



CoreStates Fundamental Long/Short

www.corestates.us

INVESTMENT OBJECTIVE

- The Fundamental Long/Short strategy is absolute return driven to produce double digit returns during bull markets and low single digit returns during bear markets
- The target volatility of the strategy is one half of the S&P 500, or about 8% per annum.

INVESTMENT STRATEGY

- The strategy focuses on four key components of the economic cycle; expansion, peak, contraction, and trough.
- Key macroeconomic driver's to determine the current phase of the economic cycle include, employment, GDP, money flows, market price, and momentum.
- Based on the current phase of the economic cycle, Fundamental Long/Short will employ multiple asset classes using ETFs to achieve the risk-return objectives.
- Risk Management – During contractions the strategy will utilize defensive positioning by overweighting cash and fixed income or inverse ETFs with exposure to the broad equity markets.

INVESTMENT POLICY

- Max allocation to leveraged ETFs is 5%
- ETF Criteria: 1) At least \$100M in assets, 2) Average 100,000 shares traded in last 100 days, and 3) minimum 100 days prior trading
- Minimum of 8 positions

TARGET MARKET

- Expansion – 70% Long Equity, 5% Fixed Income, 15% Commodity, 10% Other
 - Contraction – 15% Equity, 25% Inverse Equity, 40% Fixed Income, 15% Commodity, 10% Other
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CoreStates Capital Advisors, LLC

Fundamental Long/Short



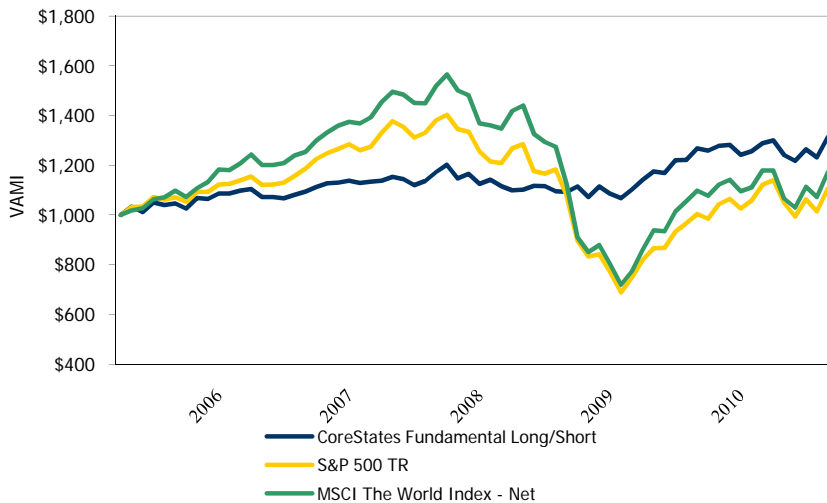
Data Through: Sep-10
 Benchmark 1: S&P 500 TR
 Benchmark 2: MSCI The World Index - Net

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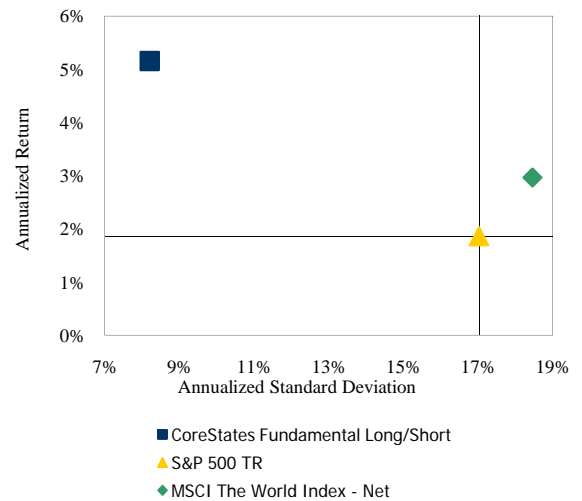
Product Description

The Fundamental Long/Short Composite is invested according to macroeconomic indicators. The portfolio seeks to provide positive returns during market expansions by utilizing long equity ETFs in diversified low correlated market averages. During economic contractions the Fundamental Long/Short Composite will utilize defensive positioning, which can range from overweight cash and fixed income to using ETFs with inverse exposure to the broad markets. The portfolio seeks to provide absolute returns with moderate risk.

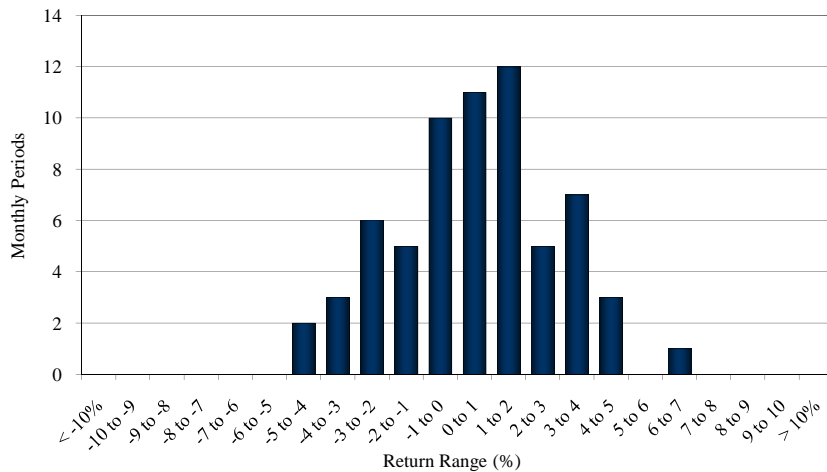
Growth of \$1,000



Risk / Return Scattergram (Since Inception)



Distribution of Monthly Returns



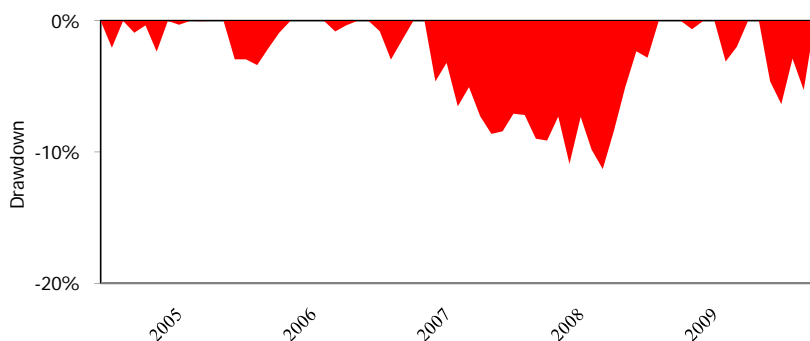
Annual Returns

	CoreStates	Benchmark
2010 (YTD)	2.44%	3.89%
2009	14.98%	26.46%
2008	(4.26)%	(37.00)%
2007	3.09%	5.49%
2006	6.08%	15.79%
2005	6.46%	9.29%

Latest Returns

	CoreStates	Benchmark
Last Quarter	7.78%	11.29%
Last Year	3.61%	10.16%
2-Year	9.60%	1.27%
3-Year	3.84%	(7.16)%
5-Year	4.64%	0.64%
7-Year		
10-Year		

Drawdown History



Risk (Since Inception)

	CoreStates	Benchmark
Annualized Return	5.15%	1.86%
Standard Deviation	8.21%	17.03%
Downside Deviation	5.73%	13.48%
Sharpe Ratio	0.06	(0.09)
Max Drawdown	(11.30)%	(50.95)%
Skewness	(0.02)	(0.86)
Kurtosis	(0.24)	1.48

Benchmark Comparison (Since Inception)

	CoreStates	Benchmark
Alpha	4.45%	
Beta	0.30	
Correlation	0.63	
Active Premium	3.29%	

DISCLOSURES

CoreStates Capital Advisors, LLC commenced its investment management business in January 2006. This Composite was created by CoreStates in compliance with the Global Investment Performance Standards ("GIPS").

The investment management fee for all accounts is a flat 60 basis points. Performance data includes reinvestment of dividends and earnings and is presented "gross of fees" and net of trading expenses. Therefore, the returns presented do not reflect the impact of the fees and other expenses associated with the investment, the deduction of which would decrease results. For example, an annual total expense of 1% compounded over a 10-year period would alone reduce a portfolio by 9.5%. Fees may vary by custodian, manager and client and the net effect of the deduction of fees on an annualized performance varies over time depending on account size, time period and overall investment performance. The fees are disclosed in published fee schedules, which are available upon request. The performance results also do not reflect the impact of taxes. All performance figures are expressed in U.S. Dollars.

Clients having portfolios containing securities other than the Fund, and portfolios subject to different objectives, or to tax, client-imposed or other restrictions, would have had higher or lower returns than the actual performance shown. Also, the composition and market volatility of the Benchmark index, which is an unmanaged, private fund index, and the composition and volatility of the Composite performance are materially different. Indexes do not have any expenses deducted from results.

Factors such as the size and performance of specific securities positions in accounts, the length of time certain positions are held, the timing of purchases and sales during the reporting period, client objectives, cyclical securities price trends, favorable and unfavorable news pertaining to securities, market trends and other factors all influence performance results materially. For these reasons, actual client account performance for any strategy would only match the Composite's performance exactly if the investments and purchases and sales in a client's account matched those in the Composite.

The data used for this report was obtained from sources deemed reliable and then organized by the staff at CoreStates. Performance calculations were prepared using standard industry software and were not audited by any third party. Errors could have occurred in the data, in the calculations and in the preparation of this presentation.

Performance information contained herein is not meant to be a prediction of future performance. Actual results may vary from the results illustrated herein and such variations may be material. Losses can occur from using any investment strategy, including those used by the Composite.

CoreStates Capital Advisors LLC is a privately owned registered investment advisor. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fee paying fully discretionary accounts under management, including some accounts which are no longer with the firm. Past performance is not indicative of future results.

The annual composite dispersion presented is a size-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for calculating and reporting returns is available upon request.