



Alpha Seasonal Strategies

Small-Cap Power Index

The Small-Cap Power Index is constructed by holding the Russell 2000 Index from November 1 through June 30; then holding the Barclays Capital 1-3 Year Government Index.



**Seasonal Patterns
Russell 2000
1979 - 2009**

YEAR	RUSSELL 2000		RUSSELL 2000	
	% CHANGE JUL 1 - OCT 31	INVESTING \$ 1,000	% CHANGE NOV 1 - JUN 30	INVESTING \$ 1,000
1979	-1.2%	\$ 988	21.7%	\$ 1,217
1980	27.6%	\$ 1,261	16.4%	\$ 1,417
1981	-10.6%	\$ 1,127	-9.2%	\$ 1,287
1982	26.4%	\$ 1,425	56.2%	\$ 2,010
1983	-11.5%	\$ 1,261	-6.6%	\$ 1,877
1984	3.6%	\$ 1,306	16.7%	\$ 2,190
1985	-0.7%	\$ 1,297	34.0%	\$ 2,935
1986	-8.8%	\$ 1,183	19.4%	\$ 3,504
1987	-27.7%	\$ 855	29.9%	\$ 4,552
1988	-2.0%	\$ 838	15.1%	\$ 5,239
1989	0.4%	\$ 841	2.5%	\$ 5,370
1990	-29.1%	\$ 596	42.9%	\$ 7,674
1991	11.0%	\$ 662	3.2%	\$ 7,920
1992	6.2%	\$ 703	18.7%	\$ 9,401
1993	11.5%	\$ 784	-6.5%	\$ 8,790
1994	6.5%	\$ 835	12.8%	\$ 9,915
1995	5.0%	\$ 877	18.0%	\$ 11,700
1996	-1.2%	\$ 866	17.8%	\$ 13,783
1997	9.8%	\$ 951	6.1%	\$ 14,624
1998	-16.9%	\$ 790	22.1%	\$ 17,856
1999	-5.9%	\$ 743	21.5%	\$ 21,695
2000	-3.4%	\$ 718	4.1%	\$ 22,584
2001	-16.2%	\$ 602	9.0%	\$ 24,617
2002	-18.9%	\$ 488	21.2%	\$ 29,836
2003	18.2%	\$ 577	12.8%	\$ 33,655
2004	-0.9%	\$ 572	10.5%	\$ 37,189
2005	1.4%	\$ 580	12.9%	\$ 41,986
2006	6.2%	\$ 616	9.6%	\$ 46,017
2007	-0.3%	\$ 614	-15.9%	\$ 38,700
2008	-21.7%	\$ 481	-4.3%	\$ 37,036
2009	11.2%	\$ 535	TBA	TBA

Losing Periods	17		5
Winning Periods	14		25
31 Yr Gain / (Loss)		\$ (465.00)	\$ 36,036.00
Compound Annual Return		-2.0%	12.9%

Note: Dividends included. Data Source: Callan Associates Database.



**Russell 2000
Calendar Year Returns
1979 - 2009**

YEAR	RUSSELL 2000	ALPHA	
		INVESTING \$ 1,000	SMALL-CAP POWER INDEX
1979	43.1%	\$ 1,431	42.0%
1980	38.6%	\$ 1,983	6.1%
1981	2.0%	\$ 2,023	19.8%
1982	25.0%	\$ 2,526	10.4%
1983	29.1%	\$ 3,262	51.0%
1984	-7.3%	\$ 3,023	-3.9%
1985	31.1%	\$ 3,964	36.2%
1986	5.7%	\$ 4,190	19.9%
1987	-8.8%	\$ 3,821	29.1%
1988	25.0%	\$ 4,776	30.8%
1989	16.3%	\$ 5,555	20.7%
1990	-19.5%	\$ 4,472	17.5%
1991	46.0%	\$ 6,529	37.3%
1992	18.4%	\$ 7,730	14.2%
1993	18.9%	\$ 9,192	8.3%
1994	-1.8%	\$ 9,026	-6.7%
1995	28.5%	\$ 11,590	25.2%
1996	16.5%	\$ 13,502	21.3%
1997	22.4%	\$ 16,527	14.4%
1998	-2.6%	\$ 16,097	21.4%
1999	21.3%	\$ 19,526	30.9%
2000	-3.0%	\$ 18,940	3.2%
2001	2.5%	\$ 19,414	27.8%
2002	-20.5%	\$ 15,434	0.7%
2003	47.3%	\$ 22,719	24.5%
2004	18.3%	\$ 26,876	21.1%
2005	4.6%	\$ 28,086	3.1%
2006	18.4%	\$ 33,253	14.1%
2007	-1.6%	\$ 32,721	1.7%
2008	-33.8%	\$ 21,661	-13.6%
2009	27.2%	\$ 27,553	15.6%

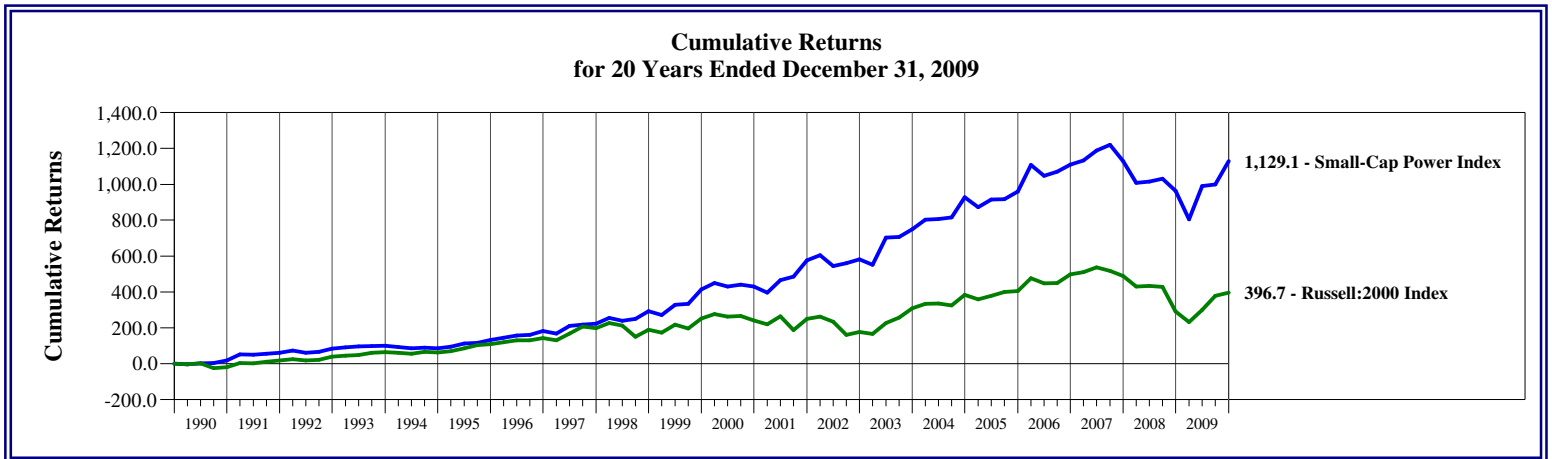
Compound Annual Return

31 Yrs	11.3%	16.6%
20 Yrs	8.3%	13.4%
10 Yrs	3.5%	9.1%
5 Yrs	0.5%	3.6%

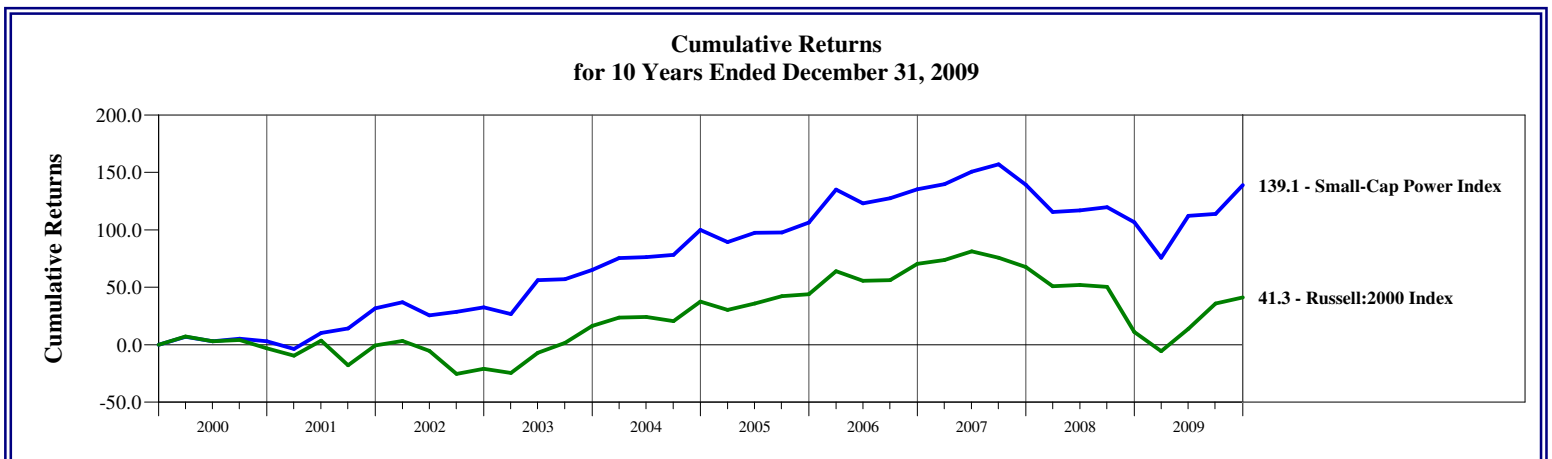
Note: Russell 2000 with dividends. Interest July through October calculated monthly using the Barclays Capital 1-3 Year Government Index. Data Source: Callan Associates Database. The Russell 2000 Index began January 1, 1979. The Small-Cap Power Index data begins at the same date, incorporating the first six months of 1979.



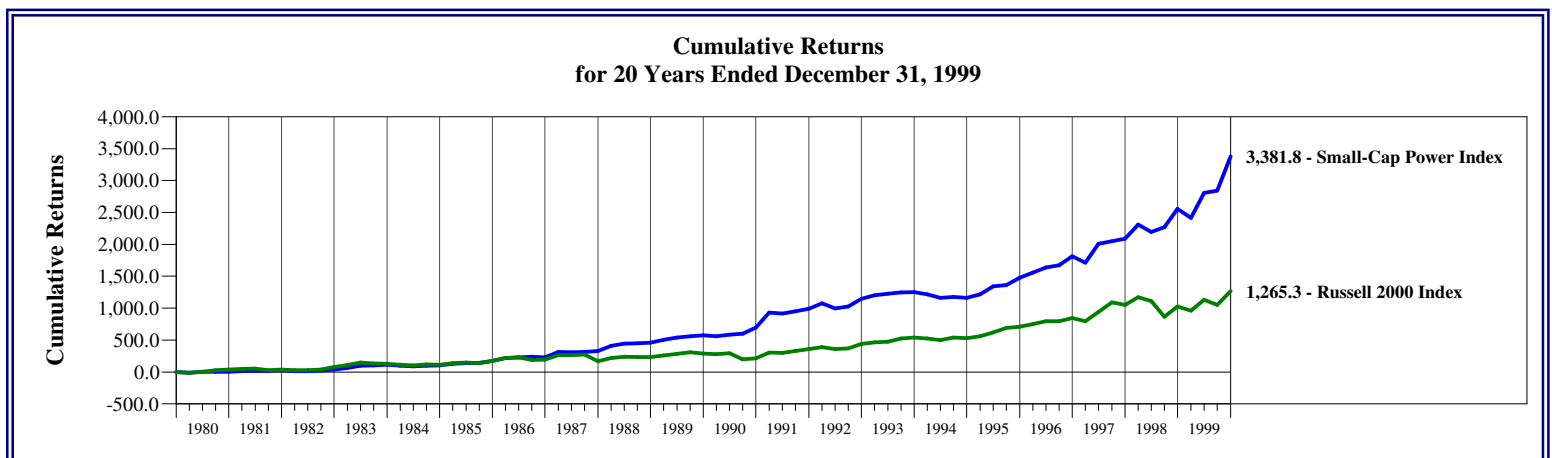
Small-Cap Power Index



Over the past 20 years, the Small-Cap Power Index has nearly tripled the return of the Russell 2000.



As of mid-2009, the Small-Cap Power Index is just 10% below its 2007 closing price.



During the greatest bull market of the 20th Century the Small-Cap Power Index dramatically outperformed the Russell 2000.

Disclosure to Power Index Data and Illustrations

Alpha Power Indexes are not investable. Indexes are mathematical formulations, not investment vehicles. Index funds, EFTs and other investment instruments may attempt to replicate their benchmark indexes but will always deviate from the exact returns of the index by the effects of fees, trading expenses, rebalancing errors, and other factors.

Alpha Power Indexes were created in 2009 using an explicit and objective policy to combine an equity index with a fixed-income index over pre-determined and rigorously applied time periods. No representation is made that accounts managed by Alpha, which seek to replicate the indexes, will provide identical performance.

In as much as the Alpha Power Indexes were created in 2009, all previous data must be considered hypothetical when assessing the indexes as models for managed accounts. Backtested or hypothetical data must be approached with caution because it is constructed with hindsight and may not reflect material conditions that could affect a manager's decision process, thus altering the application of the discipline.

Past performance does not guarantee future performance. While Alpha believes that the factors which have historically "skewed" market returns into the "power zone" (consisting of the time period from late October to late May) will continue to affect the market statistically over time, there can be no guarantee that this effect will persist or that it will have the same intensity as past time periods.

Alpha provides a "net-of-fees and expenses" illustration of the simulated managed accounts for each Power Index under the documentation "Alpha Power Index Portfolios." These illustrations are "model" performance illustrations and do not reflect actual client accounts.

The data used to construct the Power Indexes were obtained from a database provided by Callan Associates, one of the oldest and largest institutional investment consultants in the U.S. While Alpha believes that the data is accurate, we cannot guarantee it to be so.

The Power Indexes for the Russell 2000 and the S&P MidCap 400 begin at the inception of those indexes.

