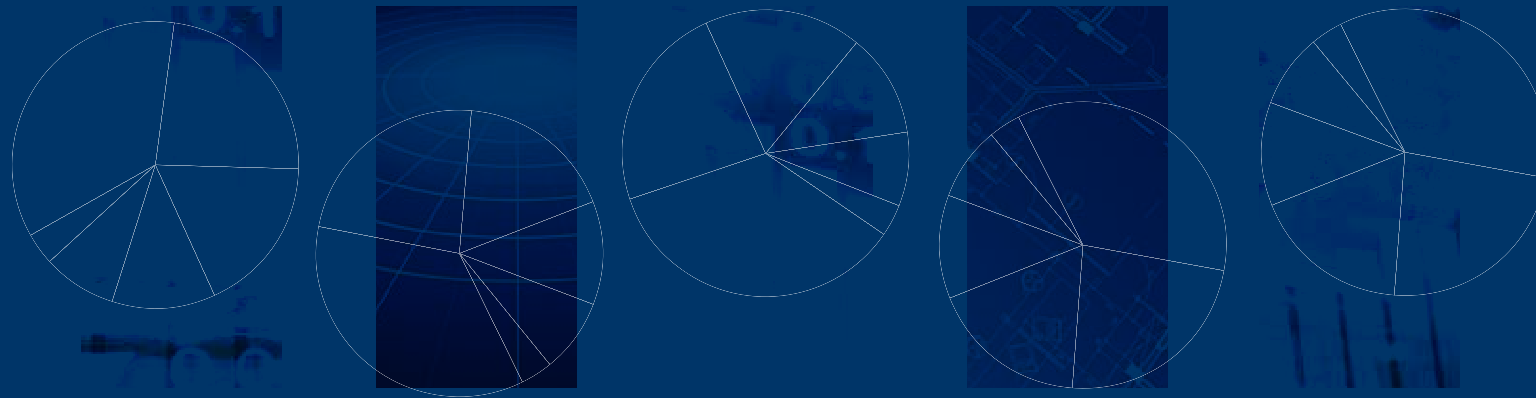
ibbotson ETF allocation series

ETF 101

An ALPS Advisers, Inc. Solution



Conservative ETF Asset Allocation Portfolio

Income and Growth ETF Asset Allocation Portfolio

Balanced ETF Asset Allocation Portfolio

Growth ETF Asset Allocation Portfolio

Aggressive Growth ETF Asset Allocation Portfolio

what are exchange traded funds (ETFs)

In their simplest form, ETFs are no more than index mutual funds that trade on an exchange. Most ETFs currently in existence mirror a stock or bond index. For example, one of the most recognizable ETFs is SPY (Standard & Poor's Depository Receipts or SPDR), an exchange-traded fund that tracks the entire S&P 500 Index.

ETFs share attributes of mutual funds & individual stocks

ETFs can combine some of the most desirable traits from both mutual funds and stocks into one investment, as seen in the chart below.

Mutual Funds

✔ Diversification
Professional Management

ETFs

Low Expenses - *some ETFs generally are able to operate with lower annual operating expenses than actively managed funds*
✔ **Diversification** - *instant exposure to a variety of asset classes*
✔ **Transparency** - *exact understanding of the underlying securities*
✔ **Trading Flexibility** - *high liquidity enables fast, easy moves among asset classes*

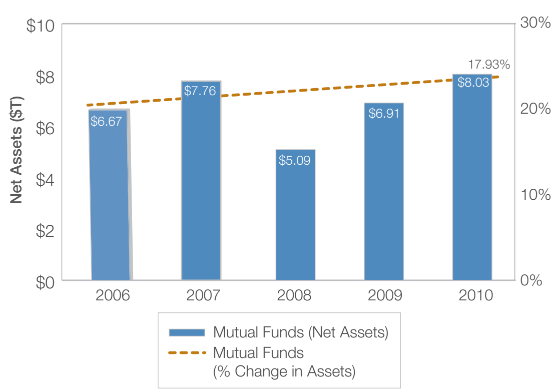
Stocks

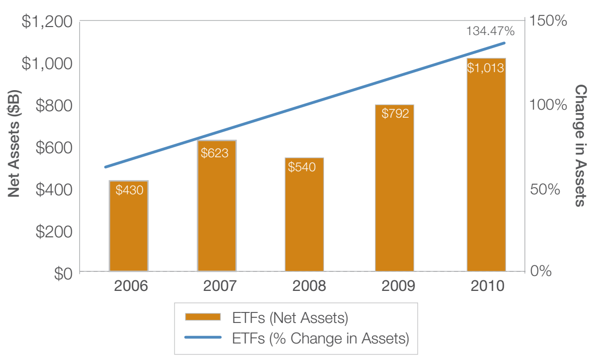
Pure Asset Exposure
✔ Transparency
✔ Trading Flexibility

All ETFs are subject to risk, including possible loss of principal.

popularity & growth of ETFs

Over the past 5 years, ETF assets have grown over 7 times the rate of mutual funds on a percentage basis, as shown in the charts below.



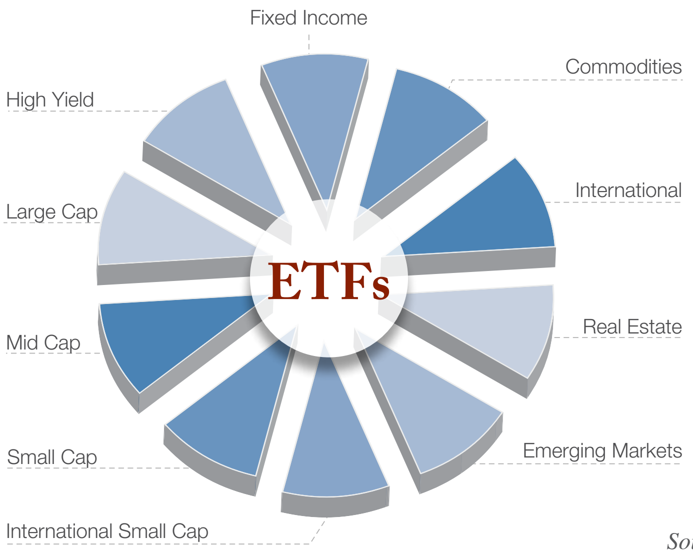


Source: Morningstar, June 2011

ETFs as building blocks for Asset Allocation models

Studies show that asset allocation remains a very important determinate of an investor's overall risk and return profile. With that in mind, ETFs offer a way to deliver exposure to desired asset classes. When compared to using actively managed mutual funds, here are some of the benefits of using ETFs to build asset allocation models:

- Pure asset class exposure
- Lower internal expenses
- Efficient rebalancing
- Fully invested
- No behavioral biases
- No style drift



Source: Ibbotson, June 2011

how to position funds of ETFs

Mutual funds using ETFs as their underlying investments might be especially appropriate for investors who:

- Seek a low-cost asset allocation solution
- Desire a portfolio tailored to their own risk tolerance and investment time horizon
- Want broad diversification through a single portfolio

Asset allocation cannot assure a profit nor protect against a loss.

Shares of the Portfolios are offered only to participating insurance companies and their separate accounts to fund the benefits of Variable Contracts, and to qualified pension and retirement plans and registered and unregistered separate accounts.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, please contact your investment professional. Read the prospectus carefully before investing.

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