures commission merchant.

## Types of Investments

Vision Advisors' primary investments in the equity portion of its portfolios are concentrated in large cap stocks with market capitalization generally over \$8 billion. These stocks may be listed on exchanges or in the NASDAQ National Market System and typically comprise seasoned companies with a history of earnings displaying particular growth characteristics. Vision Advisors may also purchase mid-

cap stocks that exhibit similar characteristics and preferred stocks.

Vision Advisors' offers advice on equity securities (exchange-listed, over-the-counter and foreign issuers), corporate debt securities, commercial paper, municipal securities, mutual funds, U.S. government securities and option contracts on securities. If client circumstances warrant, Vision Advisors may also recommend an independent commodity trading advisor to manage a portion of a client's assets in managed futures.

## Methods of Analysis, Sources of Information and Investment Strategies

Vision Advisors focuses primarily on long-term investing with a growth-oriented approach supported by proprietary trading methods to determine target prices in its equity and balanced portfolios. Drawing from traditional and electronic information sources such as financial reports, SEC filings, the Bloomberg computer system, various rating services and nationally recognized research services such as Value Line and Standard & Poor's, Vision Advisors conducts primary research. A heavy emphasis is placed on a number of factors such as (i) revenues and income growth, (ii) dominant position in its industry, (iii) large cap status, (iv) return on equity and (v) companies which favor stock purchase programs. In addition, enhanced yield and a measure of downside protection is sought through closely monitored covered call option writing. Vision Advisors also provides advisory services to other accounts not based on the above portfolios.

Vision Advisors may use one or more of these investment strategies: (a) long term purchases (securities held at least a year); (b) short term purchases (securities sold within a year); (c) margin transactions; and (d) option writing, including covered options, uncovered options, or spreading strategies.

## Special Considerations

Although the stocks selected in the equity, dividend and balanced portfolios are generally established companies in their industries, there are a number of counterbalancing factors in considering an investment in these portfolios:

1. Many of the companies selected for purchase are growth companies or are poised for active growth and tend to exhibit higher price earnings ratios than the market as a whole. Such stocks may be more vulnerable to market declines from earnings disappointments or adverse

factors that inhibit a company's ability to carry out the plan on which the growth prospects were anticipated.

2. Because the companies in the equity portfolios will typically conduct business globally and have significant operations or product distribution in countries outside the U.S., their earnings can be impacted by fluctuations in foreign currency rates.

3. The adviser may purchase securities on margin, which entails borrowing substantial amounts in the normal course of its trading. By virtue of the use of borrowed funds and the leverage employed in the portfolio, the returns must exceed interest expense. Moreover, any losses will be increased in magnitude in direct proportion to the amount of margin debt incurred.

There are certain risks associated with the option writing strategies employed in the equity, dividend and balanced portfolios:

- In a rising market, a call option written to protect the portfolio or an individual stock position within the portfolio may reduce upside potential above the strike price of the option.
- As options expire or experience increased market volatility, it may be more difficult to manage the covered call position for maximum economic advantage.
- Likewise, market volatility may drop around the time of expiration and result in lower premium income attainable in "rolling over" the options position.
- Smaller accounts have a much greater impact from option commissions than larger accounts.

Clients engaging in options transactions will receive a copy of the "Characteristics and Risks of Standardized Options" brochure and any supplements at or prior to opening an options account.

## Education and Business Standards

Vision Advisors seeks investment personnel who share the firm's investment philosophy and are committed to a disciplined growth-oriented investment approach. Although successful investment management does not require any particular type of investment background, Vision Advisors looks for individuals with a degree from an accredited college or university and practical experience through association or employment in the financial, economic or investment advisory field. Advanced qualifications or degrees such as a Master's of Business Administration, Chartered Financial Analyst or Certified Financial Planner designations or courses in personal finance are desirable but not required. Vision Advisors may also draw

upon personnel in its financial services affiliates who exhibit an interest and talent for the firm's investment programs.

## Education and Business Background

The educational and business background for at least the past five years of Vision Advisors' executive officers, investment personnel, and certain principals are described below:

**Howard Rothman** is Chief Executive Officer and Chief Investment Officer of Vision Advisors. Mr. Rothman, born in 1961, received his Bachelor of Science in Accounting in 1983 from New York University. During the past nineteen years, Mr. Rothman has been affiliated with VFM (and its predecessor Vision LP), a securities broker/dealer and a full service futures firm registered with the Commodity Futures Trading Commission as a futures commission merchant, and its related companies in many different roles. He acts as the president and Chief Financial Officer of VFM.

Mr. Rothman started with Vision LP in January 1988 and he became President of Vision LP in 1993. Mr. Rothman is now President and Chief Financial Officer of VFM. From its inception in July 1999, he has been President of Vision Brokerage Services, LLC, a securities broker/dealer, of which he acts as the general securities, options and financial principal.

Among his various treasury functions as Chief Financial Officer of VFM, Mr. Rothman has been responsible for the investment of both customer equity and firm capital. This involves the investment management of approximately \$350 million invested in short-term government securities, U.S. government agency instruments, overnight repositions and other money market instruments. Mr. Rothman also sets and monitors all credit and margin policies on behalf of the firm.

Mr. Rothman acts as an advisor for the VFM's profit sharing and pension plan. Mr. Rothman has directed a substantial portion of the trust funds in both large cap growth stock and fixed income (concentrating in preferred stock) investment programs.

From June 1996 to August 2001, Mr. Rothman served as President and designated registered futures and options principal of a Toronto based investment dealer registered with the Investment Dealers Association of Canada.

Over the past seventeen years, Mr. Rothman has been the principal of the general partner and sponsor of several public and privately offered limited partnerships which have been engaged in derivatives trading and medical equipment

leasing. He has served three consecutive terms on the Board of Directors of the National Futures Association and was a founder and past director of the National Introducing Brokers Association.

Mr. Rothman is currently President of a 100 year old non-profit organization in Stamford, Connecticut.

Mr. Rothman holds the following FINRA qualifications:

<b>Series 3</b>	Registered Commodity Representative
<b>Series 4</b>	Registered Options Principal
<b>Series 7</b>	General Securities Representative
<b>Series 22</b>	Direct Participation Programs Limited Representative
<b>Series 24</b>	General Securities Principal
<b>Series 27</b>	Financial and Operations Principal
<b>Series 39</b>	Direct Participation Programs Principal
<b>Series 63</b>	Uniform Securities Agent State Law
<b>Series 65</b>	Uniform Investment Advisor

**Lloyd G. King** is Senior Vice President, Administration, for Vision Advisors. Mr. King has been associated with VFM (and its predecessor Vision LP) since February 1988. Mr. King is also associated with VBS as a registered options and municipal securities principal. Mr. King holds the following FINRA qualifications: General Securities Representative (Series 7); Registered Options Principal (Series 4); Municipal Securities Principal (Series 53); General Securities Principal (Series 24); Uniform Investment Advisor (Series 65); and Uniform Securities Agent State Law (Series 63). He was born in 1945 and received his Bachelor's Degree in Business Administration from Baruch College of New York in 1977.

**Robert Boshnack** is a principal of Vision Advisors, and currently has no administrative responsibilities with Vision Advisors. He has served as Chief Executive Officer – Futures and registered principal of VFM (and its predecessor Vision LP) In addition, Mr. Boshnack is President, sole shareholder and Director of Whitehall Investment Management, Inc., a registered introducing broker, since November 1984. Mr. Boshnack, born in 1947, graduated with a Bachelor of Arts degree in education from Queens College in New York in 1969 and a Master of Science degree from Queens College in 1971.

**Steven M. Silver** is the Chief Operating Officer of Vision Advisors. Mr. Silver has been associated with Vision Advisors since May of 2006 and is also the Chief Operating Officer for VFM and VBS. From July 2000 to March 2006, Mr. Silver was a Vice President with Goldman, Sachs & Co. in their Private Wealth Management Group. Prior to joining Goldman Sachs, Mr. Silver spent several years working for Prudential Securities in a number of capacities and left the firm as a First Vice President. Mr. Silver holds the

following FINRA qualifications: Registered Commodity Representative (Series 3); Registered Options Principal (Series 4); General Securities Representative (Series 7); General Sales Supervisor (Series 8); General Registered Principal (Series 24); Branch Manager Futures (Series 30); Municipal Securities Principal (Series 53); Uniform Securities Agent (Series 63); and Uniform Investment Advisor (Series 65). He was born in 1969 and received a Bachelor of Arts in History from the University of Connecticut in 1991.

## Other Business

All of the executive officers of Vision Advisors are engaged in other endeavors and business ventures. As noted, Mr. Rothman has managerial responsibilities in operating VFM. It is a member of the Chicago Board Options Exchange and a member of the Options Clearing Corporation. Mr. Rothman is also an officer of other firms engaged in the commodity futures business and spends a portion of his time running Vision Brokerage Services. Mr. Rothman expects that he will devote the majority of his time to those other activities, but will have sufficient time to conduct the investment activities and manage the affairs of Vision Advisors. As the firm grows, Mr. Rothman intends to employ additional supervisory and investment personnel to assist him in the operation of the advisory business.

## Other Financial Industry Activities or Affiliations

Vision Advisors is affiliated, through common ownership, with a number of other financial service companies that are owned and operated by Messrs. Rothman, Boshnack and others.

Although there are no formal agreements between Vision Advisors and the Vision affiliates, Vision Advisors, through its discretionary authority, will establish brokerage accounts for its wrap fee clients at VBS, an affiliate of Vision Advisors and a FINRA member firm. Vision Advisors will place buy and sell orders for its advisory accounts through VBS. Because of the affiliation between Vision Advisors, as the Program Sponsor, and VBS, the wrap fee charged to clients has not been negotiated at arms-length and may not be as competitive as programs offered by broker/dealer sponsors who are not affiliated with the participating adviser or advisers.

VBS conducts brokerage services for Vision Advisors' accounts on a fully-disclosed basis with its clearing firm. VFM is an affiliate of VBS and Vision Advisors, and as such the commissions charged by VFM have not been negotiated at arm's length.

Although VBS is affiliated with Vision Advisors, Vision Advisors has a duty to its clients, as their investment adviser, to obtain a combination of best price and execution for their advisory accounts. It should be understood, however, that Vision Advisors is not entirely impartial in making this appraisal in view of its affiliation with VBS.

Vision Advisors sponsors the Vision Associates Advisory Network (the "Vision Network"). The Vision Network is a network of individuals who solicit advisory clients for Vision Advisors and acts as liaison between those clients and Vision Advisors. Through the Vision Network, Vision Advisors anticipates that it will solicit prospective clients among accounting and professional firms, correspondent firms and introducing brokers that clear their futures trades through Vision Financial Markets.

Vision Advisors may recommend an independent commodity trading advisor to a client for management of a portion of the client's account in managed futures. It is likely that VFM, which is a Futures Commission Merchant, will act as a clearing firm for such commodity trading advisor and receive brokerage commissions from the client's futures account.

## Participation or Interest in Client Transactions

VBS is a broker/dealer registered with the U.S. Securities and Exchange Commission and is a member of FINRA. Messrs. Rothman and Boshnack are the principal owners of VBS. Mr. Rothman is the managing member of VBS. As noted, VBS clears securities transactions for Vision Advisors' accounts on a fully-disclosed basis through its clearing firm. Under the fully-disclosed clearing relationship between VBS and its clearing firm, VBS receives the \$2.50 transaction fee on all accounts. Wrap fee accounts do not pay any commissions, but will incur the \$2.50 transaction fee.

As owners of VBS and VFM, Messrs. Rothman and Boshnack have an indirect financial interest in any brokerage commissions or other revenue generated by the securities transactions for clients of Vision Advisors. Thus, Vision Advisors may have an incentive to engage in a higher volume of trading than would be the case in the absence of such a relationship.

Although Messrs. Rothman and Boshnack will not earn commissions directly from the brokerage transactions conducted through VBS, other associates of Vision Advisors who are Registered Representatives of VBS may earn such commissions from these transactions in addition to receiving a portion of the advisory fees charges by Vision Advisors.

Vision Advisors may recommend and purchase in the various portfolios offered to clients, securities of issuers that are also purchased, sold or held by Vision Advisors and its officers, directors, associates, employees and affiliates and their pension or retirement plans. Certain proprietary accounts and VFM's pension and profit sharing plan may not participate in the Program and may pay lower advisory fees and commissions than paid by Program clients. Because the investment objectives and personal circumstances of these proprietary accounts and pension and profit sharing plans may differ from those of their clients, the timing of such transactions may not coincide with the timing of portfolio transactions for clients. In addition, Vision Advisors and its principals, associates, employees, affiliates and their retirement accounts may purchase or sell securities which they do not recommend to or include in client portfolios because such securities do not meet the investment guidelines established for client portfolios. In such instances, Vision Advisors is not obligated to offer clients the opportunity to invest or purchase such securities.

Vision Advisors is nonetheless mindful of its fiduciary duties and will not deprive clients of, or appropriate to its own advantage, investment opportunities that are suitable for client accounts. Because of the liquidity of the markets for the type of securities purchased in its equity, balanced and fixed income portfolios, Vision Advisors does not anticipate the potential for conflicts in the personal securities transactions of its principals or employees. As a precaution, however, Vision Advisors will place proprietary orders on the same side of a transaction on the same day for the same security simultaneously with orders placed for client accounts. Where there is a difference in execution prices, Vision Advisors will give its clients the better prices or fill all orders on the average pricing method.

Vision Advisors has adopted a Code of Ethics that is designed to detect and prevent such conflicts of interest. The Code of Ethics contains various trading restrictions and pre-approval requirements. Access persons under the Code also are required to report any violations of the Code to Vision Advisors' Chief Compliance Officer, report on a quarterly and annual basis their personal securities transactions and holdings, and comply with all applicable Federal securities laws. The Chief Compliance Officer or designee is required to review and monitor reports of personal securities transactions. Employees are required to certify that they have read and understand the Code of Ethics. Clients may obtain a copy of Vision's Code of Ethics at any time upon request.

## Conditions for Managing Program Accounts

In order for its investment program to achieve a greater level of diversification, Vision Advisors recommends that clients deposit at least \$250,000 in their account; however, Vision Advisors will accommodate clients who wish to deposit less amounts but with a potential loss of diversification.

## Review of Accounts

Accounts generally are reviewed by senior management on at least a monthly basis. When market conditions, economic events or individual issuers prompt immediate review, accounts are reviewed more frequently and may be subject to daily monitoring. This is an ongoing process of analysis to ensure that client objectives are being met and tactical adjustments can be made to respond to changing market conditions.

Program clients receive monthly reports reflecting cash and securities positions, market value at the end of the month and the change in value from the previous period. In addition, clients receive statements from the custodians of their securities and/or the broker executing transactions for the account.

## Investment or Brokerage Discretion

Unless otherwise negotiated with the client, Vision Advisors is given total discretionary authority by its clients to invest their funds without prior consent to each transaction within the framework of the investment objectives expressed by the client. This authority also includes the authority to select brokers or dealers through which transactions will be effected and commissions paid. In certain cases, Vision Advisors may provide advisory services on a non-discretionary basis, and Vision Advisors will recommend a transaction to a client who is responsible for approving such recommendation before the transaction is effected.

Vision Advisors intends to effect virtually all brokerage transactions through VBS. Vision Advisors has the right to reject an account which directs brokerage to another firm. VBS is a FINRA member firm which clears trades through VFM, an SEC-registered broker/dealer, FINRA member and member of the Chicago Board Options Exchange. VBS's clearing firm will clear and settle the transactions and hold custody of client funds and securities.

## Soft-Dollar Policy

Vision Advisors generally conducts in-house research and

receives data from a variety of sources. Although Vision Advisors does not have any "soft-dollar arrangements" with VBS or other brokers, it may in the future take into consideration research, comprising analytical, statistical or other information, which is obtainable, in exchange for soft-dollars. Consistent with obtaining best execution, Vision Advisors may occasionally direct transactions to other brokers in recognition of such services or obtain such services from VBS. Such research services will generally be used to service all accounts, but some accounts or groups of accounts, may not always benefit from the research obtained by the commissions paid by such accounts.

The receipt of investment research enables Vision Advisors to supplement its own research and analysis. Where the research obtained through soft-dollars is believed to be valuable, Vision Advisors may pay commissions in excess of those disclosed above for effecting equity transactions if it determines in good faith that such commissions are reasonable in relation to the value of the services provided. In any case, the types of transactions directed in return for research products or services will be affected in accordance with the safe harbor in Section 28(e) of the Securities Exchange Act of 1934 and may not necessarily be used to benefit the account which pays the brokerage commission.

## Additional Compensation

Vision Network participants may be employees of affiliates of Vision Advisors or third-party financial planners, accountants or other professionals, including correspondent brokers who clear transactions through Vision Financial Markets, Vision Advisors' affiliate. Network participants are subject to Vision Advisors' control and supervision when conducting these activities as a member of the Vision Network. Referrals will normally be made through written arrangements to compensate the referring party or solicitor for recommending Vision Advisors' investment management services to its clients. In exchange for such referrals and assistance with clients, Vision Advisors will offer to pay the referring party a portion of the wrap fee. Such arrangements will be entered into in accordance with Rule 206(4)-3 of the Investment Advisers Act and applicable state laws, which generally provide for disclosure of the terms of the referral arrangement.

Where Vision Advisors decides to purchase mutual funds in client accounts, it will do so through VBS. Generally, Vision Advisors will purchase no-loads mutual funds which do not generate sales charges, but VBS may receive Rule 12b-1 fees from the mutual fund for the period of time the assets are invested.