



HANLON

INVESTMENT MANAGEMENT, INC.

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Understanding Portfolio Management Fees

Your portfolio management fee is computed as a percentage of the assets under management in your account. Hanlon gets a raise only if your portfolio increases in value. Of course we get a cut in pay if the portfolio value decreases.

We examine the markets every day and stand ready to reallocate your portfolio assets every day. This opportunity for, and undertaking of, reallocation is critical to long-term success. You are not charged a commission when mutual funds, or subaccounts in variable annuities, are bought or sold. Therefore, the number of transactions does not affect how much you will pay.

We do not charge you to initiate portfolio management services with us nor to terminate our service. In the unforeseen event that you terminate, we refund the portfolio management fee to you for the portion of the quarter that we will no longer be managing the account.

While you should always consider fees and their corresponding impact, just focusing on management fees alone will not necessarily yield the most favorable result. Hanlon, as a professional money manager, is there each and every day to guide your portfolio through the rough waters of the financial markets. Hanlon offers a team of professionals in the areas of research, portfolio management, trading, client services, and technology whose job is to seek the optimum solution for your portfolio.

Volatility in the financial markets is here to stay. The speed with which information is disseminated throughout the investment world today is extremely fast, and getting faster. All portfolios can benefit from an attempt at some form of risk-reduction against the fast and large drops that will continue to occur in the financial markets. Just as importantly, investing in less risky environments in an attempt to increase your capital is equally critical to the success of your portfolio.

Perhaps the portfolio we are managing is your entire nest egg for retirement. Even if not the entire nest egg, isn't it prudent to install a daily watchful eye on the assets, constantly monitoring the markets and making important adjustments as necessary? You can't go back in time when it comes to investing. Important changes must be made

in “real-time”. One way to do that is through the professional portfolio management services of Hanlon Investment Management.

Please also note, depending on your account type, your portfolio management fees may be tax-deductible, providing you with a tax return rebate on some of your portfolio management fees. Please consult a tax advisor for details.

Important Disclosure

Actual investment management fees vary by individual client account, but generally range between 1.20% and 2.20% of the value of the assets under management. The net compounded impact of the deduction of such fees over time will be affected by the amount of the fees, the time period, and the investment performance. Past performance is not a guarantee of future results. Investing in the stock market involves gains and losses and may not be suitable for all investors. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable. Comparison of the Hanlon Investment Management (“HIM”) portfolios to other indices is for illustrative purposes only and the volatility of the indices used for comparison may be materially different from the volatility of the HIM portfolios due to varying degrees of diversification and/or other factors. Indices are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of advisory fees. Investors cannot invest directly in an index. HIM has prepared this report based on statistics provided by Yahoo Finance. Hanlon Investment Management, Inc. (“Hanlon Investment Management”) is an SEC Registered Investment Adviser with its principal place of business in the State of New Jersey. Hanlon Investment Management and its representatives are in compliance with the current registration and notice filing requirement imposed upon registered investment advisers by those states in which Hanlon Investment Management maintains clients. Hanlon Investment Management may only transact business in those states in which it is notice filed, or qualifies for an exemption or exclusion from notice filing requirements. This Bulletin is limited to the dissemination of general information pertaining to its investment advisory services. Any subsequent, direct communication by Hanlon Investment Management with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For information pertaining to the registration status of Hanlon Investment Management, please contact Hanlon Investment Management or refer to the Investment Adviser Public Disclosure web site (www.adviserinfo.sec.gov). For additional information about Hanlon Investment Management, including fees and services, please visit our website at www.hanloninvest.com. Please read the disclosure statement carefully before you invest or send money.