



Information Circular: Absolute Shares Trust

To: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

From: NASDAQ / BX / PHLX Listing Qualifications Department

Date: August 27, 2014

Exchange-Traded Fund	Symbol	CUSIP #
WBI SMID Tactical Growth Shares	WBIA	00400R106
WBI SMID Tactical Value Shares	WBIB	00400R205
WBI SMID Tactical Yield Shares	WBIC	00400R304
WBI SMID Tactical Select Shares	WBID	00400R403
WBI Large Cap Tactical Growth Shares	WBIE	00400R502
WBI Large Cap Tactical Value Shares	WBIF	00400R601
WBI Large Cap Tactical Yield Shares	WBIG	00400R700
WBI Large Cap Tactical Select Shares	WBIL	00400R809
WBI Tactical Income Shares	WBII	00400R874
WBI Tactical High Income Shares	WBIH	00400R882

Background Information on the Funds

The Absolute Shares Trust (the "Trust") is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"), consisting of several investment portfolios. This circular relates only to the Funds listed above (each, a "Fund" and together, the "Funds"). The shares of the Fund are referred to herein as "Shares." Millington Securities, Inc. (the "Advisor") is the investment advisor to the Funds. WBI Investments, Inc. (the "Sub-Advisor") is the sub-advisor to the Funds.

The WBI SMID Tactical Growth Shares' (WBIA) objectives are to seek long-term capital appreciation and the potential for current income, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, WBIA will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the equity securities of small-capitalization and mid-capitalization domestic and foreign companies which the Sub-Advisor to the Fund, an affiliate of the Advisor, believes display attractive prospects for growth in a company's intrinsic value, and up to 20% of its net assets in other tactical investment opportunities. Small-capitalization and mid-capitalization companies are those that are not in the top ten percent of the securities in their primary market when ranked in order of market capital. For publicly traded U.S. companies in the current environment, this would include companies with market capitalizations of less than approximately \$17 billion. Companies below the ten percent threshold for small and mid-

sized companies in non-U.S. markets may have capitalizations that differ from this U.S. Dollar equivalent amount because of the wide variation in the range of market capitalizations of companies available for investment in those markets.

The Fund will seek to invest in domestic and foreign small-capitalization stocks and mid-capitalization stocks which in the Sub-Advisor's opinion display characteristics that correspond to attractive prospects for growth in a company's intrinsic value. These securities will be selected on the basis of the Sub-Advisor's proprietary selection process as described briefly below, and may exhibit other investment characteristics in addition to their prospects for growth that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles, exchange-traded funds ("ETFs"), and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The types of debt securities in which the Fund will generally invest include fixed, floating and variable corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as "junk bonds"), ETFs and exchange-traded notes ("ETNs"). An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager's assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

Up to 20% of the Fund's net assets may be invested in large-capitalization equities, domestic and foreign debt securities, ETFs, ETNs, and/or in option strategies to enhance the Fund's returns or to mitigate risk and volatility. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The Fund may invest without limitation in securities of small-capitalization and mid-capitalization foreign issuers, and may invest up to 50% of its net assets in the securities of issuers in emerging markets. The Fund may invest up to 20% of its net assets in high-yield bonds (also known as "junk bonds"). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 ("1940 Act"). Investments in other investment companies that include predominantly small-capitalization and mid-capitalization equity securities are considered small-capitalization and mid-capitalization equity securities for purposes of the Fund's equity allocation target.

The Sub-Advisor's proprietary portfolio selection process ("Selection Process") used for the Fund attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund's definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign small-capitalization and mid-capitalization equity

securities in an attempt to find companies with attractive growth characteristics for the selected universe of securities. Dividend payments may be considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of the Fund's target allocations.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of any exposure to debt securities. Duration is a measure of a fixed income security's expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund's bond exposure may also be invested to pursue perceived opportunities in varying segments of the debt market. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor's buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund's value. If a security's price stays within a range of acceptable prices, the security will remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% small-capitalization and mid-capitalization equity securities.

The WBI SMID Tactical Value Shares' (WBIB) objectives are to seek long-term capital appreciation and the potential for current income, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, WBIB will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the equity securities of small-capitalization and mid-capitalization domestic and foreign companies which the Sub-Advisor to the Fund, an affiliate of the Advisor, believes display an attractive discount in a company's intrinsic value relative to its market price, and up to 20% of its net assets in other tactical investment opportunities. Small-capitalization and mid-capitalization companies are those that are not in the top ten percent of the securities in their primary market when ranked in order of market capital. For publicly traded U.S. companies in the current environment, this would include companies with market capitalizations of less than approximately \$17 billion. Companies below the ten percent threshold for small and mid-sized companies in non-U.S. markets may have capitalizations that differ from this U.S. Dollar equivalent amount because of the wide variation in the range of market capitalizations of companies available for investment in those markets.

The Fund will seek to invest in domestic and foreign small-capitalization stocks and mid-capitalization stocks which in the Sub-Advisor's opinion display characteristics that relate to an attractive discount in a company's intrinsic value relative to its market price. These

securities will be selected on the basis of the Sub-Advisor's proprietary selection process as described briefly below, and may exhibit other investment characteristics in addition to their currently discounted value that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles, exchange-traded funds ("ETFs"), and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The types of debt securities in which the Fund will generally invest include fixed, floating and variable corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as "junk bonds"), ETFs and exchange-traded notes ("ETNs"). An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager's assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

Up to 20% of the Fund's net assets may be invested in large-capitalization equities, domestic and foreign debt securities, ETFs, ETNs, and/or in option strategies to enhance the Fund's returns or to mitigate risk and volatility. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The Fund may invest without limitation in securities of small-capitalization and mid-capitalization foreign issuers, and may invest up to 50% of its net assets in the securities of issuers in emerging markets. The Fund may invest up to 20% of its net assets in high-yield bonds (also known as "junk bonds"). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 ("1940 Act"). Investments in other investment companies that include predominantly small-capitalization and mid-capitalization equity securities are considered small-capitalization and mid-capitalization equity securities for purposes of the Fund's equity allocation target.

The Sub-Advisor's proprietary portfolio selection process ("Selection Process") used for the Fund attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund's definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign small-capitalization and mid-capitalization equity securities in an attempt to find companies with attractive value characteristics for the selected universe of securities. Dividend payments may be considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of the Fund's target allocations.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of any exposure to debt securities. Duration is a measure of a fixed income security's expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund's bond exposure may also be invested to pursue perceived opportunities in varying segments of the debt market. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor's buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund's value. If a security's price stays within a range of acceptable prices, the security will remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% small-capitalization and mid-capitalization equity securities.

The WBI SMID Tactical Yield Shares' (WBIC) objectives are to seek long-term capital appreciation and the potential for current income, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the dividend-paying equity securities of small-capitalization and mid-capitalization domestic and foreign companies which the Sub-Advisor to the Fund, an affiliate of the Advisor, believes display attractive dividend payment prospects, and up to 20% of its net assets in other tactical investment opportunities. Small-capitalization and mid-capitalization companies are those that are not in the top ten percent of the securities in their primary market when ranked in order of market capital. For publicly traded U.S. companies in the current environment, this would include companies with market capitalizations of less than approximately \$17 billion. Companies below the ten percent threshold for small and mid-sized companies in non-U.S. markets may have capitalizations that differ from this U.S. Dollar equivalent amount because of the wide variation in the range of market capitalizations of companies available for investment in those markets.

The Fund will seek to invest in domestic and foreign dividend-paying small-capitalization stocks and mid-capitalization stocks which in the Sub-Advisor's opinion display characteristics that correspond to attractive dividend payment prospects. These securities will be selected on the basis of the Sub-Advisor's proprietary selection process as described briefly below, and may exhibit other investment characteristics in addition to their dividend payment prospects that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles, exchange-traded funds (“ETFs”), and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The types of debt securities in which the Fund will generally invest include fixed, floating and variable corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as “junk bonds”), ETFs and exchange-traded notes (“ETNs”). An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager’s assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

Up to 20% of the Fund’s net assets may be invested in large-capitalization equities, domestic and foreign debt securities, ETFs, ETNs, and/or in option strategies to enhance the Fund’s returns or to mitigate risk and volatility. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The Fund may invest without limitation in securities of small-capitalization and mid-capitalization foreign issuers, and may invest up to 50% of its net assets in the securities of issuers in emerging markets. The Fund may invest up to 20% of its net assets in high-yield bonds (also known as “junk bonds”). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 (“1940 Act”). Investments in other investment companies that include predominantly small-capitalization and mid-capitalization equity securities are considered small-capitalization and mid-capitalization equity securities for purposes of the Fund’s equity allocation target.

The Sub-Advisor’s proprietary portfolio selection process (“Selection Process”) used for the Fund attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund’s definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign small-capitalization and mid-capitalization equity securities in an attempt to find companies with attractive yield characteristics for the selected universe of securities. The security of dividend payments is generally a part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of the Fund’s target allocations.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of any exposure to debt securities. Duration is a measure of a fixed income security’s expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund’s bond exposure may also be invested to pursue perceived opportunities in varying

segments of the debt market. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor's buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund's value. If a security's price stays within a range of acceptable prices, the security will remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% dividend-paying small-capitalization and mid-capitalization equity securities.

The WBI SMID Tactical Select Shares' (WBID) investment objectives are to seek long-term capital appreciation and the potential for current income, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the equity securities of small-capitalization and mid-capitalization domestic and foreign companies which the Sub-Advisor to the Fund, an affiliate of the Advisor, believes display an attractive financial condition and prospects for ongoing financial stability, and up to 20% of its net assets in other tactical investment opportunities. Small-capitalization and mid-capitalization companies are those that are not in the top ten percent of the securities in their primary market when ranked in order of market capital. For publicly traded U.S. companies in the current environment, this would include companies with market capitalizations of less than approximately \$17 billion. Companies below the ten percent threshold for small and mid-sized companies in non-U.S. markets may have capitalizations that differ from this U.S. Dollar equivalent amount because of the wide variation in the range of market capitalizations of companies available for investment in those markets.

The Fund will seek to invest in domestic and foreign small-capitalization stocks and mid-capitalization stocks which in the Sub-Advisor's opinion display characteristics that correspond to a company having an attractive financial condition and prospects for ongoing financial stability. These securities will be selected on the basis of the Sub-Advisor's proprietary selection process as described briefly below, and may exhibit other investment characteristics in addition to their attractive financial condition and prospects for ongoing financial stability that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles, exchange-traded funds ("ETFs"), and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The types of debt securities in which the Fund will generally invest include fixed, floating and variable corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency

securities, high-yield bonds (also known as “junk bonds”), ETFs and exchange-traded notes (“ETNs”). An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager’s assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

Up to 20% of the Fund’s net assets may be invested in large-capitalization equities, domestic and foreign debt securities, ETFs, ETNs, and/or in option strategies to enhance the Fund’s returns or to mitigate risk and volatility. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The Fund may invest without limitation in securities of small-capitalization and mid-capitalization foreign issuers, and may invest up to 50% of its net assets in the securities of issuers in emerging markets. The Fund may invest up to 20% of its net assets in high-yield bonds (also known as “junk bonds”). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 (“1940 Act”). Investments in other investment companies that include predominantly small-capitalization and mid-capitalization equity securities are considered small-capitalization and mid-capitalization equity securities for purposes of the Fund’s equity allocation target.

The Sub-Advisor’s proprietary portfolio selection process (“Selection Process”) used for the Fund attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund’s definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign small-capitalization and mid-capitalization equity securities in an attempt to find companies with attractive financial stability characteristics for the selected universe of securities. Dividend payments may be considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of the Fund’s target allocations.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of any exposure to debt securities. Duration is a measure of a fixed income security’s expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund’s bond exposure may also be invested to pursue perceived opportunities in varying segments of the debt market. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor’s buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund’s value. If a security’s price stays within a range of acceptable prices, the security will

remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% small-capitalization and mid-capitalization equity securities.

The WBI Large Cap Tactical Growth Shares' (WBIE) objectives are to seek long-term capital appreciation and the potential for current income, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the equity securities of large capitalization domestic and foreign companies which the Sub-Advisor to the Fund, an affiliate of the Advisor, believes display attractive prospects for growth in a company's intrinsic value, and up to 20% of its net assets in other tactical investment opportunities. Large capitalization companies are those that are in the top ten percent of the securities in their primary market when ranked in order of market capital. For publicly traded U.S. companies in the current environment, this would include companies with market capitalizations of more than approximately \$17 billion. Companies above the ten percent threshold for large companies in non-U.S. markets may have capitalizations that differ from this U.S. Dollar equivalent amount because of the wide variation in the range of market capitalizations of companies available for investment in those markets.

The Fund will seek to invest in domestic and foreign large capitalization stocks which in the Sub-Advisor's opinion display characteristics that correspond to attractive prospects for growth in a company's intrinsic value. These securities will be selected on the basis of the Sub-Advisor's proprietary selection process as described briefly below, and may exhibit other investment characteristics in addition to their prospects for growth that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles, exchange-traded funds ("ETFs"), and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The types of debt securities in which the Fund will generally invest include fixed, floating and variable corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as "junk bonds"), ETFs and exchange-traded notes ("ETNs"). An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager's assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

Up to 20% of the Fund's net assets may be invested in small-capitalization and mid-capitalization equities, domestic and foreign debt securities, ETFs, ETNs, and/or in option strategies to enhance the Fund's returns or to mitigate risk and volatility. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The Fund may invest without limitation in securities of large capitalization foreign issuers, and may invest up to 50% of its net assets in the securities of issuers in emerging markets. The Fund may invest up to 20% of its net assets in high-yield bonds (also known as "junk bonds"). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 ("1940 Act"). Investments in other investment companies that include predominantly large capitalization equity securities are considered large capitalization equity securities for purposes of the Fund's equity allocation target.

The Sub-Advisor's proprietary portfolio selection process ("Selection Process") used for the Fund attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund's definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign large capitalization equity securities in an attempt to find companies with attractive growth characteristics for the selected universe of securities. Dividend payments may be considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of the Fund's target allocations.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of any exposure to debt securities. Duration is a measure of a fixed income security's expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund's bond exposure may also be invested to pursue perceived opportunities in varying segments of the debt market. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor's buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund's value. If a security's price stays within a range of acceptable prices, the security will remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% large capitalization equity securities.

The WBI Large Cap Tactical Value Shares' (WBIF) objectives are to seek long-term capital appreciation and the potential for current income, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the equity securities of large capitalization domestic and foreign companies which the Sub-Advisor to the Fund, an affiliate of the Advisor, believes display an attractive discount in a company's intrinsic value relative to its market price, and up to 20% of its net assets in other tactical investment opportunities. Large capitalization companies are those that are in the top ten percent of the securities in their primary market when ranked in order of market capital. For publicly traded U.S. companies in the current environment, this would include companies with market capitalizations of more than approximately \$17 billion. Companies above the ten percent threshold for large companies in non-U.S. markets may have capitalizations that differ from this U.S. Dollar equivalent amount because of the wide variation in the range of market capitalizations of companies available for investment in those markets.

The Fund will seek to invest in domestic and foreign large capitalization stocks which in the Sub-Advisor's opinion display characteristics that correspond to an attractive discount in a company's intrinsic value relative to its market price. These securities will be selected on the basis of the Sub-Advisor's proprietary selection process as described briefly below, and may exhibit other investment characteristics in addition to their currently discounted value that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles, exchange-traded funds ("ETFs"), and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The types of debt securities in which the Fund will generally invest include fixed, floating and variable corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as "junk bonds"), ETFs and exchange-traded notes ("ETNs"). An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager's assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

Up to 20% of the Fund's net assets may be invested in small-capitalization and mid-capitalization equities, domestic and foreign debt securities, ETFs, ETNs, and/or in option strategies to enhance the Fund's returns or to mitigate risk and volatility. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The Fund may invest without limitation in securities of large capitalization foreign issuers, and may invest up to 50% of its net assets in the securities of issuers in emerging markets. The Fund may invest up to 20% of its net assets in high-yield bonds (also known as “junk bonds”). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 (“1940 Act”). Investments in other investment companies that include predominantly large capitalization equity securities are considered large capitalization equity securities for purposes of the Fund’s equity allocation target.

The Sub-Advisor’s proprietary portfolio selection process (“Selection Process”) used for the Fund attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund’s definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign large capitalization equity securities in an attempt to find companies with attractive value characteristics for the selected universe of securities. Dividend payments may be considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of the Fund’s target allocations.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of any exposure to debt securities. Duration is a measure of a fixed income security’s expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund’s bond exposure may also be invested to pursue perceived opportunities in varying segments of the debt market. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor’s buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund’s value. If a security’s price stays within a range of acceptable prices, the security will remain in the Fund. If a security’s price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund’s allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund’s investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund’s target allocation is 80% large capitalization equity securities.

The WBI Large Cap Tactical Yield Shares’ (WBIG) objectives are to seek long-term capital appreciation and the potential for current income, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the dividend-paying equity securities of large capitalization domestic and foreign companies which the Sub-Advisor to the Fund, an affiliate of the Advisor, believes display attractive dividend payment prospects, and up to 20% of its net assets in other tactical investment opportunities. Large capitalization companies are those that are in the top ten percent of the securities in their primary market when ranked in order of market capital. For publicly traded U.S. companies in the current environment, this would include companies with market capitalizations of more than approximately \$17 billion. Companies above the ten percent threshold for large companies in non-U.S. markets may have capitalizations that differ from this U.S. Dollar equivalent amount because of the wide variation in the range of market capitalizations of companies available for investment in those markets.

The Fund will seek to invest in domestic and foreign dividend-paying large capitalization stocks which in the Sub-Advisor's opinion display characteristics that correspond to attractive dividend payment prospects. These securities will be selected on the basis of the Sub-Advisor's proprietary selection process as described briefly below, and may exhibit other investment characteristics in addition to their dividend payment prospects that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles, exchange-traded funds ("ETFs"), and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The types of debt securities in which the Fund will generally invest include fixed, floating and variable corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as "junk bonds"), ETFs and exchange-traded notes ("ETNs"). An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager's assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

Up to 20% of the Fund's net assets may be invested in small-capitalization and mid-capitalization equities, domestic and foreign debt securities, ETFs, ETNs, and/or in option strategies to enhance the Fund's returns or to mitigate risk and volatility. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The Fund may invest without limitation in securities of large capitalization foreign issuers, and may invest up to 50% of its net assets in the securities of issuers in emerging markets. The Fund may invest up to 20% of its net assets in high-yield bonds (also known as "junk bonds"). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 ("1940 Act"). Investments in other investment companies that include predominantly large capitalization equity securities are considered large capitalization equity securities for purposes of the Fund's equity allocation target.

The Sub-Advisor's proprietary portfolio selection process ("Selection Process") used for the Fund attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund's definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign large capitalization equity securities in an attempt to find companies with attractive yield characteristics for the selected universe of securities. The security of dividend payments is generally considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of the Fund's target allocations.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of any exposure to debt securities. Duration is a measure of a fixed income security's expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund's bond exposure may also be invested to pursue perceived opportunities in varying segments of the debt market. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor's buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund's value. If a security's price stays within a range of acceptable prices, the security will remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% dividend-paying large capitalization equity securities.

The WBI Large Cap Tactical Select Shares' (WBIL) investment objectives are to seek long-term capital appreciation and the potential for current income, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in the equity securities of large capitalization domestic and foreign companies which the Sub-Advisor to the Fund, an affiliate of the Advisor, believes display an attractive financial condition and prospects for ongoing financial stability, and up to 20% of its net assets in other tactical investment opportunities. Large capitalization companies are those that are in the top ten percent of the securities in their primary market when ranked in order of market capital. For publicly traded U.S. companies in the current environment, this would include companies

with market capitalizations of more than approximately \$17 billion. Companies above the ten percent threshold for large companies in non-U.S. markets may have capitalizations that differ from this U.S. Dollar equivalent amount because of the wide variation in the range of market capitalizations of companies available for investment in those markets.

The Fund will seek to invest in domestic and foreign large capitalization stocks which in the Sub-Advisor's opinion display characteristics that correspond to a company having an attractive financial condition and prospects for ongoing financial stability. These securities will be selected on the basis of the Sub-Advisor's proprietary selection process as described briefly below, and may exhibit other investment characteristics in addition to their attractive financial condition and prospects for ongoing financial stability that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles, exchange-traded funds ("ETFs"), and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The types of debt securities in which the Fund will generally invest include fixed, floating and variable corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as "junk bonds"), ETFs and exchange-traded notes ("ETNs"). An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager's assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

Up to 20% of the Fund's net assets may be invested in small-capitalization and mid-capitalization equities, domestic and foreign debt securities, ETFs, ETNs, and/or in option strategies to enhance the Fund's returns or to mitigate risk and volatility. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The Fund may invest without limitation in securities of large capitalization foreign issuers, and may invest up to 50% of its net assets in the securities of issuers in emerging markets. The Fund may invest up to 20% of its net assets in high-yield bonds (also known as "junk bonds"). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 ("1940 Act"). Investments in other investment companies that include predominantly large capitalization equity securities are considered large capitalization equity securities for purposes of the Fund's equity allocation target.

The Sub-Advisor's proprietary portfolio selection process ("Selection Process") used for the Fund attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund's definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign large capitalization equity securities in an attempt to find companies with attractive financial stability characteristics for the selected universe of securities. Dividend payments may be considered as part of the evaluation process. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of the Fund's target allocations.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of any exposure to debt securities. Duration is a measure of a fixed income security's expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund's bond exposure may also be invested to pursue perceived opportunities in varying segments of the debt market. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor's buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund's value. If a security's price stays within a range of acceptable prices, the security will remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% large capitalization equity securities.

The WBI Tactical Income Shares' (WBII) investment objectives are to seek current income with the potential for long-term capital appreciation, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in income producing, debt and equity securities of foreign and domestic issuers, including the securities of foreign and domestic corporate and governmental entities. These securities will be selected on the basis of the proprietary selection process of the Sub-Advisor to the Fund, an affiliate of the Advisor, as described briefly below, and may exhibit other investment characteristics in addition to their income producing properties that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

Up to 20% of the Fund's net assets may be invested in foreign and domestic equities, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), and/or in option strategies to enhance the Fund's returns or to mitigate risk and volatility, and may be selected without regard to their ability to produce income. An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. Equity option strategies used by the Fund for individual securities include

writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The types of debt securities in which the Fund will generally invest include corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as “junk bonds”), ETFs, ETNs, and variable and floating rate securities. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager’s assessment of the risks and opportunities along the yield curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The Fund may invest in companies of any size market capitalization.

Debt securities will be selected on the basis of the Sub-Advisor’s assessment of the risks and opportunities available in the fixed income market using its proprietary portfolio selection process described briefly below.

The Fund may invest without limitation in securities of foreign issuers, and up to 50% of its net assets in the securities of issuers located in emerging markets. The Fund may invest up to 40% of its net assets in high-yield bonds (also known as “junk bonds”). The Fund may also invest in other investment companies, including other ETFs, up to the limits contained in the Investment Company Act of 1940 (“1940 Act”). Investments in other investment companies that invest predominantly in debt securities are considered debt securities and investments in other investment companies that invest predominantly in dividend-paying equity securities are considered dividend-paying equity securities for the purposes of the Fund’s income producing securities target allocation.

The Sub-Advisor’s proprietary portfolio selection process (“Selection Process”) used for the Fund by the Sub-Advisor attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund’s definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of its debt securities exposure. Duration is a measure of a fixed income security’s expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund’s bond exposure may also be invested to pursue perceived opportunities in varying segments of the global debt securities market.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign equity securities in an attempt to find companies with attractive yield characteristics for the selected universe of securities. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Sub-Advisor then adds qualifying securities using available cash within the parameters of

the Fund's target allocations. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor's buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund's value. If a security's price stays within a range of acceptable prices, the security will remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% domestic and foreign income producing equity and debt securities.

The WBI Tactical High Income Shares' (WBIH) investment objectives are to seek high current income with the potential for long-term capital appreciation, while also seeking to protect principal during unfavorable market conditions.

Under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in income producing debt and equity securities of foreign and domestic issuers, including the securities of foreign and domestic corporate and governmental entities.

These securities will be selected on the basis of the proprietary selection process of the Sub-Advisor to the Fund, an affiliate of the Advisor, as described briefly below, and may exhibit other investment characteristics in addition to their income producing properties that would make them suitable candidates for inclusion in other Funds or accounts advised by the Sub-Advisor, as well.

Up to 20% of the Fund's net assets may be invested in foreign and domestic equities, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), and/or in option strategies to enhance the Fund's returns or to mitigate risk and volatility, and may be selected without regard to their ability to produce income. An ETN is an unsecured debt security that trades on an established exchange. Its underlying value is determined by reference to an index, commodity, interest rate or other objectively determined reference. Equity option strategies used by the Fund for individual securities include writing (selling) covered calls, buying puts, using combinations of calls and puts, and using combinations of calls and combinations of puts. The Fund may also use options on indices. The Fund may also invest in cash or cash equivalents as part of the normal operation of its investment process.

The types of debt securities in which the Fund will generally invest include corporate debt securities, U.S. Government securities, debt securities of foreign issuers, sovereign debt securities, U.S. government agency securities, high-yield bonds (also known as "junk bonds"), ETFs, ETNs, and variable and floating rate securities. The Fund expects to invest in debt securities of all maturities, from less than one year up to thirty years, depending on the portfolio manager's assessment of the risks and opportunities along the yield

curve. (The yield curve refers to differences in yield among debt assets of varying maturities.)

The types of equity securities in which the Fund will generally invest include common stocks, preferred stocks, rights, warrants, convertibles and master limited partnerships (businesses organized as partnerships which trade on public exchanges). The Fund may invest in companies of any size market capitalization.

Debt securities will be selected on the basis of the Sub-Advisor's assessment of the risks and opportunities available in the fixed income market using its proprietary portfolio selection process described briefly below.

The Fund may invest without limitation in securities of foreign issuers, and up to 50% of its net assets in the securities of issuers located in emerging markets. The Fund may invest up to 80% of its net assets in high-yield bonds (also known as "junk bonds"). The Fund may also invest in other investment companies, including other ETFs, up to the limitations contained in the Investment Company Act of 1940 ("1940 Act"). Investments in other investment companies that invest predominantly in debt securities are considered debt securities and investments in other investment companies that invest predominantly in dividend-paying equity securities are considered dividend-paying equity securities for the purposes of the Fund's income producing securities target allocation.

The Sub-Advisor's proprietary portfolio selection process ("Selection Process") used for the Fund by the Sub-Advisor attempts to provide consistent, attractive returns net of expenses with potentially less volatility and risk to capital than traditional approaches, whatever market conditions may be. This is the Fund's definition of an absolute return approach to investment management. The selection process includes a buy discipline and a sell discipline.

The Fund uses a proprietary bond model created by the Sub-Advisor to assess the appropriate duration of its debt securities exposure. Duration is a measure of a fixed income security's expected price sensitivity to changes in interest rates. Securities with longer durations are expected to experience greater price movements than securities with shorter duration for the same change in prevailing interest rates. A portion of the Fund's bond exposure may also be invested to pursue perceived opportunities in varying segments of the global debt securities market.

The Sub-Advisor uses quantitative computer screening of fundamental stock information to evaluate domestic and foreign equity securities in an attempt to find companies with attractive yield characteristics for the selected universe of securities. Once securities are identified, an overlay of technical analysis confirms timeliness of security purchases. The Fund then adds qualifying securities using available cash within the parameters of the Fund's target allocations. This systematic process of identifying, evaluating, and purchasing securities constitutes the Sub-Advisor's buy discipline for the Fund.

Once securities are purchased, the Sub-Advisor maintains a strict sell discipline that attempts to control the effects of the volatility of each invested position on the Fund's value. If a security's price stays within a range of acceptable prices, the security will remain in the Fund. If a security's price falls below the bottom of an acceptable price range, the security will be sold. This results in a responsive process that actively adjusts the Fund's allocation by causing it to become more fully invested or by raising cash to protect capital. During periods of high market volatility a significant amount of Fund holdings may be sold, resulting in a large allocation to cash in the Fund. The selection

process is run daily and cash will remain in the portfolio until a cash equivalent or a new security is purchased.

The Sub-Advisor expects that the Fund's investment strategy will result in a portfolio turnover rate in excess of 100% on an annual basis.

The Fund's target allocation is 80% domestic and foreign income producing equity and debt securities.

For more information regarding each Fund's investment strategy, please read the prospectus for the Funds.

As described more fully in the Trust's prospectus and Statement of Additional Information ("SAI"), the Funds issue and redeem Shares at net asset value ("NAV") only in large blocks of 50,000 Shares (each block of Shares called a "Creation Unit"). As a practical matter, only broker-dealers or large institutional investors with creation and redemption agreements (called Authorized Participants) can purchase or redeem these Creation Units. Except when aggregated in Creation Units, the Shares may not be redeemed with the Funds.

Shares are held in book-entry form, which means that no Share certificates are issued. The Depository Trust Company or its nominee is the record owner of all outstanding Shares of the Funds and is recognized as the owner of all Shares for all purposes.

The NAV per Share for each Fund is computed by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is determined each business day after the close of trading (ordinarily 4:00 p.m., Eastern Time or "ET") of the New York Stock Exchange. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

The registration statement for the Funds describes the various fees and expenses for the Funds' Shares. For a more complete description of the Funds and the underlying indexes, visit the Funds' website at www.wbiinvestments.com.

Purchases and Redemptions in Creation Unit Size

NASDAQ members, BX members and PHLX members and member organizations are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trust's prospectus and Statement of Additional Information and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

Principal Risks

Interested persons are referred to the discussion in the prospectus for the Funds of the principal risks of an investment in the Funds. These include tracking error risk (factors causing a Fund's performance to not match the performance of its underlying index), market trading risk (for example, trading halts, trading above or below net asset value), investment style risk, sector risk, investment approach risk, non-diversification risk,

issuer-specific risk, active management risk, dividend risk, debt securities risk, high-yield securities risk, foreign securities risk, growth risk and value risk.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading of the Shares on BX is on a UTP basis and is subject to BX equity trading rules. Trading of the Shares on PHLX's PSX system is on a UTP basis and is subject to PHLX rules.

Trading Hours

The values of each index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on NASDAQ between 7:00 a.m. and 8:00 p.m. ET. The Shares will trade on BX between 8:00 a.m. and 7:00 p.m. ET. The Shares will trade on PSX between 9:00 a.m. and 5:00 p.m. ET. For trading during each market's pre-market and post-market sessions, market participants should note that additional risks may exist with respect to trading the Funds during these sessions, when the underlying index's values, intraday indicative value, or similar value may not be disseminated or calculated.

Dissemination of Fund Data

The Consolidated Tape Association will disseminate real time trade and quote information for the Funds to Tape B.

Fund Name	Listing Market	Trading Symbol	IOPV Symbol	NAV Symbol
WBI SMID Tactical Growth Shares	NYSE Arca	WBIA	WBIA.IV	WBIA.NV
WBI SMID Tactical Value Shares	NYSE Arca	WBIB	WBIB.IV	WBIB.NV
WBI SMID Tactical Yield Shares	NYSE Arca	WBIC	WBIC.IV	WBIC.NV
WBI SMID Tactical Select Shares	NYSE Arca	WBID	WBID.IV	WBID.NV
WBI Large Cap Tactical Growth Shares	NYSE Arca	WBIE	WBIE.IV	WBIE.NV

Fund Name	Listing Market	Trading Symbol	IOPV Symbol	NAV Symbol
WBI Large Cap Tactical Value Shares	NYSE Arca	WBIF	WBIF.IV	WBIF.NV
WBI Large Cap Tactical Yield Shares	NYSE Arca	WBIG	WBIG.IV	WBIG.NV
WBI Large Cap Tactical Select Shares	NYSE Arca	WBIL	WBIL.IV	WBIL.NV
WBI Tactical Income Shares	NYSE Arca	WBII	WBII.IV	WBII.NV
WBI Tactical High Income Shares	NYSE Arca	WBIH	WBIH.IV	WBIH.NV

Suitability

Trading in the Shares on NASDAQ will be subject to the provisions of NASDAQ Rule 2310. Trading in the Shares on BX will be subject to the provisions of BX Equity Rule 2310. Shares trading on PSX will be subject to the provisions of PHLX Rule 763. Members and member organizations recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the “know your customer” obligation that is embedded in both the NASDAQ Conduct Rules and the BX Conduct Rules.

NASDAQ members, BX members and PHLX members and member organizations should also review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Trading Halts

NASDAQ will halt trading in the Shares of a Fund in accordance with NASDAQ Rule 4120. BX will halt trading in the Shares of a Fund in accordance with BX Equity Rule 4120. PHLX will halt trading in the Shares of a Fund in accordance with PHLX Rule 3100. The grounds for a halt under these rules include a halt by the primary market because the

intraday indicative value of the Fund, the value of its underlying index, or a similar value are not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ, BX and PHLX will also stop trading the Shares of a Fund if the primary market delists the Fund.

Delivery of a Prospectus

NASDAQ members, BX members and PHLX members and member organizations should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Funds.

Prospectuses may be obtained through the Funds' website. The prospectus for the Funds does not contain all of the information set forth in the Funds' registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). For further information about the Funds, please refer to the registration statement.

In the event that the Funds rely upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, NASDAQ Rules 5705 and 5740, BX Equity Rules 4420 and 4421, and PHLX Rule 803 require that members and member organizations, respectively, provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust for the Funds, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, members and member organizations shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by members or member organizations to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of the Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

Any NASDAQ, BX or PHLX member or member organization carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to NASDAQ members, BX members and PHLX members or member organizations under this rule.

Upon request of a customer, NASDAQ members, BX members and PHLX members or member organizations shall provide a copy of the prospectus.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the above mentioned exchange-traded Funds.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any “distribution participant” and its “affiliated purchasers” from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of shares of the above-mentioned Funds to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of Shares of the above-mentioned Funds (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund Shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund Shares to the Funds for redemption does not constitute a bid for or purchase of any of the Funds’ securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant to paragraph (e) of Rule 102 under Regulation M to allow the redemption of Fund Shares in Creation Unit Aggregations during the continuous offering of Shares.

Customer Confirmations for Creation or Redemption of Fund Shares (SEC Rule 10b-10)

Broker-dealers who handle purchases or redemptions of Fund Shares in Creation Unit size for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to a Fund for purposes of purchasing Creation Unit Aggregations (“Deposit Securities”) or the identity, number and price of shares to be delivered by the Trust for the Fund to the redeeming holder (“Redemption Securities”). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemptions is subject to the following conditions:

- 1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;
- 2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c);
- 3) Except for the identity, number and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

SEC Rule 14e-5

An exemption from Rule 14e-5 has been granted to permit any person acting as a dealer-manager of a tender offer for a component security of a Fund (1) to redeem Fund Shares in Creation Unit Aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase Fund Shares during such tender offer. In addition, a no-action position has been taken under Rule 14e-5 if a broker-dealer acting as a dealer-manager of a tender offer for a security of a Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more Creation Unit Aggregations of Shares, if made in conformance with the following:

- 1) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or
- 2) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- 3) such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The SEC has clarified that Section 11(d)(1) does not apply to broker-dealers that are not Authorized Participants (and, therefore, do not create Creation Unit Aggregations) that engage in both proprietary and customer transactions in Shares of the Fund in the secondary market, and for broker-dealer Authorized Participants that engage in creations of Creation Unit Aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an Authorized Participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the Shares of a Fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(l)(5)(A), (B) or (C). (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of a Fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on Shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The SEC has taken a no-action position with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and

redemptions of Fund Shares and secondary market transactions therein. (See [letter](#) from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

This Information Circular is not a statutory prospectus. NASDAQ members, BX members and PHLX members and member organizations should consult the Funds' prospectus and/or the Funds' website for relevant information.

Inquiries regarding this Information Circular should be directed to:

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