PRESENTED BY

FA FINANCIAL ADVISOR

Private Wealth

3RD ANNUAL

Innovative ALTERNATIVE STRATEGIES

HOW ADVISORS CAN ACHIEVE PORTFOLIO DIVERSIFICATION AND ALPHA

Multiple Approaches to Investing in Real Assets

MODERATOR

Michael D. Underhill
Principal, Chief Investment Officer
Capital Innovations, LLC

PANELISTS

John Abunassar
Portfolio Manager
William Blair & Company

Ken Settles, CFA
Portfolio Manager
RS Funds

Jennifer Stevenson
Portfolio Manager
Dundee Wealth

Fund of Funds Team Highlights

Team Summary

Team Inception: 2001 – 10 years of consistency

Investment Professionals

- Average 22 years of institutional investment experience
- Complementary areas of expertise and backgrounds
- Each has direct trading experience
- Conduct all manager research. No reliance on junior analysts
- Research and Investment into Commodities Funds since 2005

Assets as of March 31, 2012

What's the Appeal?

- Macro-economic protection

  Participation in Asian growth – adding 1 billion to the middle class?

  Inflation hedge

  Currency debasement hedge

  Crisis hedge (commodities as a refuge)

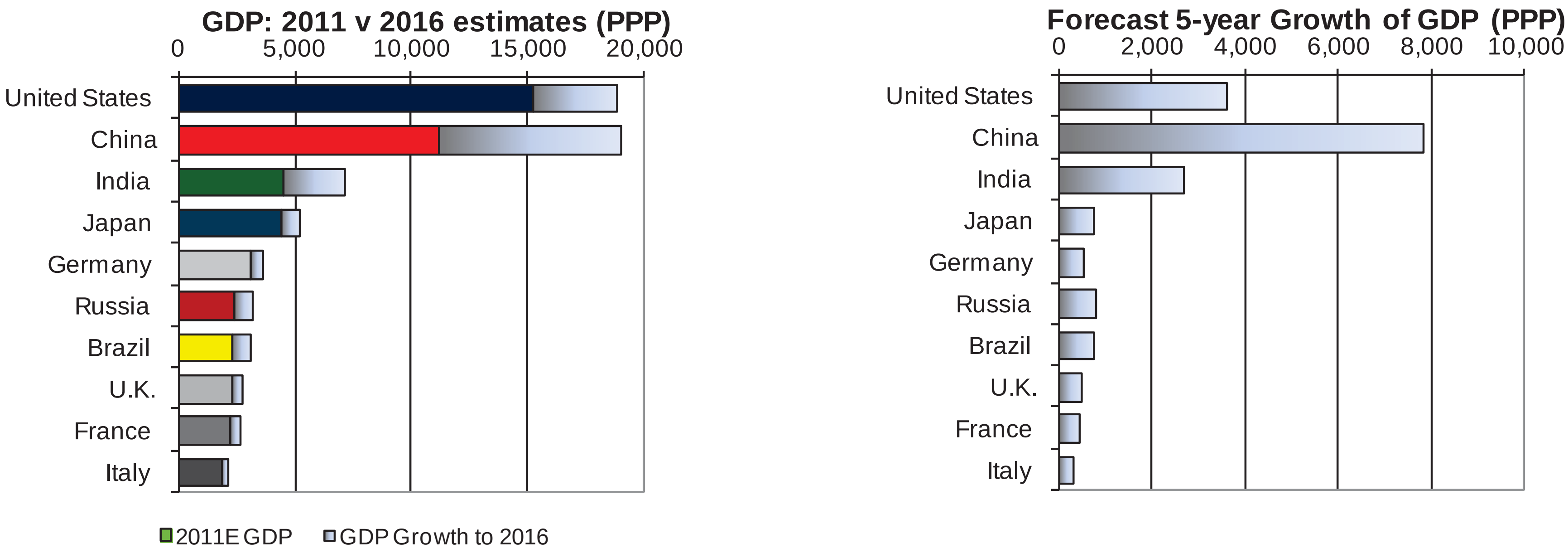
- Portfolio Liquidity

- Diversification

  Low correlation with stocks, bonds, hedge funds

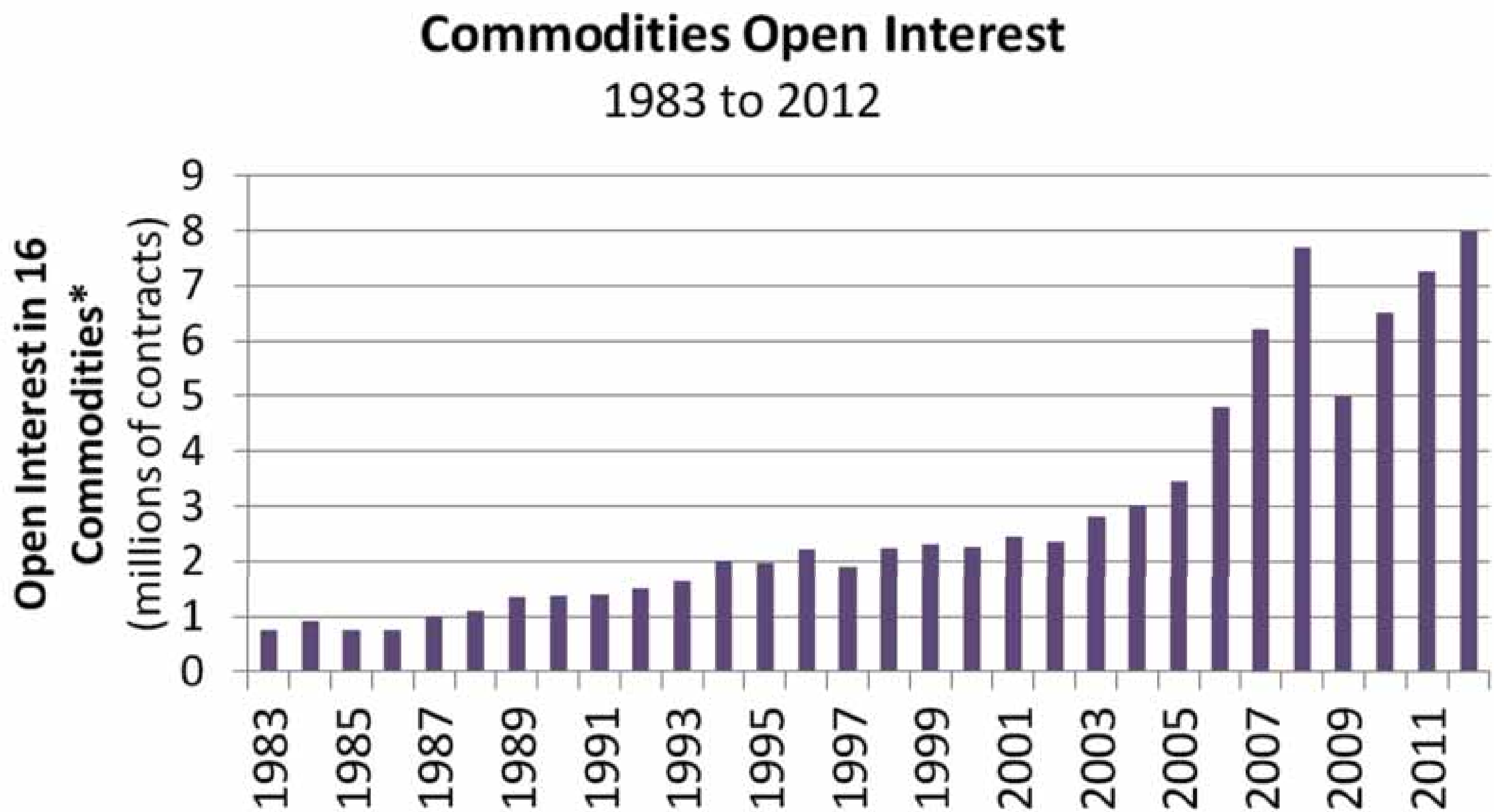
  Maybe, but where are returns supposed to come from?

Asian Growth and Demand



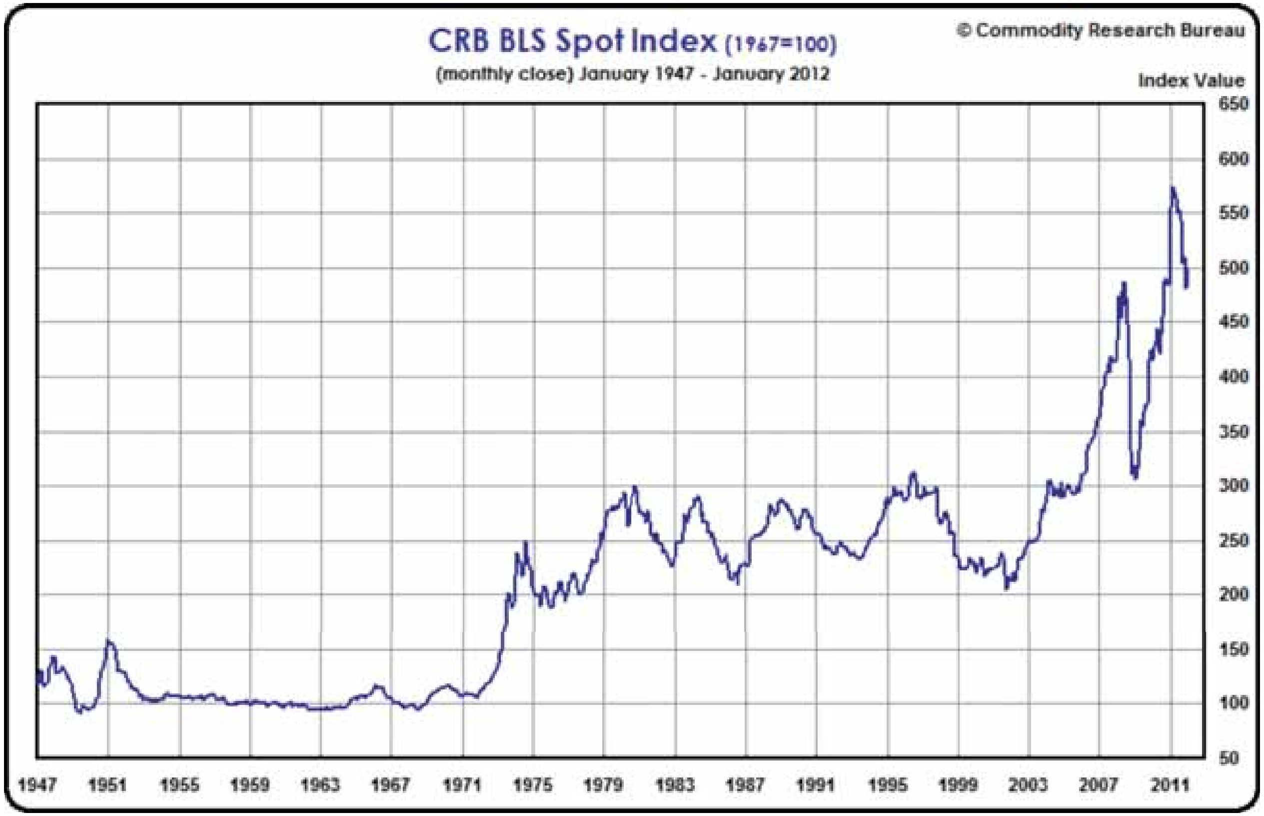
Source: International Monetary Fund, World Economic Outlook Database of April 2011

Investment in Commodities Continues to Increase



* Gold, Crude Oil, Wheat, Platinum, Natural Gas, Silver, Cotton, Copper, Sugar, Corn, Soybeans, Lumber, Coffee, Heating Oil, Live Cattle, Palladium
Sources: Ned Davis Research, William Blair Funds of Hedge Funds Group

Long-Term Spot Commodity Prices



PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.
Performance information is for illustrative purposes only and is not intended to represent the performance of any William Blair Fund or any product or strategy managed by William Blair & Company. Please see Disclosure page for additional important information about Comparative Indices.

Source: Thomson Reuters

NOT FOR USE WITH THE GENERAL PUBLIC. SEE IMPORTANT DISCLOSURE AT END OF PRESENTATION.

Approaches to Commodity Investing

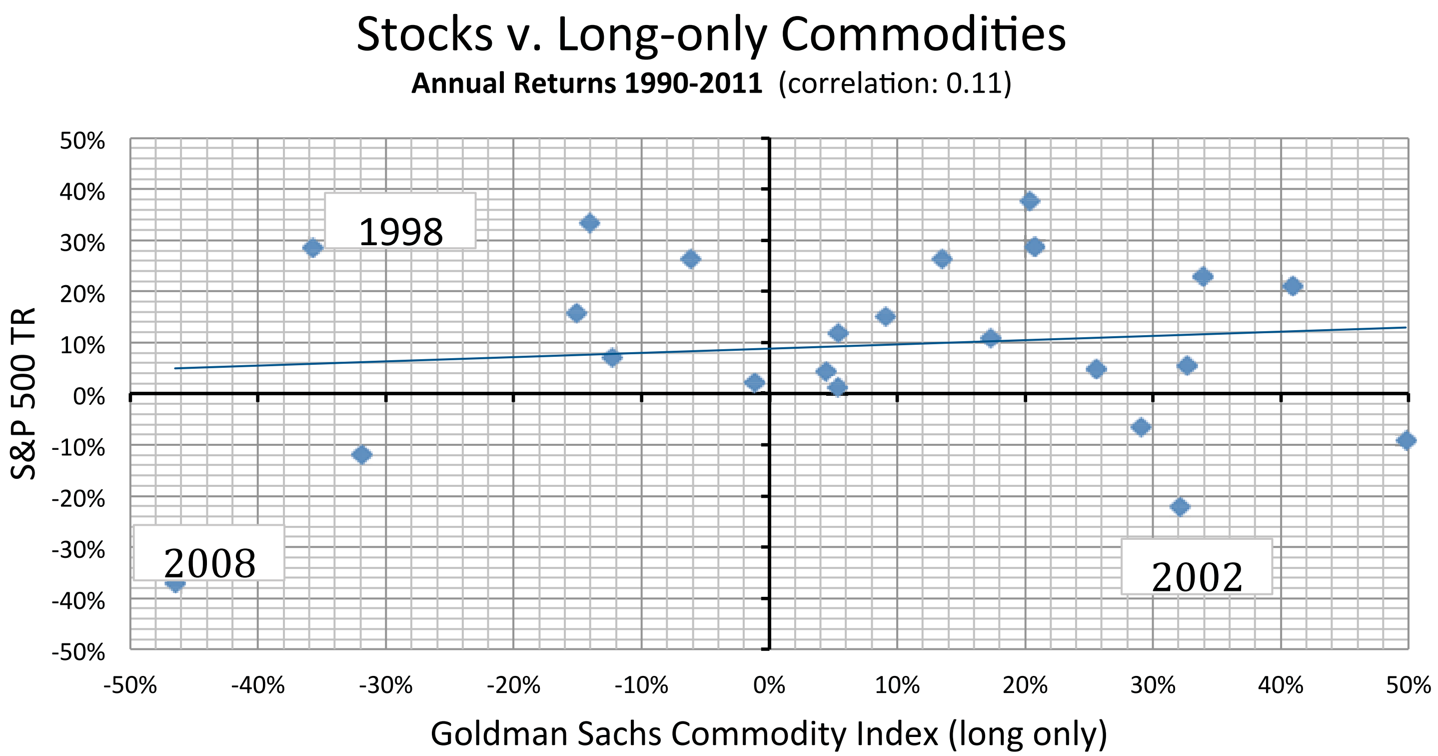
- Approaches to investing span a continuum of complexity

Physical Commod-ities → Futures Indexing → Long Systematic → Long-Short passive → Long-Short Discretionary/ model-driven

- Vehicles offer a wide range of liquidity

Metals, Real estate, Timber, Oil, Ags Bushels & Barrels → Basket vehicles like ETFs, ETNs, swaps → Commodity-sensitive proxies like energy & mining stocks → Commodity Futures (may include non-storables like electricity & carbon credits)

How Much do Long-Only Commodities Diversify?



Source: Bloomberg, William Blair Fund of Hedge Funds Group

Index performance is provided for illustrative purposes only and is not intended to represent the performance of any William Blair investment strategy or product. Direct investment in an index is not possible.

Why Commodity Long/Short Investing?

Designed to provide focused commodity exposure

Allows potential for profits in both up- and down-trending commodity markets

Offers potential sources of return beyond those available from commodity indices

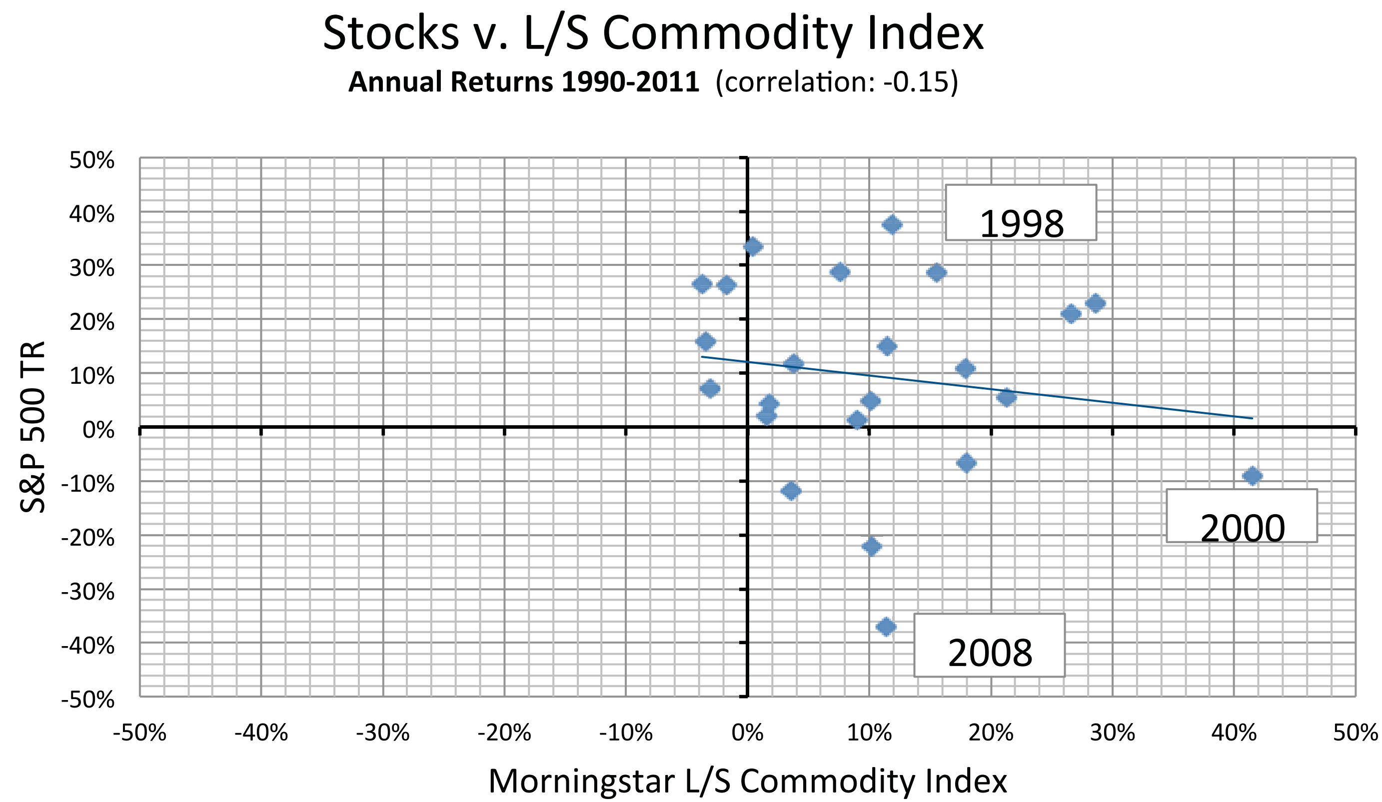
- Roll yield
- Rebalancing returns
- Changes in term structure of futures markets

Potential for significantly lower volatility than long-only commodities portfolios

Seeks to maintain low or negative correlation to other asset classes

Designed to provide diversification even from the long-only commodity indices

Diversification Potential of Commodity Long/Short



Source: Bloomberg, William Blair Fund of Hedge Funds Group

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Manager Types

Systematic

- Utilize quantitative systems to exploit trending behavior of futures markets over various time frames
- May include some counter trend and mean reversion aspects

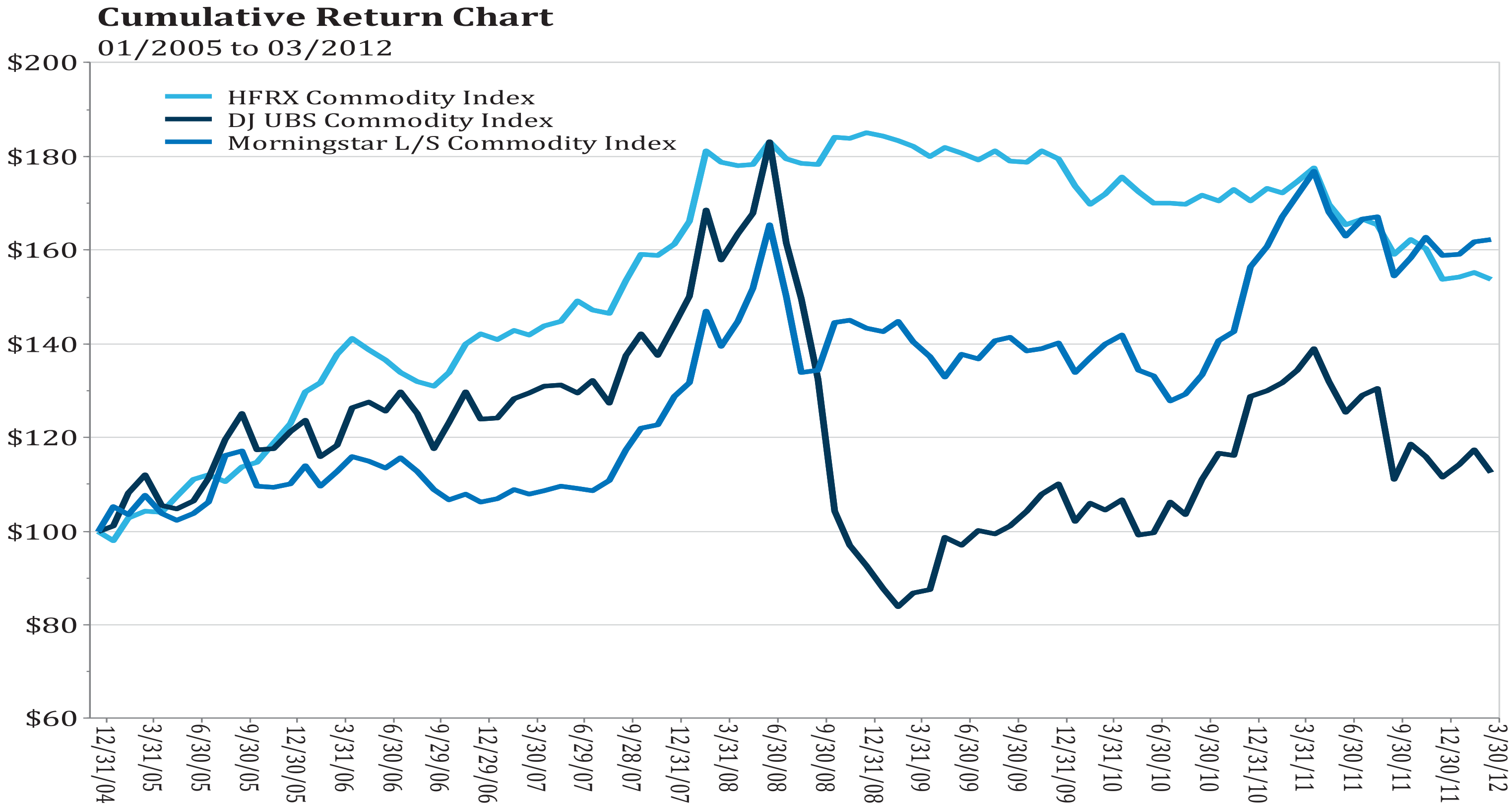
Fundamental

- Conduct deep research into fundamental supply and demand factors that drive futures markets
- Use specialized models, data sources, and other tools to construct expectations of fundamental value

Sector Specialists

- Employ specialized knowledge, research and analysis systems to seek value from niche markets

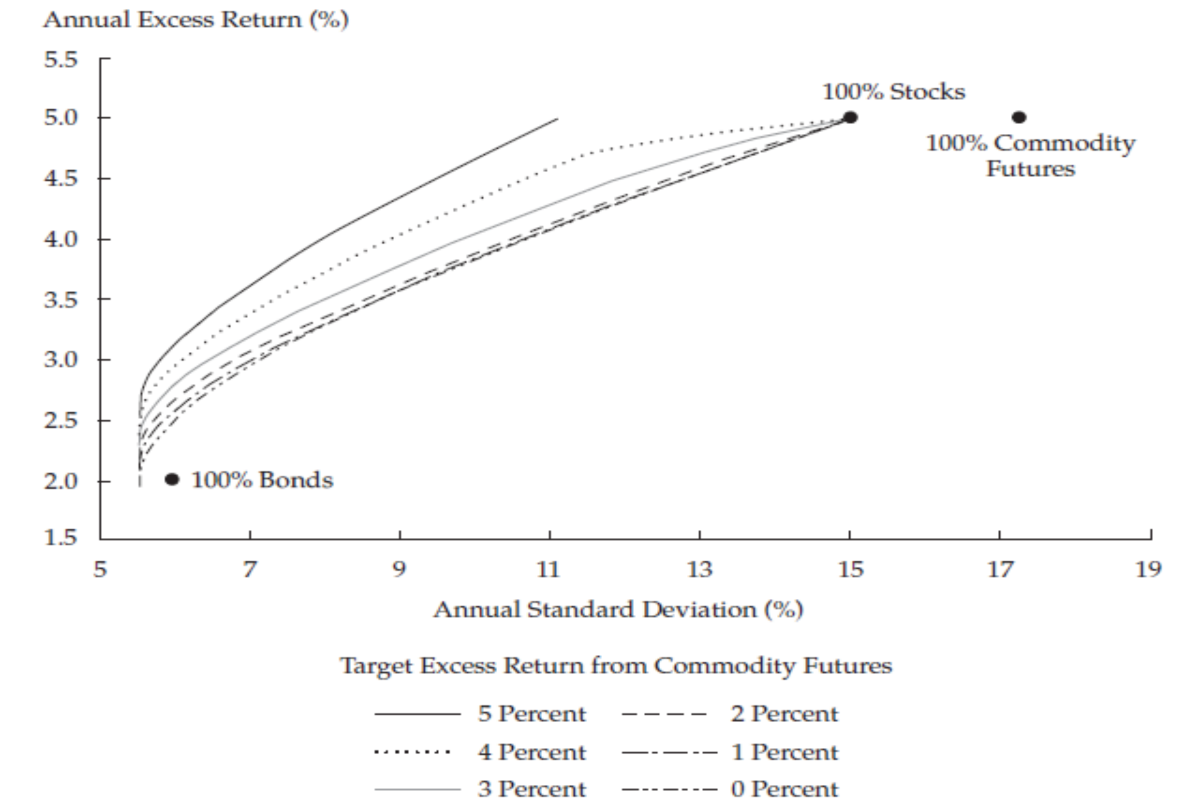
Comparative Indices



PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.
The Comparative Indices set forth above are provided solely for informational purposes and are not performance benchmarks for any of the William Blair Fund of Funds or any other of the investment funds or strategies managed by William Blair & Company. The Comparative Indices shown, which have been selected by William Blair, are provided solely as an indication of the performance of various capital markets and/or alternative investment strategies in general. These indices are not available for investment. Please see the notes at the end of this presentation for a complete description of each index and important disclosure related to Comparative Indices.

Obligatory Efficient Frontier Chart

- Efficient Frontiers for Portfolios with Commodity Futures



Source: Erb, Claude and Campbell Harvey, "The Strategic and Tactical Value of Commodity Futures" Financial Analysts Journal, (March/April 2006): 69–97.
PAST OR EXPECTED PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. A direct investment in an unmanaged index is not possible.

Summary

for…	Diversification	Inflation (accelerating)	Inflation (established)	Liquidity
Better	• Commodity long/short • CTAs	• Trend-following commodity & other CTAs • Fundamental commodity CTAs • Most other strategies reviewed	• Resource Equities • Physical commodities (including timber & real estate) • Sector commodity long/short	• CTAs • Commodity long/short • Long-only commodity indices
Worse	• Long-only commodity indices		• Long-only commodity indices	• Physicals

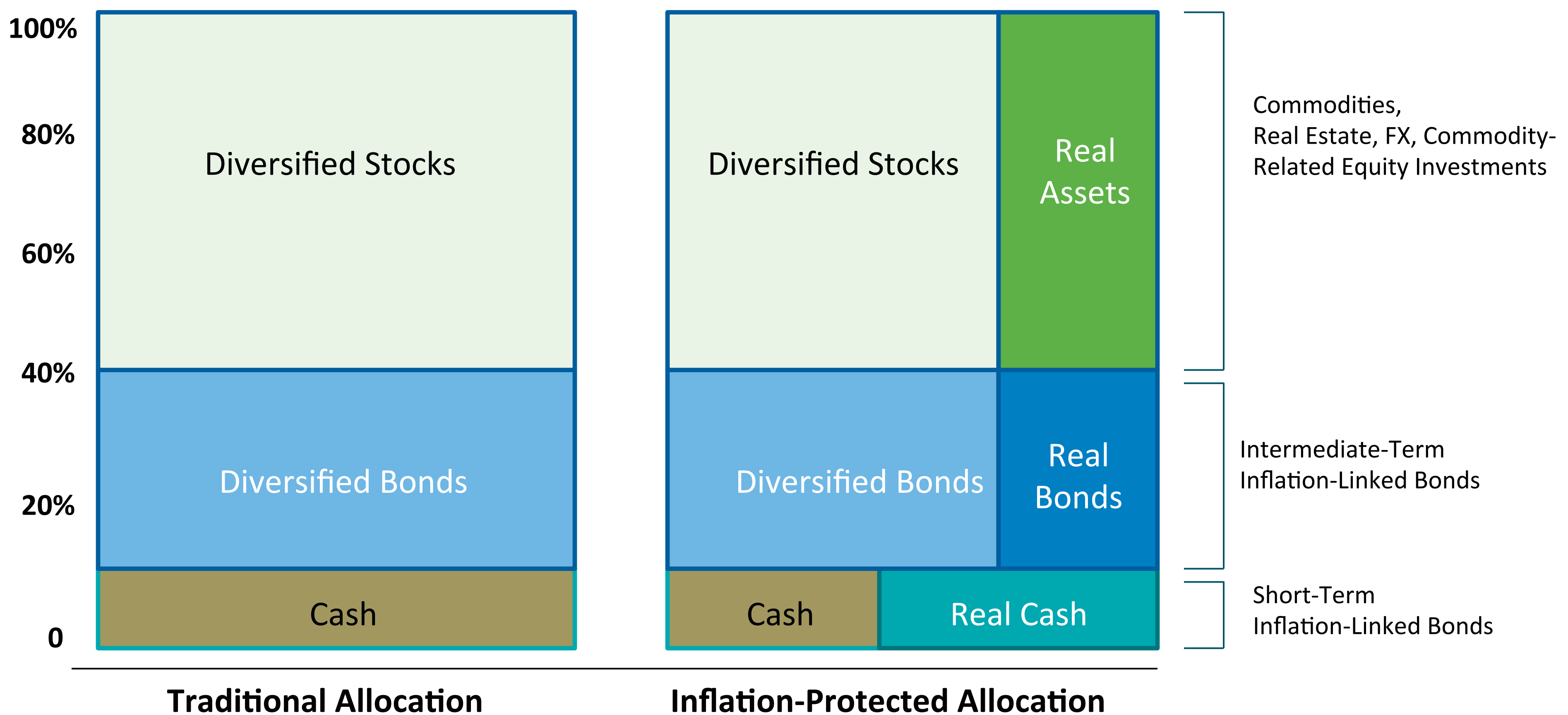
Notes

This material is provided for general information purposes only and is not intended as investment advice. Any discussion of particular topics is not meant to be comprehensive and may be subject to change. Any investment or strategy mentioned herein may not be suitable for every investor. Factual information has been taken from sources we believe to be reliable, but its accuracy, completeness or interpretation cannot be guaranteed. Information and opinions expressed are those of the presenter and may not reflect the opinions of other investment teams within William Blair & Company, L.L.C.'s Investment Management division. Information is current as of the date appearing in this material only and subject to change without notice. Index returns are provided for informational purposes only and should not be considered indicative of future returns. Direct investment in an index is not possible. Comparative indices contained herein are not intended as performance benchmarks for any investment funds or strategies managed by William Blair & Company.

Alternative investments, including commodities, futures and hedge funds, typically involve a high degree of risk. These investments are intended for experienced and sophisticated investors who are willing to bear the loss of their entire investment and may not be suitable for all investors. Performance of these products may be volatile, and while they may provide the potential for positive returns in both rising and declining markets, the potential for loss is equal. Some alternative investments can be highly illiquid, may not be required to provide periodic pricing or valuation to investors, and may involve complex tax structures and delays in distribution of important tax information. Certain alternatives are not subject to the same regulatory requirements, charge higher fees and may have limited opportunity for early redemption or transference of interests. Each investor should consult his own advisors regarding the legal, tax, and financial suitability of alternative investments.

Real Investments Complement Traditional Counterparts

"Traditional" vs. Inflation-Protected Allocation



Real Assets: Risk Profiles

Source: Capital Innovations, LLC © copyright 2012

- Introducing Infrastructure to a Real Assets portfolio may help lower risk significantly while also providing attractive returns.
- Infrastructure has performed with risk between equities and bonds.

Annualized Returns and Volatility over 5, 10 & 15 years (31 December 2010)

	5 Years		10 Years		15 Years	
Description*	Return	Volatility	Return	Volatility	Return	Volatility
U.S Inflation (CPI)	1.8	0.3	1.9	0.3	2.1	0.3
Real Assets						
U.S. TIPS	5.3	7.3	7.1	6.8	NA	NA
Infrastructure	**5.8**	**18.3**	**7.6**	**16.3**	**7.4**	**14.1**
Commodities	-5.7	27.5	1.8	25.0	5.2	23.0
REITS	3.0	32.3	10.8	24.9	10.8	21.1

As of 31 December 2010

Index data represented by monthly returns derived from the following indexes: CPI-U All Items Less Food And Energy U.S. City Average SA, Barclays Capital US Govt Inflation-Linked, UBS Global Infrastructure & Utilities 50-50 Index, S&P GSCII, FTSE NAREIT All Equity REITs, S&P 500, MSCI The World Index, MSCI EMF

Source: Factset

Multiple Approaches to Investing in Real Assets

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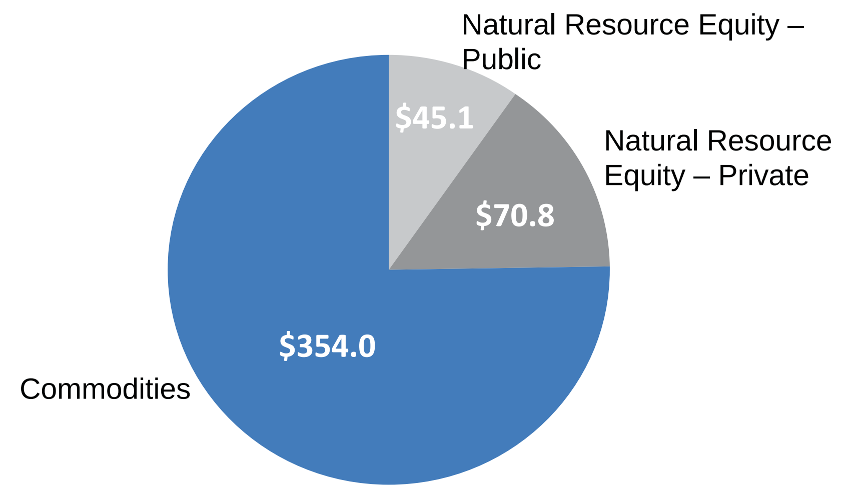
Historical Rationale for Investing in Commodities

Annualized Returns and Down Market Correlation, 1970–1999	Annualized Return	Down Market Correlation
MSCI World Index	12.82%	1.00
S&P GSCI Total Return	11.71%	(0.07)
MSCI/GSCI Blend (85%/15%)	13.03%	0.94

Inflation Protection, 1970–1979	Annualized Return
MSCI World Index - Nominal	6.96%
MSCI World Index - Real	-0.46%
S&P GSCI Total Return - Nominal	21.25%
S&P GSCI Total Return - Real	12.94%

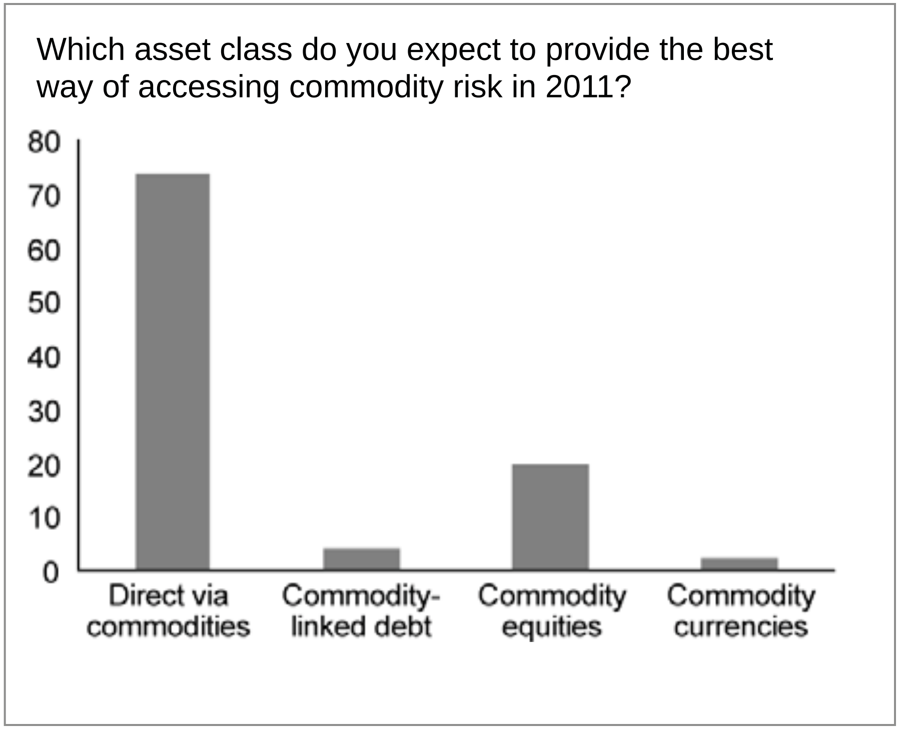
Assets Under Management
Natural Resource Equities/Commodities
AUM as of 12/31/10 ($billions)



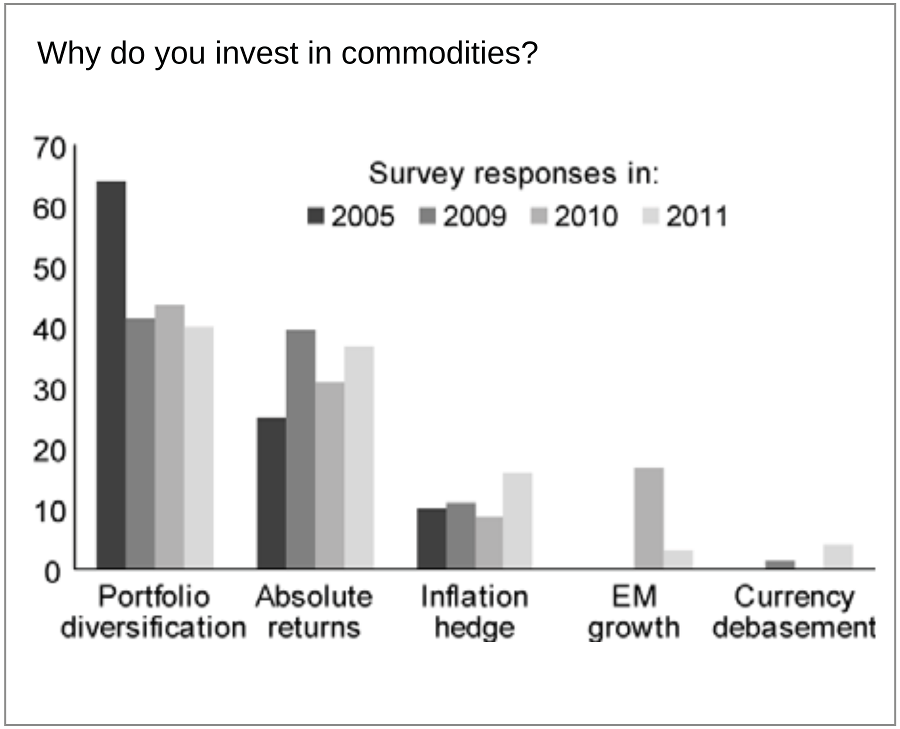
Correlations and performance quoted represent historical data and does not guarantee future results.
The Blended Return shown is hypothetical and does not represent results for an actual investment vehicle. The hypothetical return was achieved by weighting the monthly returns of the MSCI World Index (85% weight) and the S&P GSCI Commodity Index (15%). Except for the Strategy, the returns do not reflect management or administrative fees of any kind. The returns also do no reflect any transactions costs associated with re-balance activity. Results assume the reinvestment of all dividends.
Source: Barclays, Preqin, Morningstar

Investors are Planning to Maintain or Increase Their Exposure

Direct investment is preferred



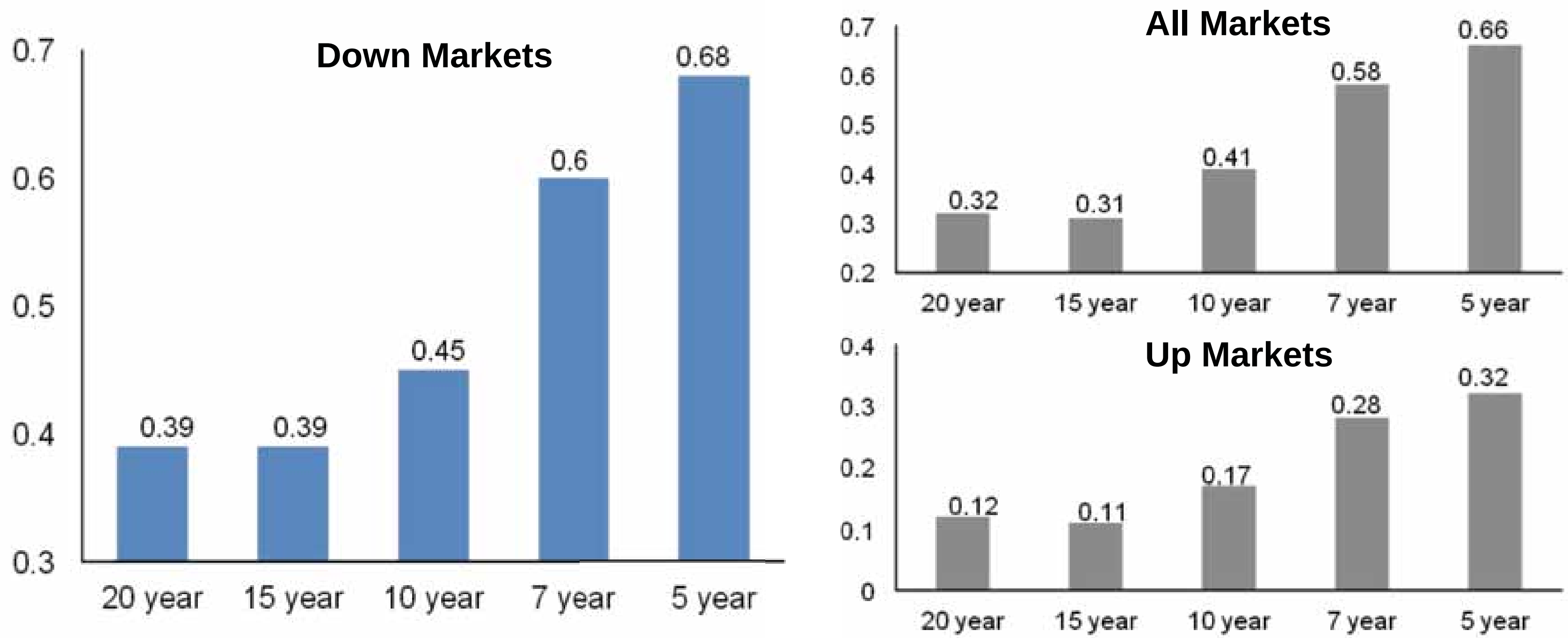
Diversification and absolute returns are still the main reasons for investing



Source: Barclays Capital; “Commodity Cross Currents” 22 March 2011

Down-Market Correlations are Rising

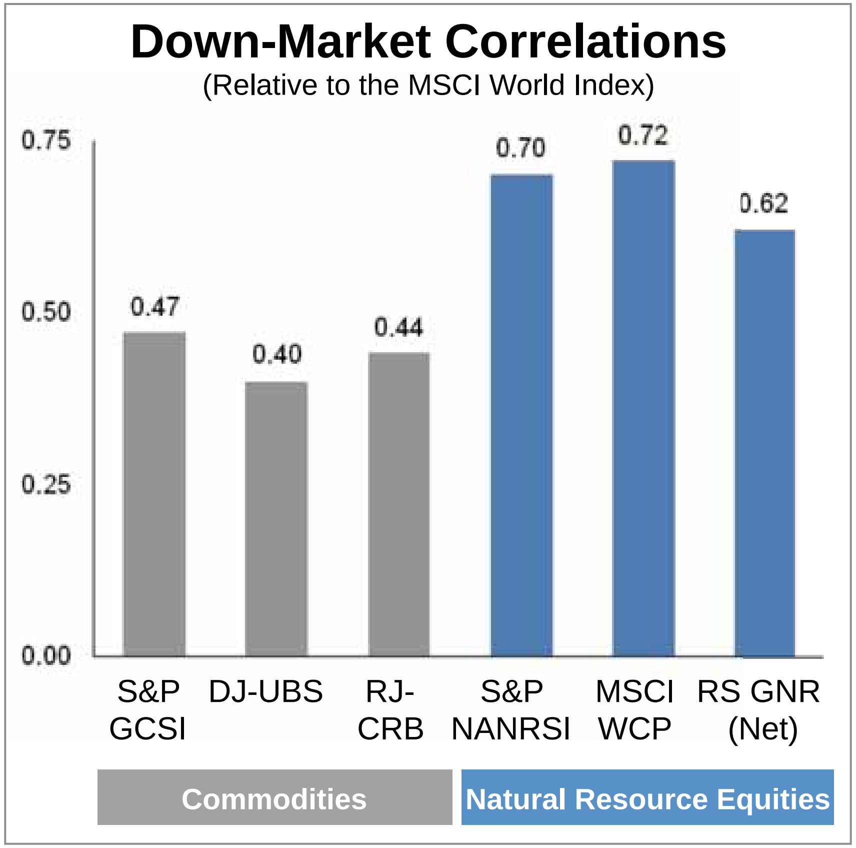
S&P GSCI Correlations with MSCI World Index

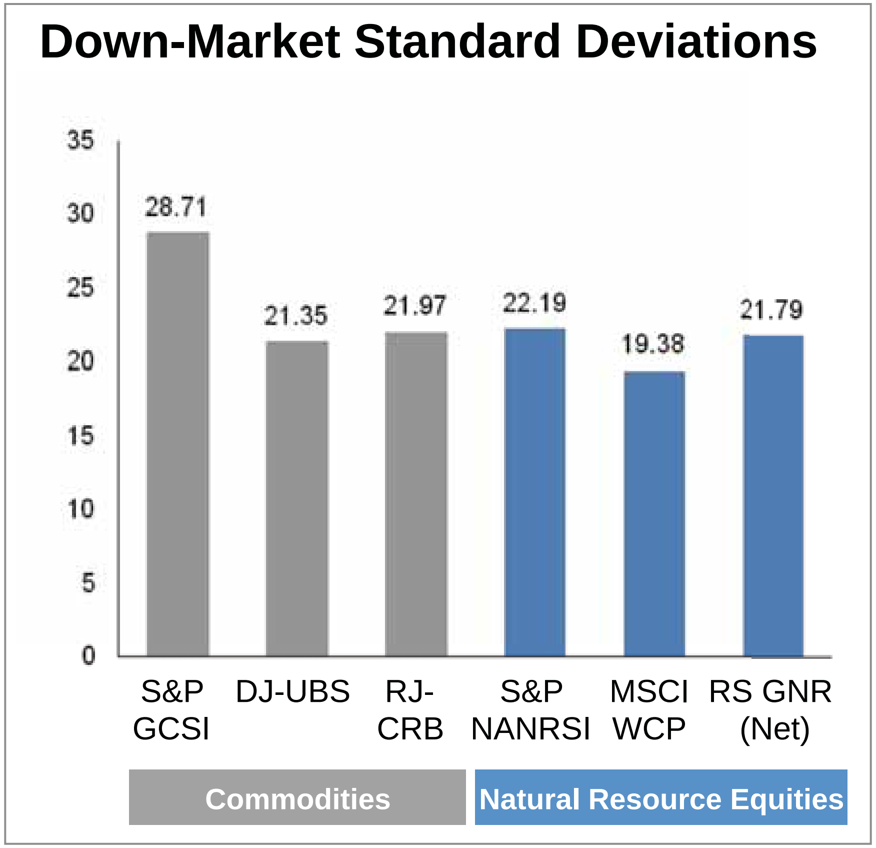


As of 12/31/11
Source: RS Investments; Factset
Correlations quoted represent historical data and does not guarantee future results

Portfolio Diversification Metrics

10-Year as of 6/30/12





Performance quoted represents past performance and does not guarantee future results

Source: RS Investments

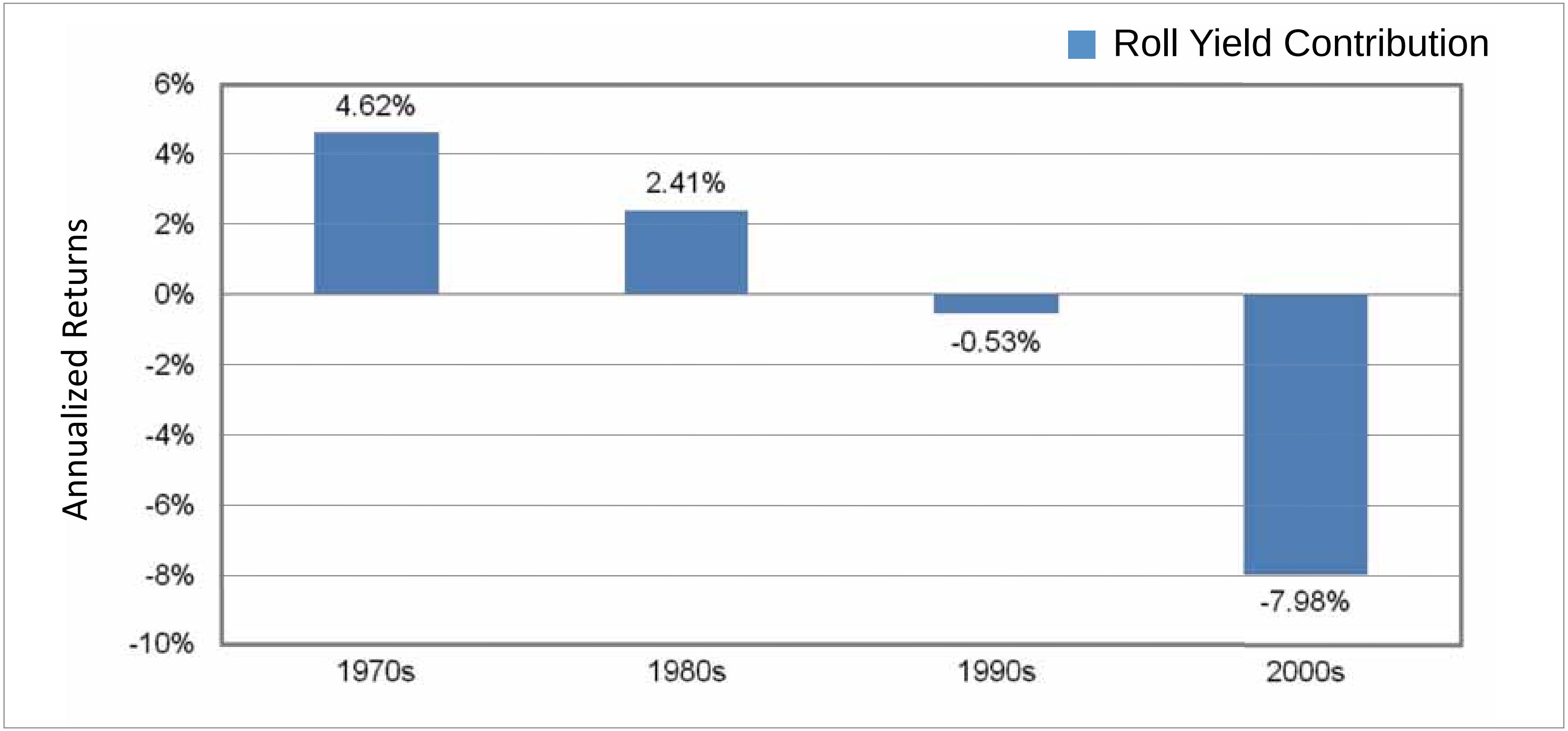
Longer-Term Correlations

January 1, 1997 – December 31, 2011	Rolling Three Year Annual	Rolling Three Year Quarterly	Rolling Three Year Monthly
Natural Resource Equities			
RS Global Natural Resources (Net)	0.34	0.53	0.56
S&P North American Natural Resource Index	0.77	0.83	0.85
Morgan Stanley Commodity Related Index	0.54	0.63	0.66
Commodity Futures			
Dow Jones-UBS Commodity Index Total Return	0.29	0.40	0.41
S&P GSCI Total Return	0.31	0.41	0.42
Reuters/Jefferies CRB Total Return	0.32	0.43	0.44
Commodity Futures Return Streams			
S&P GSCI Spot Price Return	0.50	0.63	0.66
S&P GSCI Interest on Collateral Return	0.11	0.13	0.14
S&P GSCI Roll Yield Return	(0.19)	(0.17)	(0.18)

Performance quoted represents past performance and does not guarantee future results.

Source: Factset, RS Investments

Roll Yield Has Negatively Impacted Commodity Futures Returns

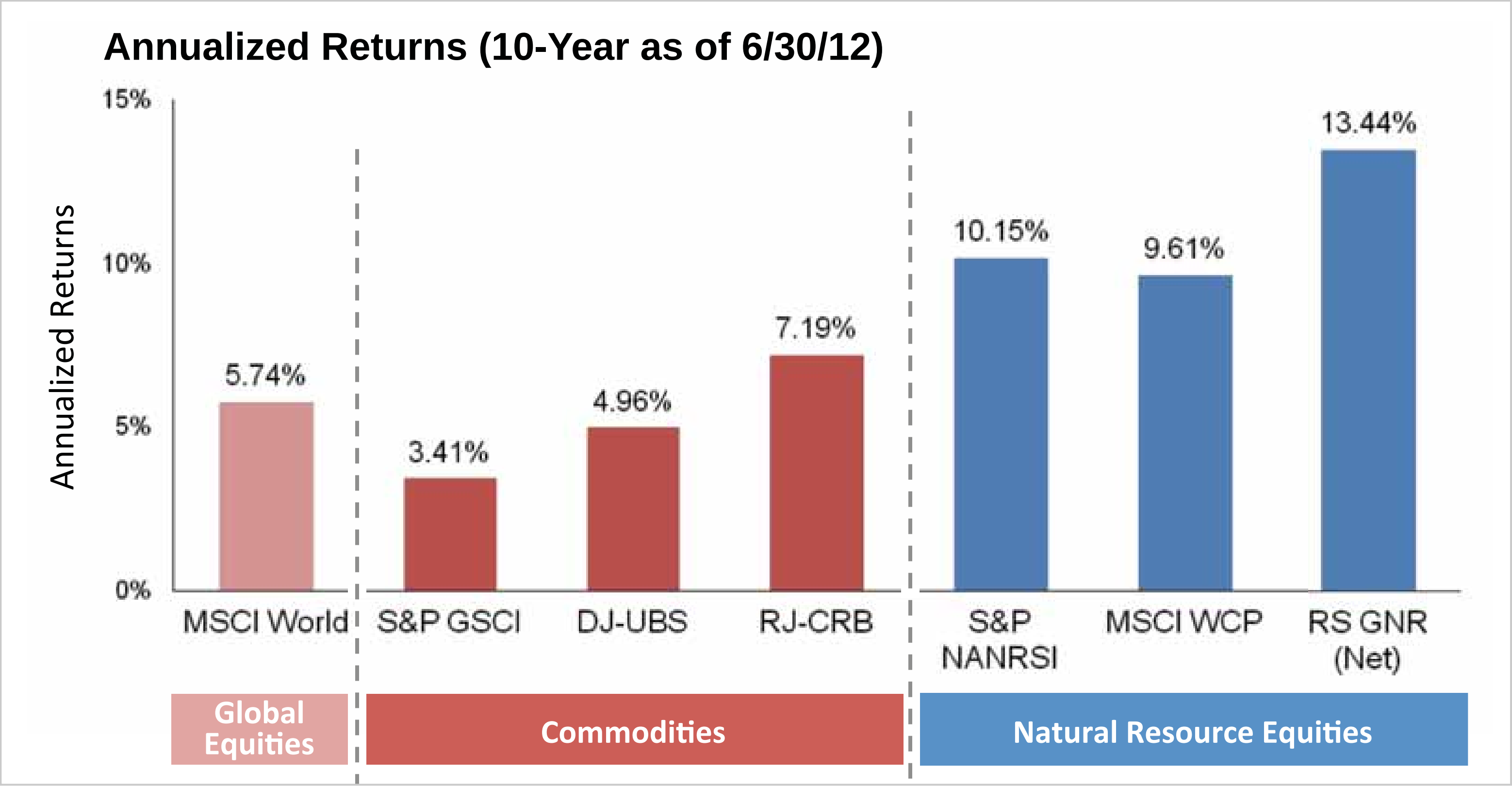


As of December 31, 2009

Performance quoted represents past performance and does not guarantee future results

Source: Factset, RS Investments

Absolute Returns



Performance quoted represents past performance and does not guarantee future results
A GIPS-compliant presentation is attached. Please see Appendix.
Source: RS Investments

Appendix

Investment Results

Performance

		Annualized				
	Second Quarter 2012	1 Year	3 Year	5 Year	10 Year	Since Inception (11/15/95)
RS Global Natural Resources Composite						
Gross of fees	-2.49%	-9.37%	15.65%	2.16%	15.12%	12.14%
Net of fees	-2.83%	-10.63%	14.05%	0.71%	13.44%	10.30%
S&P North American Natural Resources Sector Index™	-9.71%	-17.44%	10.55%	-0.78%	10.15%	N/A
MSCI World Commodity Producers Index	-8.74%	-16.55%	6.99%	-2.01%	9.61%	N/A
S&P 500 Index	-2.75%	5.45%	16.40%	0.22%	5.33%	7.04%
Differential (Gross of fees vs. S&P NANRSI)	+7.22%	+8.07%	+5.10%	+2.94%	+4.97%	N/A

As of June 30, 2012
A GIPS-compliant presentation is attached. Please see Appendix.
Performance quoted represents past performance and does not guarantee future results.

Performance Results

As of December 31, 2011

Year	Gross of Fees Total Return (%)	Net of Fees Total Return (%)	S&P North American Natural Resources Sector Index™ (%)	Composite 3Y Ann Standard Deviation	Benchmark 3Y Ann Standard Deviation	Number of Portfolios	Composite Assets ($millions)	Total Firm Assets ($billions)	% of Firm Assets	Composite Dispersion
2002	19.10%	17.04%	-12.99%	21.34%	21.99%	1	38.8	4.2	1%	n/m
2003	44.65%	42.30%	34.40%	17.55%	19.37%	2	154.0	7.2	2%	n/m
2004	36.77%	34.82%	24.59%	15.87%	17.41%	2	647.1	8.4	8%	n/m
2005	44.32%	42.26%	36.61%	17.94%	16.87%	2	1,737.1	10.0	17%	n/m
2006	9.72%	8.11%	16.85%	19.98%	18.77%	3	1,648.0	16.8	10%	n/m
2007	33.95%	32.08%	34.44%	19.59%	19.21%	5	2,240.9	18.1	12%	n/m
2008	-45.89%	-46.73%	-42.55%	27.93%	27.46%	5	937.0	10.2	9%	0.17%
2009	51.47%	49.38%	37.54%	30.32%	29.27%	6	1,226.1	13.9	9%	0.13%
2010	27.12%	25.38%	23.88%	30.43%	30.52%	10	2,380.1	19.8	12%	0.35%
2011	-6.00%	-7.31%	-7.35%	24.62%	26.09%	26	3,655.2	20.2	18%	0.54%

Strategy: RS Global Natural Resources Composite invests principally in equity securities of issuers in natural resources industries, and may invest in securities of companies located anywhere in the world, including the United States.

Standard Fee Schedule:
1.00% Assets up to $30,000,000
0.80% Assets $30,000,001-$50,000,000
0.60% Assets over $50,000,000

Past performance is not a guarantee of future results. More current information on performance may be available by contacting RS Investments.

RS Investments (the "Firm") has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

RS Investments' claim of compliance has been verified on a firmwide basis for the periods January 1, 2009 through December 31, 2010 by Ashland Partners & Company LLP, for the periods January 1, 1996 through December 31, 2001 and January 1, 2004 through December 31, 2008 by PricewaterhouseCoopers LLP and for the periods January 1, 2002 through December 31, 2003 by Ernst & Young LLP. In addition, the performance results of RS Global Natural Resources Composite have been examined for the periods January 1, 2008 through December 31, 2010 by Ashland Partners & Company LLP, and for the periods January 1, 2003 through December 31, 2007 by PricewaterhouseCoopers LLP. A copy of the verification report is available upon request.

RS Investments is defined as RS Investment Management Co. LLC, an investment adviser registered under the Investment Advisers Act of 1940. The Firm was previously defined as the total assets managed by RS Investment Management L.P., RS Investment Management, Inc., RS Value Group LLC, and RS Growth Group LLC. On August 31, 2006 RS Investment Management Co. LLC ("RS") entered into an agreement with The Guardian Life Insurance Company of America ("Guardian") in which Guardian took a majority ownership position in RS Investments (the "Transaction"). In connection with the Transaction, RS undertook a simplification of its corporate structure and consolidated the investment advisory function under one entity. RS Investment Management, L.P., RS Investment Management, Inc., RS Value Group LLC, and RS Growth Group LLC (the "Advisers") are subsidiaries of RS. Immediately after the close of the Transaction, RS assumed the investment advisory functions previously performed by the Advisers.

Disclosures (continued)

As of December 31, 2011

The RS Global Natural Resources Composite includes all discretionary accounts invested in the Global Natural Resources Strategy. Accounts must be under management for at least one full month to be included in the composite. Closed accounts remain in the composite through the last full month under management. Results prior to 2003 represent the returns of a single account.

The RS Global Natural Resources Composite results are time weighted rates of return net of transactions costs, and have been presented both gross and net of investment advisory fees. Monthly composite returns are calculated by weighting each account's monthly return by its beginning value as a percent of the total composite's beginning market value. Quarterly and annual returns are calculated by linking the monthly and quarterly returns, respectively, through compounded multiplication. Valuations and returns are computed and stated in U.S. dollars. Returns reflect the reinvestment of income, and are net of foreign withholding taxes. Additional information regarding policies for calculating and reporting returns is available upon request.

The S&P North American Natural Resources Sector Index™ (S&P NANRSI), which is not covered by the report of independent accountants, is a modified capitalization-weighted index of companies involved in the following categories: extractive industries, energy companies, owners and operators of timber tracts, forestry services, producers of pulp and paper, and owners of plantations. Index results assume the reinvestment of dividends paid on the stocks constituting the index and do not include any transactions costs, management fees or other costs. As of December 31, 2007 the strategy has changed its benchmark from the Lipper Natural Resources Fund Index to the S&P North American Natural Resources Sector Index because the S&P North American Natural Resources Sector Index is composed of securities of companies in the natural resources sector while the Lipper Natural Resources Fund Index is composed of mutual funds that invest in the natural resources sector.

Investing in small- and mid-size companies can involve risks such as less publicly available information than larger companies, volatility, and less liquidity. Investing in a more limited number of issuers and sectors can be subject to greater market fluctuation. Portfolios that concentrate investments in a certain sector may be subject to greater risk than portfolios that invest more broadly, as companies in that sector may share common characteristics and may react similarly to market developments or other factors affecting their values. Investments in companies in natural resources industries may involve risks including changes in commodities prices, changes in demand for various natural resources, changes in energy prices, and international political and economic developments. Foreign securities are subject to political, regulatory, economic, and exchange-rate risks not present in domestic investments. The value of a debt security is affected by changes in interest rates and is subject to any credit risk of the issuer or guarantor of the security.

Composite dispersion is the standard deviation of asset-weighted gross annual returns for portfolios active the entire year, and is reported as not meaningful (n/m) if fewer than five accounts were active the entire year.

The RS Global Natural Resources Composite was created in January 2003.

A complete list and description of the Firm's composites is available upon request.

Definitions

- The S&P GSCI® Index is used in this paper to illustrate the risk and returns of an investment in commodities. The S&P GSCI® is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. Three S&P GSCI indices are published: excess return, total return and spot. The S&P GSCI Total Return Index measures the returns accrued from investing in fully-collateralized nearby commodity futures; the S&P GSCI Excess Return Index measures the returns accrued from investing in uncollateralized nearby commodity futures; and the S&P GSCI Spot Index measures the level of nearby commodity prices. The implied roll yield and collateral income contributions presented in this paper were derived by RS Investments using the S&P GSCI indices. These implied contributions are meant for illustrative purposes only and are not intended to represent any particular index or available investment.
- The Dow Jones-UBS Commodity Index (DJ-UBS) is used in this paper to illustrate the risk and returns of an investment in commodities. It is composed of futures contracts on 19 physical commodities. The commodities in the index are traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).
- The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007 the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.
- The S&P 500® Index is an unmanaged market-capitalization-weighted index generally considered to be representative of U.S. equity market activity. The index consists of 500 stocks representing leading industries of the U.S. economy. Index results assume the reinvestment of dividends paid on the stocks constituting the index. You may not invest in the index, and, unlike the Strategy, the index does not incur fees or expenses.
- The S&P North American Natural Resources Sector Index™ (NANRSI), which is not covered by the report of independent accountants, is a modified capitalization-weighted index of companies involved in the following categories: extractive industries, energy companies, owners and operators of timber tracts, forestry services, producers of pulp and paper, and owners of plantations.
- The Thomson Reuters/Jefferies CRB (RJ-CRB) Index maintains broad diversification through 19 commodities representing all commodity sectors. Commodities are equitably distributed whenever feasible, though exposure to selected markets, in particular those within the petroleum sector, are modified to create a liquid and rational index.
- The MSCI World Commodity Producers Index (MSCI-WCP) is an equity-based index designed to reflect the performance related to commodity producers stocks. The MSCI World Commodity Producers Index is a free float-adjusted market capitalization-weighted index comprised of commodity producer companies based on the Global Industry Classification Standard (GICS®).

Definitions (continued)

- The Morgan Stanley Commodity Related Index (CRX) is an equal dollar weighted index based on shares of widely held companies involved in commodity-related industries such as energy (e.g. oil and gas production and oil field services and equipment), non-ferrous metals, precious metals, agriculture and forest products.
- The Barclays Capital U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage and asset-backed issues, rated investment grade or higher, and having at least one year to maturity. Unlike the Strategy, the index does not incur fees or expenses.
- Sortino Ratio: The Sortino ratio is another measure of risk-adjusted performance. It is similar to the Sharpe ratio, but uses the standard deviation of only negative excess returns as the denominator. The numerator is the excess return over a fixed “minimum acceptable return” (MAR). As of 3/31/09, our calculation uses a risk-free MAR (generally a 3-month t-bill). Like the Sharpe ratio, the Sortino ratio should be used to compare similar portfolios – the higher the ratio, the better the risk-adjusted performance. Unlike the Sharpe ratio, the Sortino ratio does not punish a portfolio for upside volatility.
- Beta: A statistical measurement of a portfolio’s relative sensitivity to the benchmark, which acts as a proxy for market risk. The beta between a portfolio and its benchmark is the amount of units the portfolio will move when the benchmark moves one unit. By definition, the beta of the market (benchmark) is one. Beta is one of the three MPT (Modern Portfolio Theory) statistics and is derived by a linear regression of the portfolio’s returns against the returns of a benchmark.
- For example, if a portfolio has a beta of 1.15, it is expected that the portfolio will perform 15% better than the benchmark in an up market. However, in a down market it is expected that the portfolio would perform 15% worse than the benchmark.
- It is important to note that beta is only an estimate. For a beta to be most accurate, a perfect linear correlation (in the form of an R2 equal to 1) must exist between the portfolio and the benchmark. As the value of the R2 decreases, the beta for a portfolio becomes immaterial.
- Downside Capture Ratio: A measure of a manager’s performance in down markets relative to the market (benchmark). Each month or quarter is considered a down market if the market return is less than zero. Downside Capture is calculated by dividing the average return of the manager in down market months or quarters by the average return of the market over the same months or quarters. A ratio of 90 suggests a manager lost 10 percent less than the market lost in down markets over the period.
- Downside Deviation: A measure of downside risk that focuses on returns that fall below a minimum threshold or minimum acceptable return (MAR). It is used in the calculation of a risk measure known as the Sortino Ratio.
- Index results assume the reinvestment of dividends paid on the stocks constituting the index and do not include any transactions costs, management fees or other costs.

Multiple Approaches to Investing in Real Assets

MODERATOR

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William Blair & Company

Ken Settles, CFA
Portfolio Manager
RS Funds

Jennifer Stevenson
Portfolio Manager
Dundee Wealth

Real Asset Investing

Real assets are generally tangible assets that are independent of the value of money and can include real estate, land and forests, precious metals, energy, agriculture and infrastructure

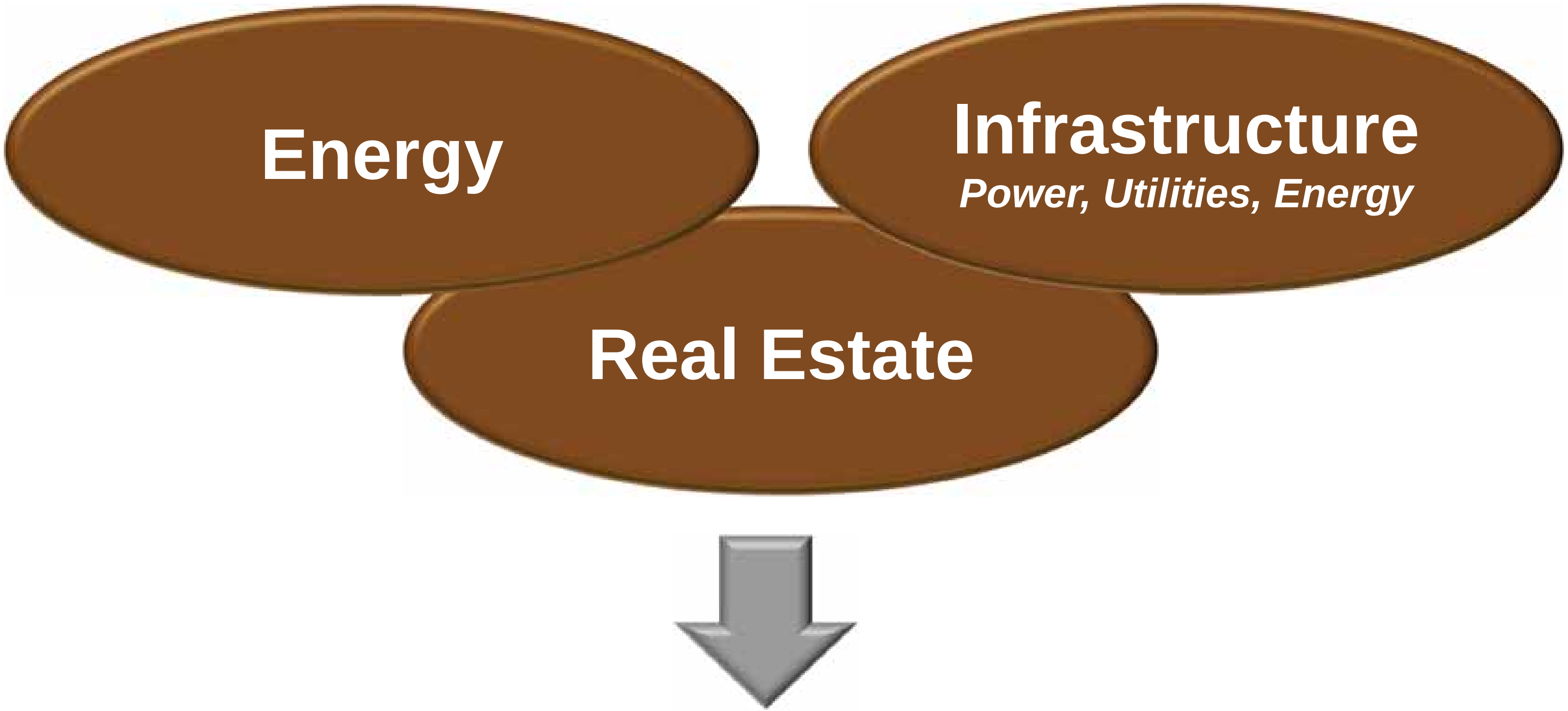
DIVERSIFICATION

INFLATION PROTECTION

REDUCE RISK

INCREASE YIELD

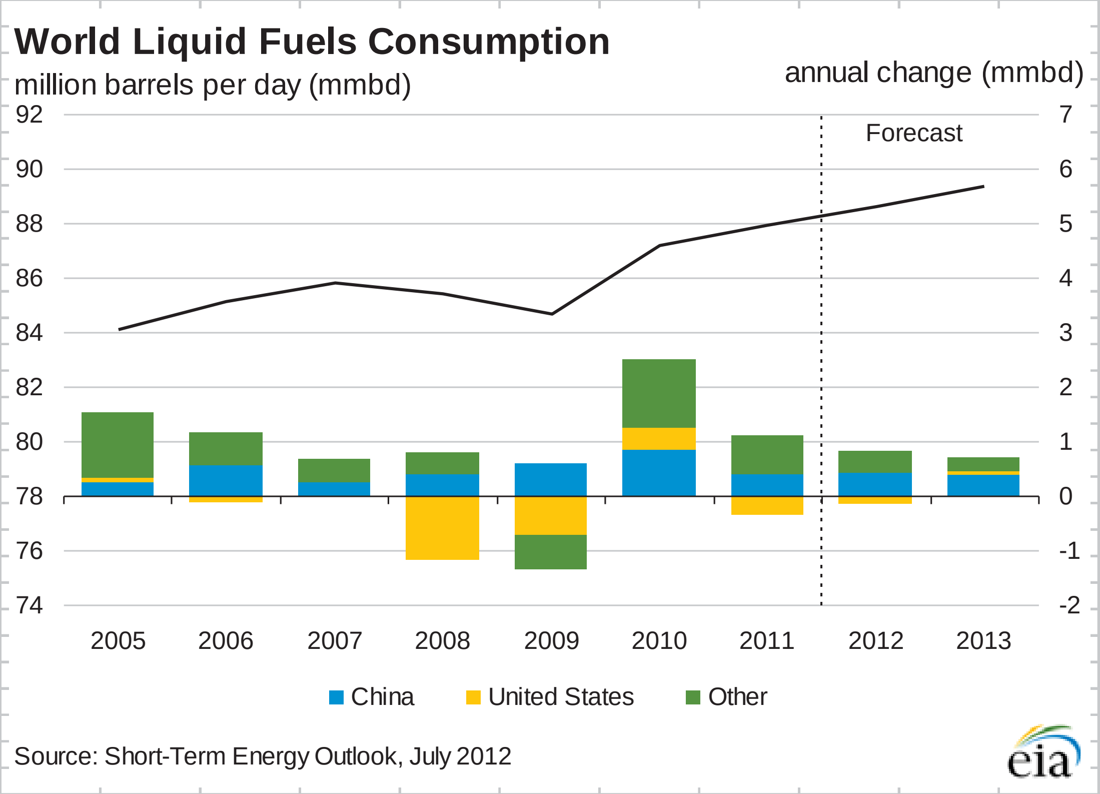
Use Our Expertise Areas to Invest in Real Assets that Generate a Sustainable Yield

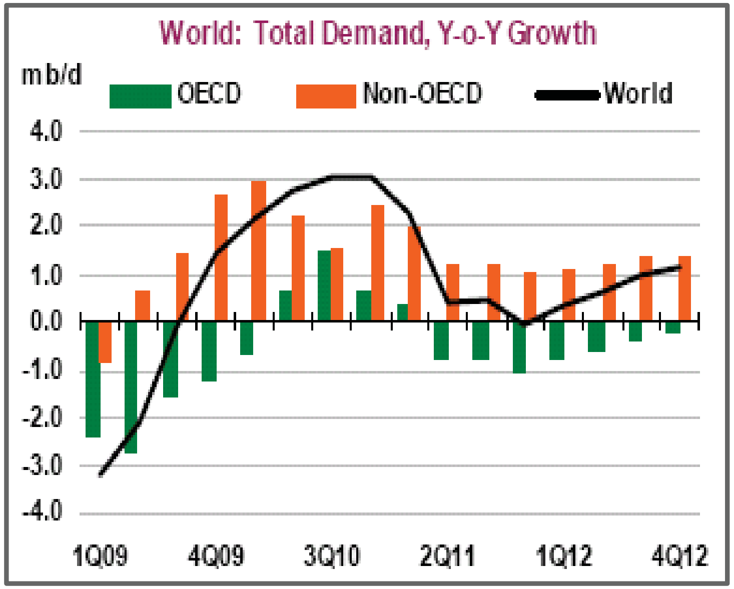


Generate cash flow (yield)

Global Oil Demand is Still Increasing

- Global oil demand continues to grow
- Global oil demand is up to almost 1MM Bbls/day from 2011

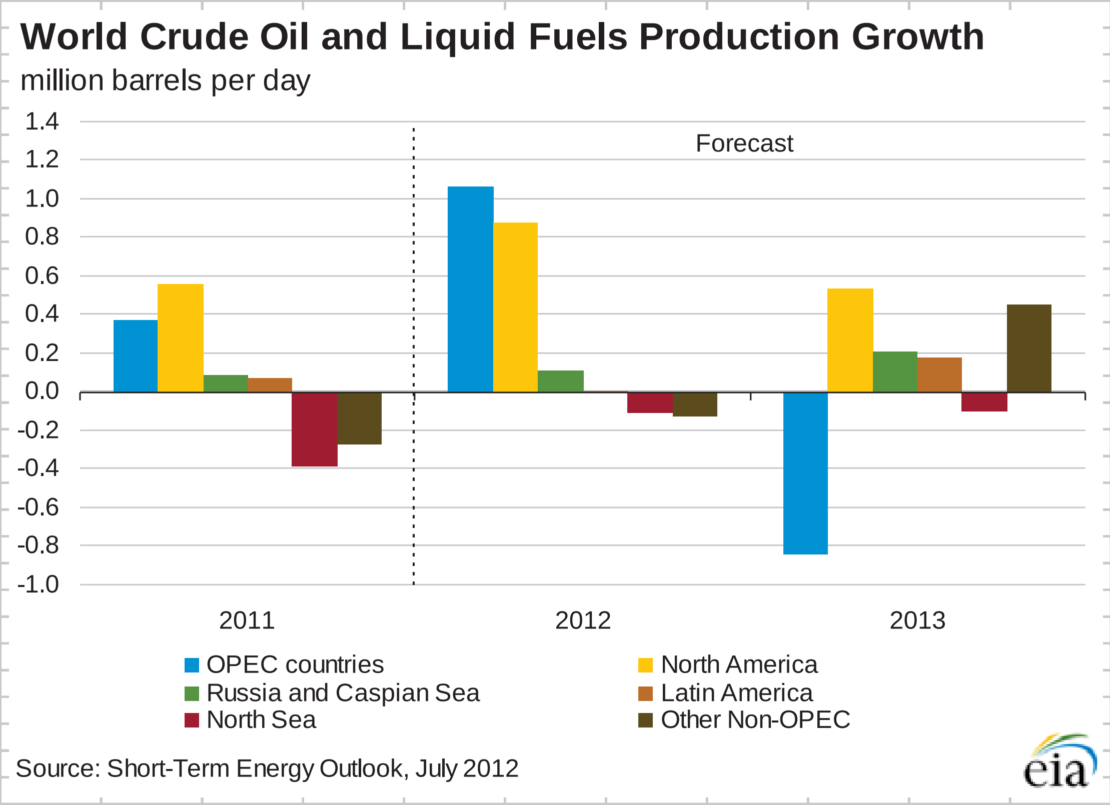




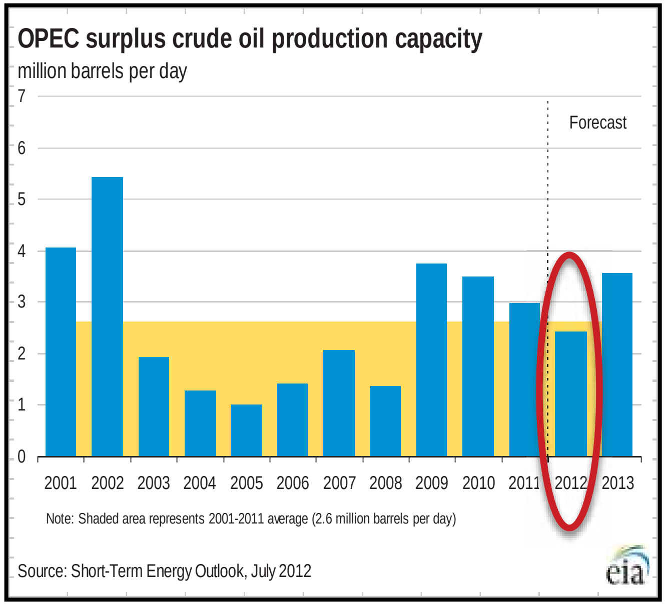
Source IEA Oil Market Report 11 May 2012

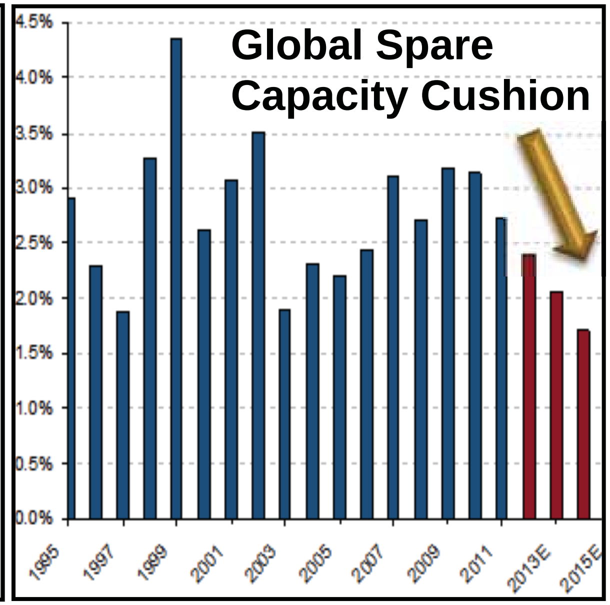
Global Oil Supply is Unsustainably High

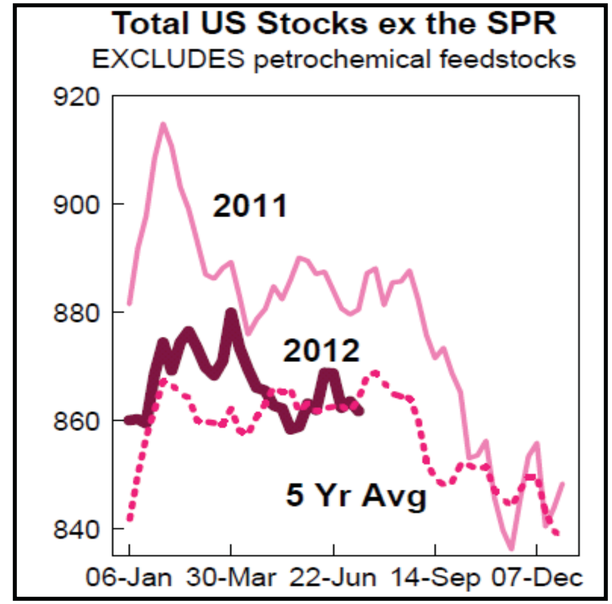
- OPEC (Saudi) has been producing at maximum levels first to alleviate high prices and also to lessen the impact of:
  - EU Sanctions on Iran since July 1
  - Supply issues from North Sudan, South Sudan, Libya, Yemen, Nigeria, Iraq, Syria, Algeria, Cuba and others
- Production growth in other regions, limited really to North America



Global Oil Inventory and Spare Capacity are Diminished







Source Credit Suisse

Source Cornerstone Analytics, Inc., July 20, 2012

- Saudi's unsustainable overproduction has caused spare capacity to diminish
- Demand and infrastructure improvements have caused US inventories to decline

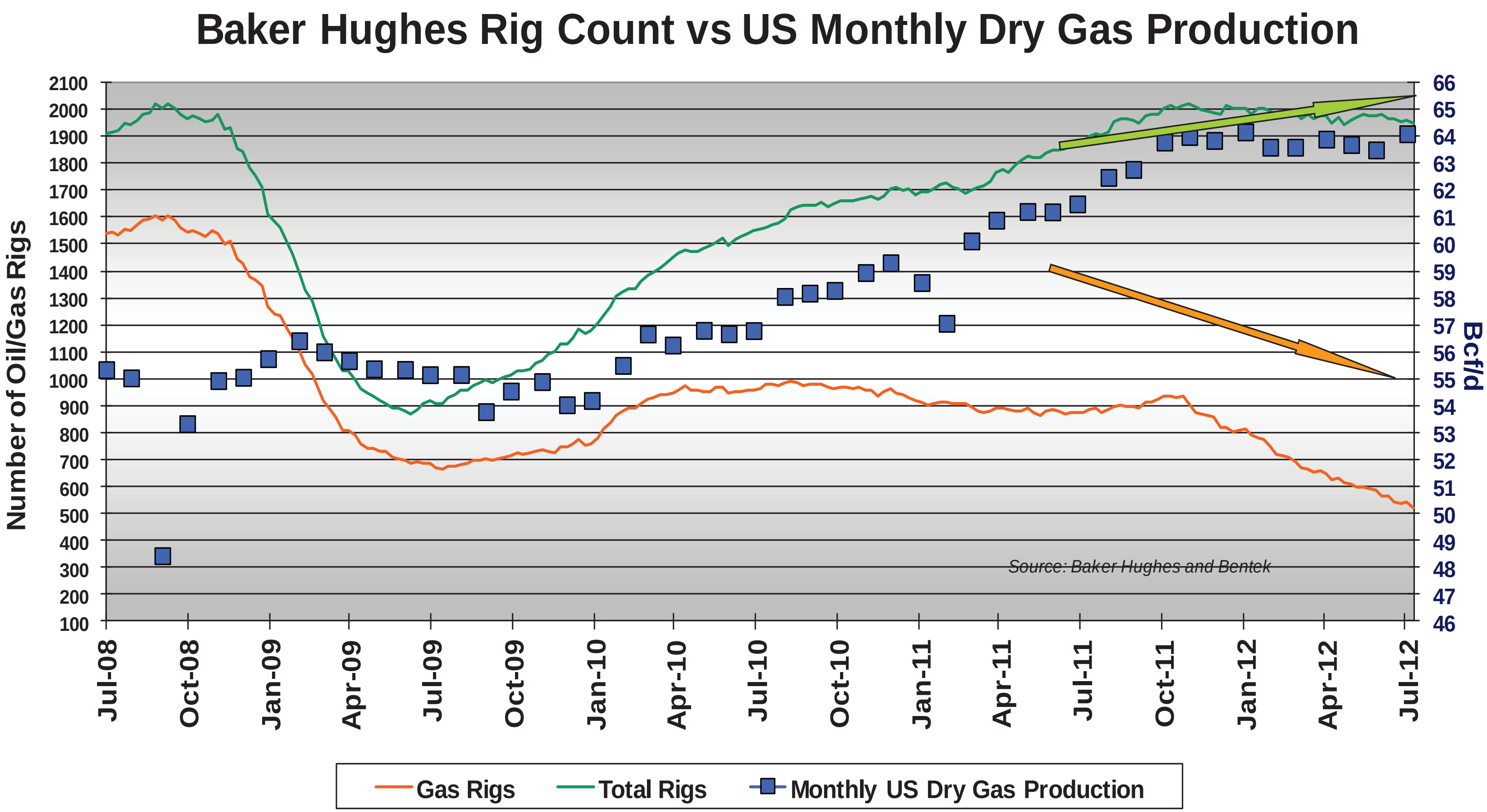
Oil Price Outlook…Fundamentals vs. Macro

- Oil production has increased as Saudi reduces prices for its customers and ensures the Iranian embargo is managed; non-OPEC additions outside of North America are about zero
- Interestingly, global oil inventories are not high, so the oil is being consumed
- Uncertainty on Europe continues
- China demand concerns – government focused on achieving targets, but 6%, 7%, 8% growth in an economy that size is still big
- Oil is expensive to find and we can't afford it at $125. Companies do well at $90+ Brent

Natural Gas – Prices Hit the Wall … Recovered Somewhat…Now What?

- A warm winter laid bare the glaring North American gas over-supply problem and prices crashed
- North American inventories are bulging
- Potential outlet in LNG, but 2014-15 is the first optimistic date and the initial volumes are too small to make a big difference
- What about using more natural gas for transportation? More immediate gains from Gasoline engine efficiency
- How much will be allowed offshore before prices rise and exports are stopped? US Government thinks 6 Bcf/d max by 2025
- Coal switching for power and a hot summer has increased natural gas demand and pulled prices off the bottom, could re-test in near term
- US natural gas production continues at record levels
- Canada west coast LNG has real opportunity

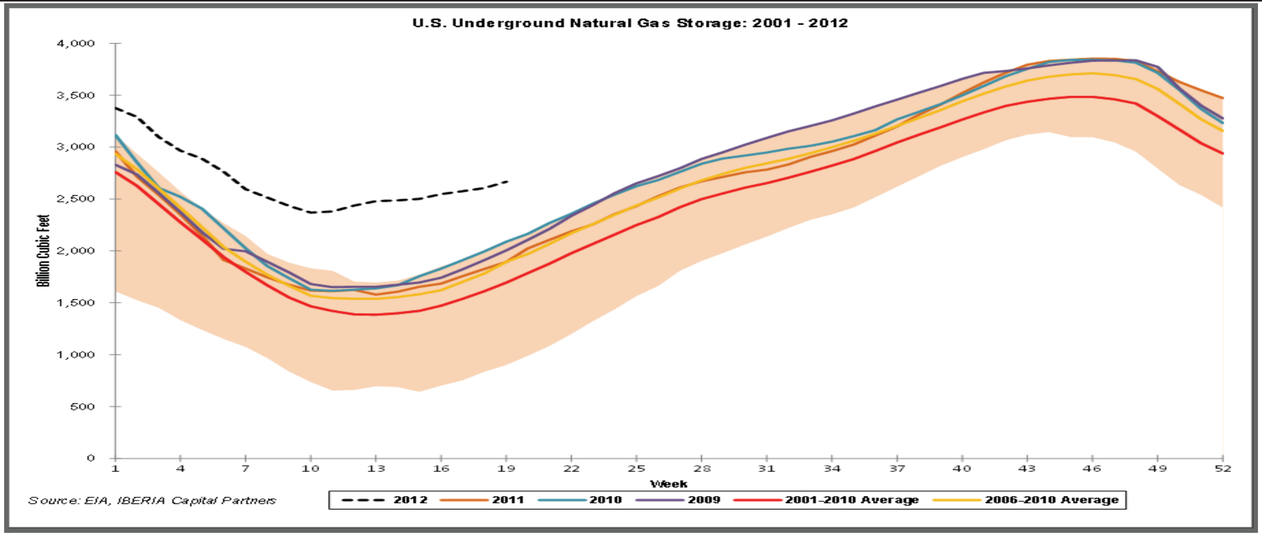
Gas Production Continues at Record Levels Despite Falling Rig Count



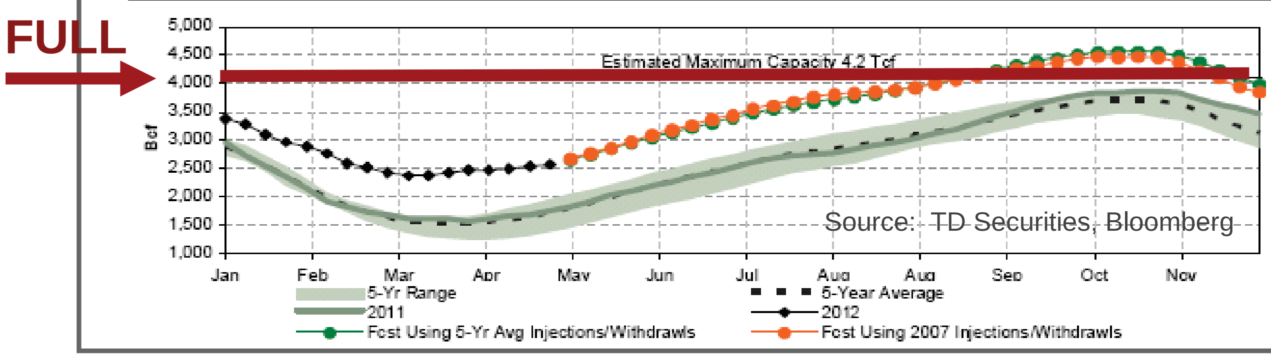
Source: NBF Financial, July 25, 2012

U.S. Natural Gas Inventories are Close to Full Already

- **The key question is whether gas inventories will get to FULL before the end of the injection season (summer) and cause spot gas prices to re-test their previous lows as volumes are shut-in or curtailed**
- **Market should look through this to winter 2012/13 and calendar 2013 pricing**



Week Ending	Injection / Withdrawal: Current (Bcf)	Same Period Last Year (Bcf)	Same Period 5-Yr Avg (Bcf)	Storage Levels: Current (Bcf)	vs. Week Ago (%)	vs. Year Ago (%)	vs. 5-Yr Avg (%)
06/04/2012	6	7	22	2,478	0.2%	55.0%	58.1%

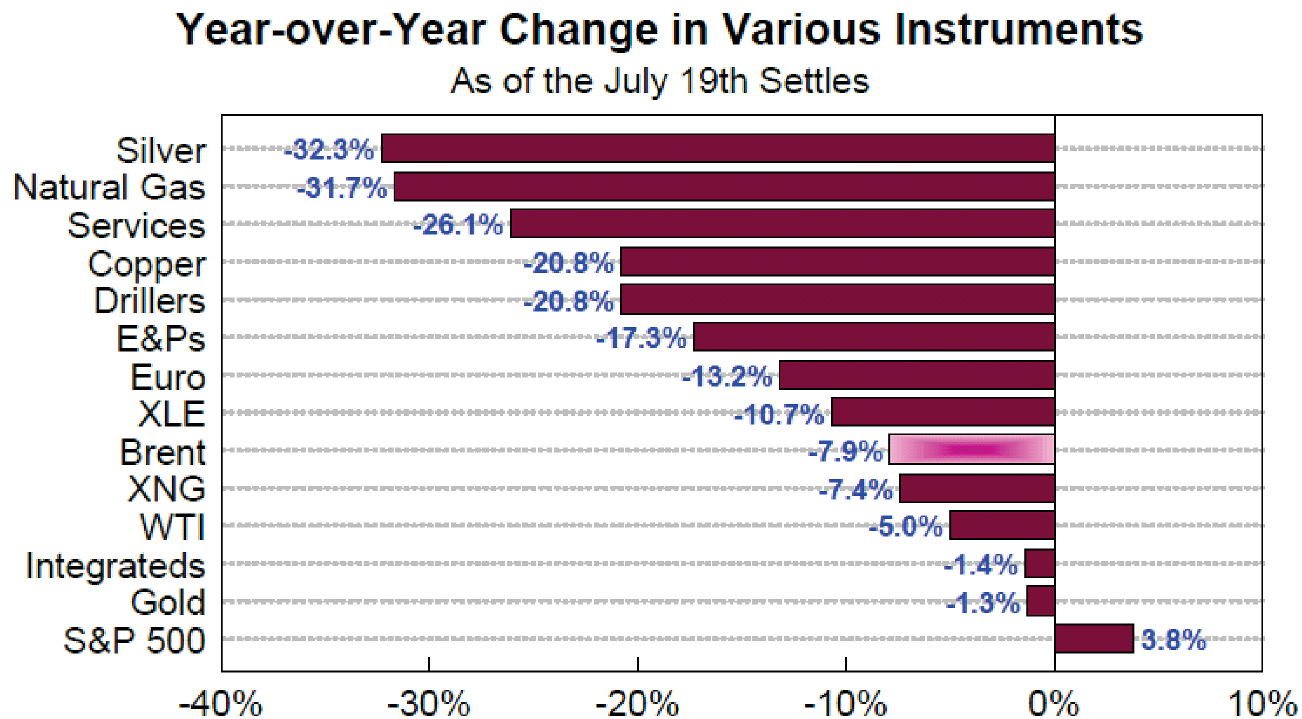


The Canadian Advantage

- Canada has a history of strong dividend-paying public corporations involved in:
  - Energy production, energy processing & transportation, renewable energy, power generation, utilities and real estate
- Canada supports resource sector development, has a stable majority Federal government and a recently re-elected supportive Alberta provincial government
- Canadian investment provides currency diversification in a fiscally conservative, attractive international jurisdiction
- Canada is open for joint venture and reasonable takeover business, evidenced by many international players and recent CNOOC takeover of Nexen

The Resource Advantage

- Resource Stocks represent good value versus their underlying commodities and other stock market assets



Source: Cornerstone Analytics July 20, 2012