



September 28, 2009

Dear Customers,

This year has been unprecedented in the financial services market and although things seem to have stabilized, difficult times may still continue for many months to come. Matrix Financial Solutions, Inc. on behalf of itself and its wholly owned subsidiaries (collectively, hereinafter "Matrix") wants to take this opportunity to provide our customers with information regarding the safety and soundness of our trading platform. We want to reassure you that doing business with Matrix is, and will remain, an excellent choice for you and your underlying clients.

We have outlined below, background information on how we hold your assets and then provide information on our corporate structure. By providing this information it is our sincere hope that you will better understand how we work on your behalf.

#### **How Your Assets Are Held**

The majority of assets that are processed through the MSCS platform are held at the Fund Family. And, even though we act as custodian, all assets are registered "for the benefit of" the customer. Therefore, the safety of the assets is controlled by the mutual fund company and not by Matrix or any of its affiliated entities. This means that although we are very sound financially as a company, our soundness has little bearing on the safety of mutual fund assets processed through our platform. Matrix's trading processes will continue to allow you to operate as usual, but again, has no bearing on the safety of assets held at the fund companies.

In addition, as outlined in Rule 330.5 Recognition of deposit ownership and fiduciary relationships by the FDIC, your cash deposits are protected up to \$250,000 for each participant that makes up that individual deposit. This is the basic insurance amount per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000. For more information on the Rule, please log on to the official Federal Deposit Insurance Corporation's web site: <http://www.fdic.gov/regulations/laws/rules/2000-5400.html#2000part330.5>.

#### **Insurance Coverage**

Matrix Financial Solutions, Inc. maintains a professional liability policy, aka Errors & Omissions, with a limit of \$5 million with the Houston Casualty Company. This policy provides coverage for financial losses relating to or arising out of the professional services rendered by Matrix Financial Solutions and its subsidiaries (including MG Trust Company, LLC). In a tandem with this coverage, MG Trust Company has also placed a STAMP Bond with a \$5 million limit. MG Trust Company is included as an insured organization in the

Matrix Financial Solutions Directors & Officers, Employment Practices Liability, and Fiduciary Liability coverage. Matrix Financial Solutions also has a Financial Institution Bond with St. Paul Mercury Insurance Company, providing \$5 million in coverage for losses resulting from employee or third-party dishonesty and robbery, and first-party computer crime.

MSCS Financial Services, an MG Trust® Company affiliate, is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). MSCS also retains a certified public accounting firm to conduct a SAS 70 Type II audit.

MG Trust Company retains a Certified Public Accounting firm to conduct a SAS 70, Type II internal audit of procedures and controls. Copies of the SAS 70 are available upon request. In addition, as a State Chartered Trust Company, MG Trust is regulated and audited by the Colorado Division of Banking.

### **Matrix Financial Solutions Background**

Matrix is one of the largest providers of products and services for financial institutions and professionals, including banks, trust companies, registered investment advisors, third-party administrators (TPAs) and wealth management professionals. Under the Matrix umbrella you may do business with Matrix Settlement & Clearance Services, LLC (“MSCS”), and its wholly owned subsidiary MSCS Financial Services, LLC (“MSCS Financial”) member FINRA and SIPC, MG Advisory Services, LLC (“MGA”) and MG Trust Company, LLC (“MG Trust”).

MSCS provides mutual fund processing services, with over 450 fund families, to more than 300 institutional customers, and more than \$84 billion in assets held on its trading platform, on behalf of its customers.

MG Trust® Company, LLC is a wholly owned subsidiary of Matrix that provides custodial, trust and/or cash agent services for approximately 38,000 retirement plan accounts and more than \$26 billion in assets.

### **Outlook**

Although the market can continue to be volatile, our business model and philosophy continues to be sound. We pride ourselves on providing excellent customer service to you and your customers and believe that the trading platform we have created provides one of the safest and most secure ways to conduct mutual fund processing.

Additionally, we want to report that none of the Matrix companies, which in addition to those listed above include Matrix Communications Technologies and Prima Capital Holding, contain derivatives or leveraged vehicles. Our balance sheet is strong and our commitment to you will be even stronger as we get through these tough times.

We thank you for your business and we look forward to continuing to provide you with the products and services you need to be successful and grow your business.

Regards,

John H. Moody  
President, MSCS

R. Clifton D'Amato  
CEO, MSCS