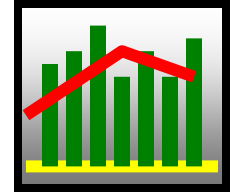
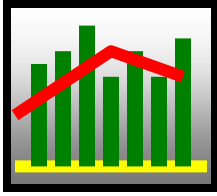


DUNN WARREN INVESTMENT ADVISORS

MANAGING RISK

Providing Peace of Mind For Our Investors

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Greenwood Village, CO 80111
Phone: 800-793-4866
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METHODOLOGY

An ideal analysis is comprised of three procedures: risk classification, strategic management, and relative strength to produce a *dynamic asset allocation*.

RISK CLASSIFICATION

We classify each industry or potential investment (mutual fund, sub-account, or exchange traded fund) available in the account by the volatility relative to the S&P 500 into five sectors:

Risk Sector A: volatility 2x the S&P 500

Risk Sector B: volatility 1.5x the S&P 500

Risk Sector C: volatility 1.0x the S&P 500

Risk Sector S: Special funds that have volatility less than the S&P 500 or investments that can short or are inverse of the market

Risk Sector F: Fixed income bond funds

Once funds are classified by risk characteristics we can then match the investment with the investment objective of the client.

STRATEGIC MANAGEMENT

The core of our portfolio management system is our “strategic management” philosophy. This is comprised of the current market valuation, economic growth, and investment sentiment. We use our proprietary Risk/Reward matrix to graphically indicate the probability of investment returns in the current market environment. The model is composed of 16 economic factors used to evaluate the amount of risk and opportunity in the market, or for a specific investment.

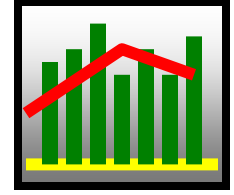
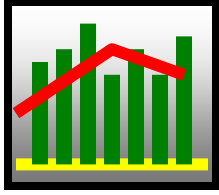
RELATIVE STRENGTH

The last component of our system is “relative strength” which we use to make our investment selection. Relative strength is our way of avoiding value traps – investments that look compelling on valuation, but lack investment appeal and are more likely to decline in value. We compare the investment’s strength over the last 6 and 12 months relative to all the other investment options available to us. We will sell an investment if its performance has been poor relative to the other investment options, or the current market environment makes the investment too volatile for the portfolio.

PORTFOLIO MANAGEMENT DISCIPLINE

Our strength is accurately assessing the investment environment and acting on that opportunity. To properly diagnose and manage the portfolio we follow three procedures each month:

1. Classify and choose funds by appropriate risk sector.
2. Determine the appropriate investments and market exposure based on the current reading of the Risk/Reward Matrix.
3. Choose funds with the highest relative strength as designated by the 6 and 12 month performance.

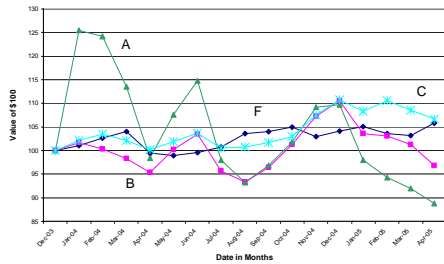


PORTFOLIO METHODOLOGY

By using our three step process, we are able to stay disciplined to our portfolio management objective.

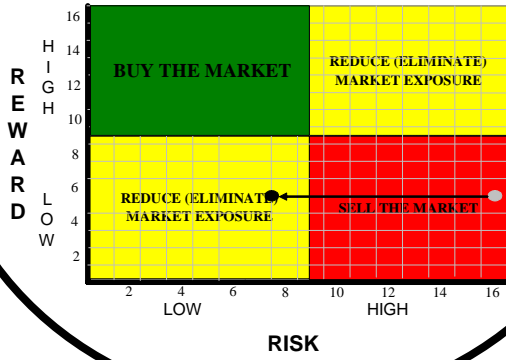
Step 1: Risk Classification

Different Volatility: Value of \$100 Investment

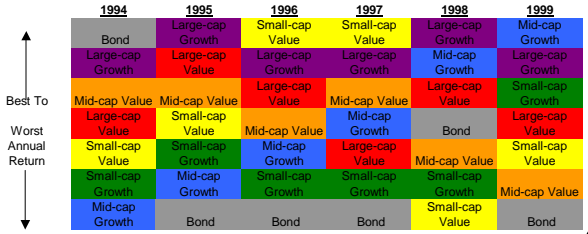


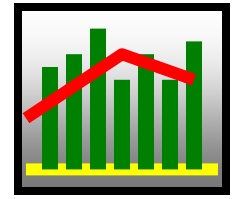
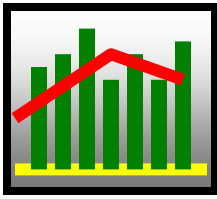
- A. iShare Networking Index
- B. NASDAQ 100 Index
- C. iShare S&P 500
- F. iShare Lehman Bond

Step 2: Strategic Management Risk/ Reward



Step 3: Relative Strength





ABOUT OUR FIRM

We believe that successful investing comes from correctly assessing and acting on risk; not by attempting to predict the future course of the market. Incorrectly assessing risk potentially leads to a painful loss of money. We manage our portfolios by acting on the current market environment for risk, valuation, economic growth, investor sentiment and relative strength. The investment decision is based on a monthly review of the portfolio, unless global and or portfolio specific events require more frequent review.

We manage investments in qualified, non-qualified, and retirement accounts using stocks, bonds, mutual funds, exchange traded funds and variable annuities. We have a complete process of uniting the investor with a portfolio that matches their risk and time constraints to reach their objective. We have specifically developed model portfolios or “buckets” that are designed to match the right investments with the individual. We have designed up to five different model portfolios that are constructed to achieve long term capital growth (aggressive objective) to stable income (conservative). This allows us to focus on managing risk as well as working with the client to reach their objective. We also believe that if we are driving your portfolio you should know where you are going. Therefore we send our clients a monthly newsletter telling them what our thoughts are and how we manage risk in the current environment.

PORTFOLIO MANAGER & CHIEF INVESTMENT STRATEGIST

James Cornehlson, CFA is Chief Investment Strategist and Manager of Dunn Warren Investment Advisors, LLC. James' investment industry experience is vast. From 1994 to 1996, James served as an analyst with the Gartner Group working with the pension plan and 401k program. From 1996 to January 1999, James worked as a financial analyst covering the software industry for Schwab SoundView Capital Markets in Greenwich, Connecticut and Bear Stearns in New York City. Prior to founding Dunn Warren Investment Advisors he worked with Corboy and Jerde from 2000 to 2001, an investment bank specializing in public and private equity investments.

James received his MBA from The William E. Simon Graduate School of Business at the University of Rochester, and his Bachelor of Arts in Economics from the University of Colorado and attended The University of York in England. James is a member of the Denver Society of Security Analysts.

James has been a Chartered Financial Analyst charter holder since 2001. The Chartered Financial Analyst designation is a professional designation granted by the CFA Institute. To receive the designation one must successfully complete three examinations, Have four years of portfolio management experience and make an ongoing commitment to CFA Institute's code of professional conduct program. Individuals and investors recognize the CFA designation as a measure of competence and integrity in the fields of portfolio management and investment analysis.