

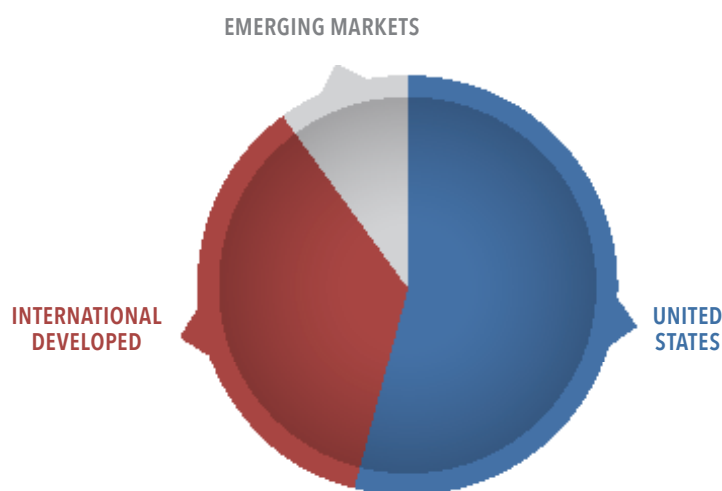
GRADIENT 40 INTERNATIONAL STOCK PORTFOLIO

INVESTING IN INTERNATIONAL DIVIDEND PAYING STOCKS

The Gradient 40 International Stock portfolio (G40i) is designed to provide exposure to companies that are:

- International (domiciled outside the U.S.)
- Global business leaders
- Fundamentally sound with proven performance
- Consistent and sustainable dividend payers

GLOBAL MARKET CAPITALIZATION



Source: MSCI All World Index

For illustration purposes only. Actual percentages subject to change.

BENEFITS OF INTERNATIONAL INVESTING

Within the global markets, nearly 50 percent of the total equity market capitalization lies outside the United States. Therefore, a portfolio that includes only U.S. stocks excludes one-half of the potential investment opportunity in the equity markets. Further, international equities provide **diversity of return** as non-U.S. geographies and companies within those regions have independent macroeconomic forces and sources of return. In addition, it has been shown that a portfolio comprised of both U.S. and international stocks displays **diversification benefits** and may **lower overall portfolio volatility** over time.

THE G40i PORTFOLIO

The G40i is an actively managed portfolio designed to provide exposure to international markets through individual stocks. The individual equity investments are comprised of **blue chip, global industry leaders** that are domiciled outside of the United States. In addition to their global leadership, companies in the G40i also pay dividends and have a track record of growing their dividends over time.

The individual company stock investments will be made in **American Depositary Receipts (ADRs)**, which are investments in foreign companies that are traded on U.S. stock market exchanges. ADRs provide U.S. investors access to foreign market stocks and are used for ease of transactions, liquidity, lower administration costs and tax simplicity. A significant difference between international and domestic stocks is the frequency of dividend payments. Many companies in international markets choose to pay dividends semiannually or annually as opposed to the quarterly dividend payments for domestic stocks.

PORTFOLIO CONSTRUCTION

The G40i investment process selects **40 equally-weighted positions** in blue chip, dividend-paying international stocks. These investments are selected through a **rigorous selection process** that identifies strong companies with superior total return opportunities earned via fundamental growth and dividends. The G40i portfolio is constructed for diversified exposure to international stock markets, with the mandate of long term price appreciation as well as supplemental income through payment of dividends.

INVESTMENT PROCESS

The investment management team's ongoing investment process utilizes strict financial criteria in order to maintain the integrity of the G40i including:

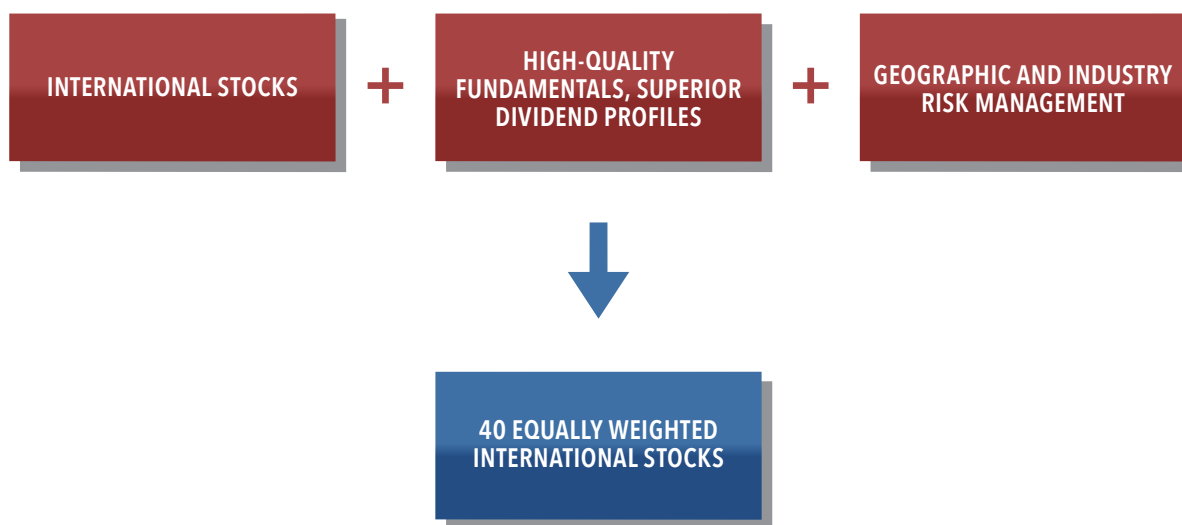
- Strong balance sheets
- Consistent cash flow generation
- Generous dividend yield

The portfolio is **rebalanced periodically** and monitored for geographic and industry concentrations to avoid over-reliance on any particular region or market sector. This risk management practice helps ensure proper diversification but allows for opportunistic investments.

SUMMARY

The G40i is an actively managed stock portfolio designed for the growth and income investor. The strategy is for investors who want blue chip **international stock exposure** and is built to deliver long-term capital appreciation as well as income generated through dividends. Lastly, an investment in the G40i portfolio can provide diversification benefits for, and be a complement to, U.S.-only equity allocations.

PROPRIETARY INVESTMENT PROCESS



ADR ADMINISTRATIVE STRUCTURE

Due to administration costs faced by custodians, ADRs are allowed to charge an "ADR service fee". This fee is a pass-through cost that is disclosed on the ADR prospectus, typically subtracted from dividends received, and is relatively small in nature. Gradient does not receive any portion, nor do we receive any benefit from, the ADR service fees charged to clients.

Please consult your independent investment advisor before making any investment decisions. The information herein is for informational purposes only and should not be used as the sole basis for making an investment decision. Investing involves risk including the potential loss of principal. For more information, please request a copy of Gradient Investments' ADV Part 2A. Gradient Investments, LLC is an SEC Registered Investment Advisor.