

Paired Alpha

Product Specs

Benchmark	90 Day T-Bill
Number of Holdings	30-60 stocks (15-30 pairs)
Target Return (annualized)	4-6% over cash
Target Volatility (annualized)	6-8%
Gross Exposure Limit	200%
Target Beta	Neutral
Market Cap Range	\$1 billion and greater
Base Currency	U.S. Dollar
Investment Approach	Active fundamental

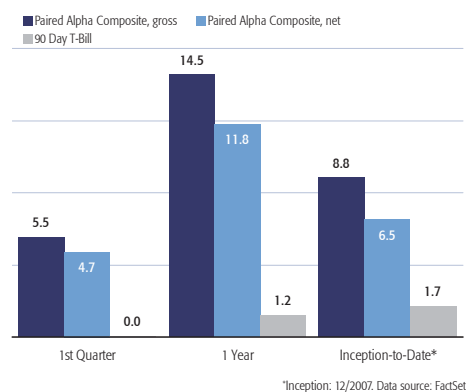
Investment Team

David Cassese, CFA
 - Portfolio Manager
 - 12 years experience / 8 years tenure

2 Research Analysts
 - Average 9 years experience / 3 years tenure
 - 1 Chartered Financial Analyst

Annualized Performance (%)

Returns are annualized for periods of 1-year or more. As of 3/31/09.



For More Information

For more information about Paired Alpha and other Oppenheimer Capital strategies, please contact us at 877.716.9787, via e-mail at info@opcap.com, or visit us on the Web at www.opcap.com.

Overview

- ▶ **Absolute-return:** An equity market neutral portfolio capable of performing regardless of market environment, while exhibiting less volatility than the broad market, low correlation to equity and fixed income markets, and low beta.
- ▶ **Paired investments:** Portfolio consists of paired long/short equity positions, allowing us to customize the net investment solely on our investment thesis, while hedging extraneous elements.
- ▶ **Fundamental approach:** We conduct thorough due diligence on companies and related non-systematic risks in order to better match long and short investments, customizing the net investment to the investment thesis over a medium to long-term investment horizon.
- ▶ **Unconstrained universe:** We research U.S. and non-U.S. companies greater than \$1 billion in market cap.

Objective

Sector and dollar equity market neutral portfolio designed to produce 4-6% over cash by seeking a positive spread in the performance of the constituents in a long / short pair.

Methodology

- ▶ We conduct fundamental research, evaluating cash flow, earnings, and evidence of change.
- ▶ Each investment pair is sector neutral unto itself and provides a hedge against extraneous factors (beta, macro, industry exposures) not part of the thesis.
- ▶ Pre-trade correlation analysis emphasizes highly correlated companies within a pair.
- ▶ Risk managed at security and portfolio-level, including beta management, correlation, factor diversification and value-at-risk (VaR) analysis.

About Oppenheimer Capital

Since our inception in 1969, Oppenheimer Capital has been a leading innovator of research-driven investment management. With more than \$7 billion in assets under management, Oppenheimer Capital features 44 investment professionals focused on profiting from research-driven insights. We are a multi-strategy manager with capabilities in equities, fixed income and structured products that are designed to generate alpha.

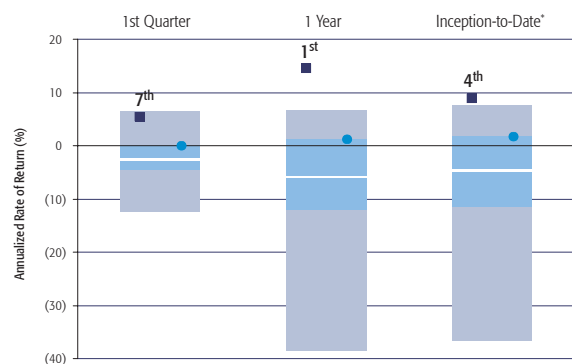
Product Data

All data as of March 31, 2009 unless otherwise noted. Performance data reflect Paired Alpha Composite returns; all other information reflects representative account data.

Peer Universe Percentile Rankings

Peer universe: eVestment Alliance Market Neutral.

■ Paired Alpha ● 90 Day T-Bill



*Inception: 12/2007. Data source: eVestment Alliance

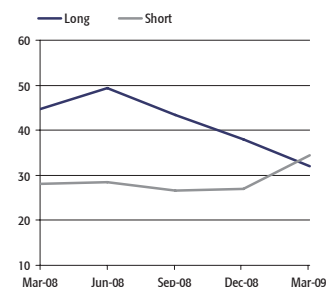
Top Five Pairs

Pair	Exposure	GICS® Sector
Cisco Systems	Long	Information Technology
Juniper Networks	Short	
Eaton	Long	Industrials
Ingersoll-Rand	Short	
Dean Foods	Long	Consumer Staples
ConAgra Foods	Short	
Microsoft	Long	Information Technology
Salesforce.com	Short	
Sepracor	Long	Health Care
Allergan	Short	

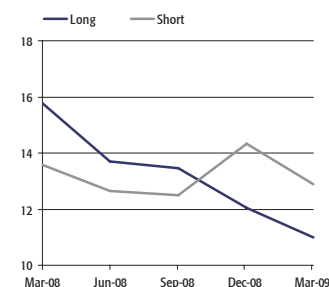
As of February 28, 2009. Data source: FactSet

Portfolio Characteristics

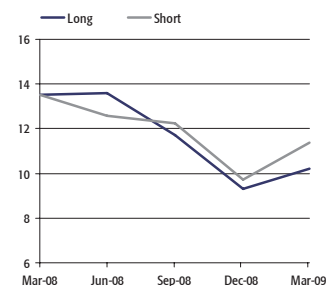
Market Cap (weighted average, \$ bn)



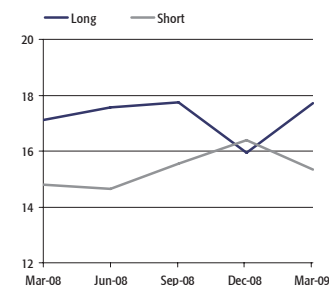
Earnings Growth (estimated 3-5-year, %)



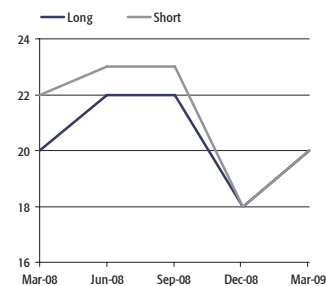
P/E Ratio (forward 1-year estimate)



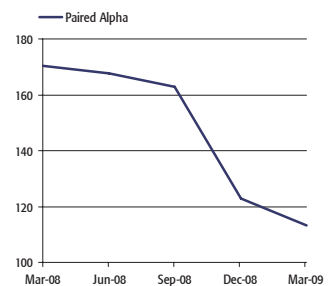
Operating Margin (%)



Number of Holdings



Market Exposure (gross equity)



Data source: FactSet

The Paired Alpha Composite, created in 2007, is composed of all discretionary accounts (including mutual funds) with market values of \$1 million or greater managed by OpCap in its Paired Alpha style. New accounts are included in the Composite beginning with the first full month under management after they have been fully invested (as determined OpCap) and terminated accounts are removed at the end of the last full month under management. Composite returns are asset weighted using beginning of month market values. Portfolios are valued daily and monthly rates of return are calculated by geometrically linking daily rates of return. Quarterly and annual returns are calculated by geometrically linking monthly and quarterly rates of return, respectively. In order to calculate the net performance, the gross performance is reduced by the highest annual advisory fee charged to any account within the Composite. Gross of fee performance for mutual fund accounts included in the Composite is calculated by taking performance calculated at net asset value and adding back the pro-rated monthly percentage of the total net annual expense ratio (including investment management fee, fund service fee, 12b-1 fee and other expenses). Actual account performance will vary depending on the size of a portfolio and the applicable fee schedule. OpCap's current standard fee schedule is contained in Part II of its Form ADV. Certain characteristics of the securities held in a representative account may be displayed above. On any given date, any particular account managed in the Paired Alpha style may include securities not held by the representative account and may not hold each security held in the representative account and consequently, may have portfolio characteristics that differ from those of the representative account. The characteristics and sector distribution data for the representative account are based on estimated data obtained through FactSet. Source of GICS® Sector Classification: S&P. The typical number of holdings represents the number of stocks which the portfolio manager utilizes in building a portfolio. This number may vary at any given stage of the investment process. The 90 Day T-Bill benchmark is referred to for reference purposes only and is not intended to parallel the risk or investment style of any particular investment style. The Index is referred to for comparative purposes only and is not intended to parallel the risk or investment style of the accounts in the Composite. A list of all recommendations made by OpCap for the Paired Alpha style for the preceding 12 months is available upon request. It should not be assumed that any of the holdings were or will prove to be profitable, or that the investment recommendations we make in the future will be profitable or will equal the performance of the securities presented in this list. Except as specifically noted, Index data has been obtained from FactSet. The Peer Universe Percentile Rankings chart above displays (i) the annualized returns for the Paired Alpha Composite (gross of fees) and the 90 Day T-Bill and (ii) the percentile in which such returns fall within the eVestment Alliance Market Neutral Universe (the "Universe"). The white line represents the median performance of the Universe. The shaded blue area above the white line represents the 25th percentile to the 50th percentile of the Universe and the shaded blue area below the white line represents 50th to 75th percentile of the Universe. The Universe, which includes all portfolios managed in the Paired Alpha style (gross of fees) as defined by eVestment Alliance, consists of the following number of portfolios as of 03/31/09: YTD = 38; 1 Year = 38; ITD = 38. The index information and the Universe information shown were obtained from eVestment Alliance. OpCap pays a fee to eVestment Alliance for access to peer rankings. The information presented in this Product Profile has been developed internally and/or obtained from sources which OpCap believes to be reliable; however, OpCap does not guarantee the accuracy, adequacy or completeness of such information nor does it guarantee the appropriateness of any strategy referred to for any particular investor. There is no guarantee that any opinion, forecast, estimate or objective will be achieved. This Product Profile is provided for informational purposes only and should not be construed as a recommendation for the purchase or sale of any security. This Product Profile reflects the opinion of the commentator(s) on the date made and is subject to change at any time without notice. Past performance is not indicative of future performance.