

ETF Trend Following

As of April 30, 2012

This presentation does not constitute an offering of securities. The information contained herein is summary in nature.

Table of Contents:

Page 3: Executive Summary

Page 4: Trend Following

Page 5: Systematic Index

Page 10: ETF PM Portfolios

Page 11: Sample 50/50 Portfolio

Page 12: Investment Process

Page 13: Performance

Page 16: Product Offering and Key Features

Page 17: Senior Management and Advisory Board

Page 18: Disclosures

Absolute return strategies using ETFs

Trend following and indexing in a single portfolio

Executive Summary:

ETF Portfolio Management (ETF PM) was formed by David Kreinces in November 2007 as an advisory firm specializing in liquid absolute return strategies. Our active and passive portfolios employ a wide range of leading exchange-traded funds (ETFs). The firm offers transparency, online access and client statement reporting through separately managed accounts at **Schwab Institutional** or **Goldman Sachs**.

Our **50/50 Portfolio** is half ETF trend following and half multi-asset class indexing. The portfolio offers 10 to 20 ETFs with the ability to shift 65% into cash as needed.

The target annual return is 15% with a drawdown limit of 12%. The 50/50 Portfolio does not employ leverage or short exposure and we do not charge a performance fee.

The annual management fee is 1% with a \$250k recommended minimum.

Reactive rules-based investing

Trend following delivered gains in both of the past two market crashes.

Trend Following:

Trend following strategies shift portfolio exposure according to rules-based processes that react to existing trends in the price and volatility of securities. In many respects, **index investing is a passive form** of trend following.

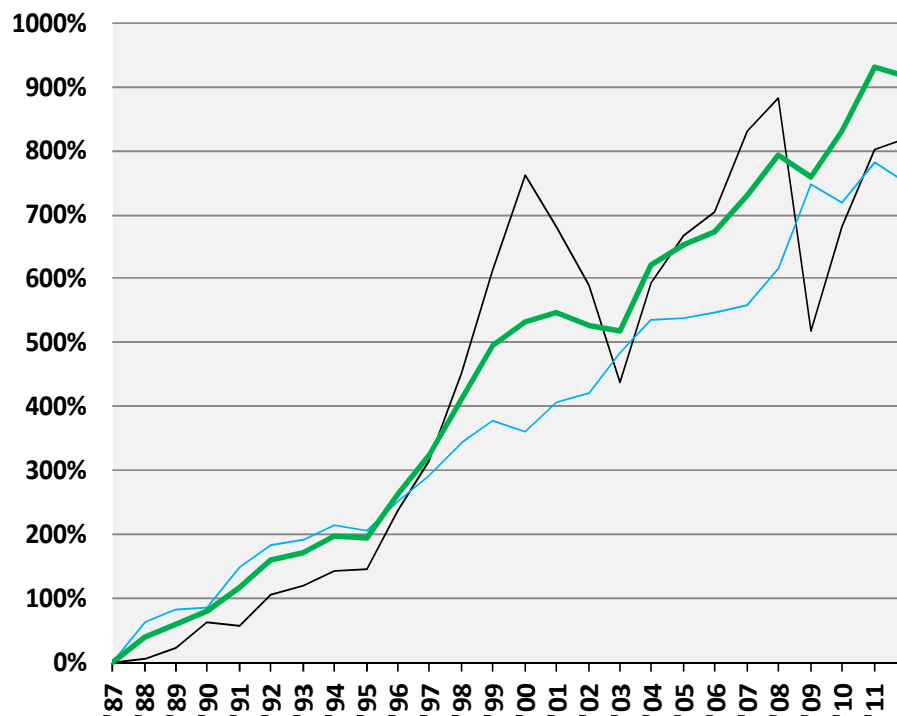
In fact, historical performance suggests that investors should combine these two reactive rules-based strategies. The Systematic Index shown here includes 488 strategies, mostly trend following funds, with more than \$200 billion in total assets under management.

Trend following is now one of the largest sectors in the hedge fund index.

Over 25 years, a 60/40 allocation to the Systematic Index outperformed the S&P 500 by 98%.

The 60/40 SI portfolio also reduced the worst rolling 3yr total return to **-2%** from **-38%**.

Systematic Index: Total Return (25 years as of 12/31/11)



<u>Total Return</u>	
60/40 SI	+917%
S&P 500	+819%
Systematic Index	+749%

<u>Compound Return</u>	
60/40 SI	+9.7%
S&P 500	+9.3%
Systematic Index	+8.9%

<u>Worst Rolling 3-Year Total Return</u>	
Systematic Index	+0.3%
60/40 SI	-2.3%
S&P 500	-37.6%

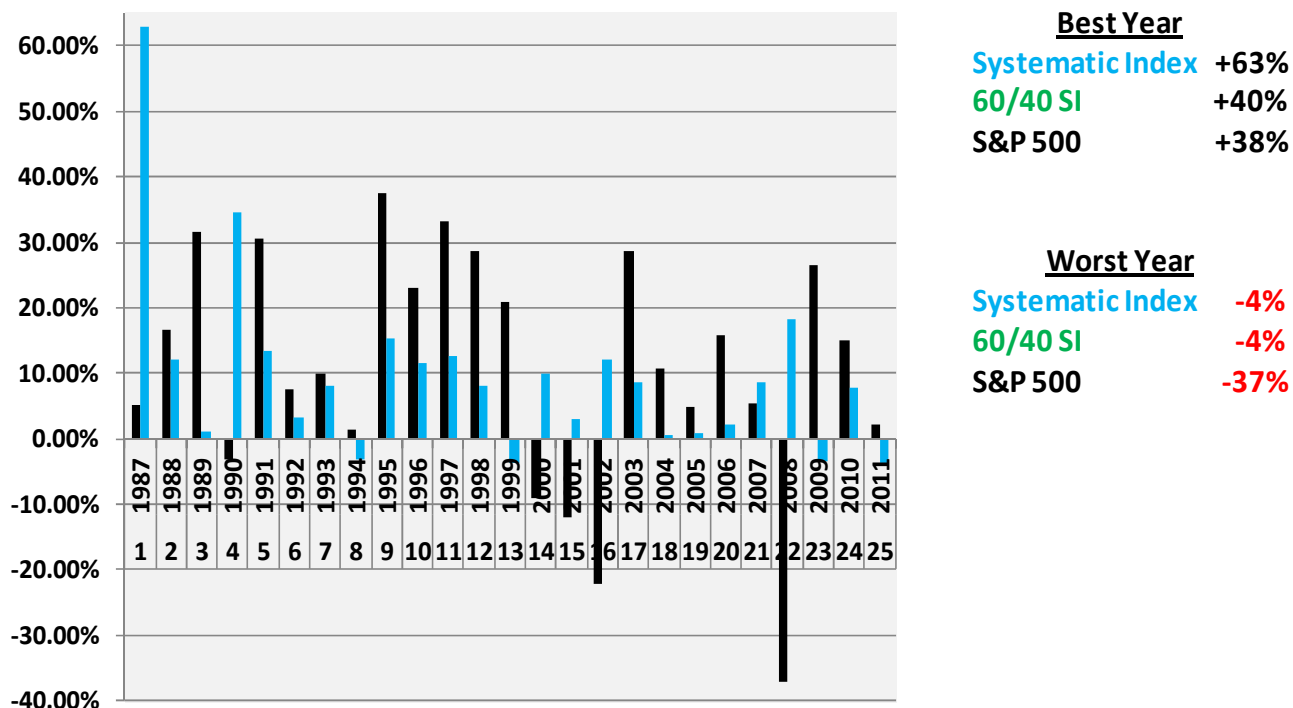
Note: Systematic Index is the BarclayHedge Systematic Traders Index which is mostly trend following funds. 60/40 SI is 60% Systematic Index and 40% S&P 500. Hypothetical backtested data for informational purposes assumes annual rebalancing and no transaction costs. Worst Rolling 3-Year is based on calendar year data. Past performance does not guarantee future results. Please see full performance disclosures online at www.barclayhedge.com and www.etfpm.com.

Systematic Index: Bar Chart (25 years as of 12/31/11)

The S&P 500 outperformed in 18 of 25 years, or 72% of the time.

In 12 of the years, or 48% of the time, the S&P 500 average outperformance was 19% per year.

In 6 of the years, or 24% of the time, the Systematic Index outperformance was 36% on average.



Note: Systematic Index is the BarclayHedge Systematic Traders Index which is mostly trend following funds. 60/40 SI is 60% Systematic Index and 40% S&P 500. Hypothetical backtested data for informational purposes assumes annual rebalancing and no transaction costs. Worst Year is worst calendar year. Past performance does not guarantee future results. Please see full performance disclosures online at www.barclayhedge.com and www.etfpm.com.

Systematic Index: Annual Returns (25 years as of 12/31/11)

Uncorrelated performance

Investors were constantly tempted to shift their asset allocation.

		Systematic Index	S&P 500	60/40 SI
25 Yr. Annualized		8.9%	9.3%	9.7%
25	2011	-3.8%	2.1%	-1.4%
24	2010	7.8%	15.1%	10.7%
23	2009	-3.4%	26.5%	8.6%
22	2008	18.2%	-37.0%	-3.9%
21	2007	8.7%	5.5%	7.4%
20	2006	2.1%	15.8%	7.6%
19	2005	1.0%	4.9%	2.5%
18	2004	0.5%	10.9%	4.7%
17	2003	8.7%	28.7%	16.7%
16	2002	12.1%	-22.1%	-1.6%
15	2001	3.0%	-11.9%	-3.0%
14	2000	9.9%	-9.1%	2.3%
13	1999	-3.7%	21.0%	6.2%
12	1998	8.1%	28.6%	16.3%
11	1997	12.8%	33.4%	21.0%
10	1996	11.6%	23.0%	16.1%
9	1995	15.3%	37.6%	24.2%
8	1994	-3.2%	1.3%	-1.4%
7	1993	8.2%	10.1%	8.9%
6	1992	3.3%	7.6%	5.0%
5	1991	13.4%	30.5%	20.2%
4	1990	34.6%	-3.1%	19.5%
3	1989	1.2%	31.7%	13.4%
2	1988	12.2%	16.6%	14.0%
1	1987	63.0%	5.3%	39.9%

Note: Systematic Index is the BarclayHedge Systematic Traders Index which is mostly trend following funds. 60/40 SI is 60% Systematic Index and 40% S&P 500. Hypothetical backtested data for informational purposes assumes annual rebalancing and no transaction costs. Past performance does not guarantee future results. Please see full performance disclosures online at www.barclayhedge.com and www.etfpm.com.

Systematic Index: Rolling 3-Year Total Returns (25 years as of 12/31/11)

The Systematic Index had no negative 3yr total returns in the last 23 periods.

The S&P 500 was negative in 6 of 23 periods, or 26% of the time.

60/40 SI was negative in 1 of 23 periods, or 4% of the time.

		Systematic Index	S&P 500	60/40 SI
23	2011	0%	49%	19%
22	2010	23%	-8%	16%
21	2009	24%	-16%	12%
20	2008	31%	-23%	11%
19	2007	12%	28%	18%
18	2006	4%	35%	15%
17	2005	10%	50%	25%
16	2004	23%	11%	20%
15	2003	25%	-12%	11%
14	2002	27%	-38%	-2%
13	2001	9%	-3%	5%
12	2000	14%	41%	26%
11	1999	17%	108%	49%
10	1998	36%	111%	63%
9	1997	45%	126%	75%
8	1996	25%	71%	42%
7	1995	21%	53%	33%
6	1994	8%	20%	13%
5	1993	27%	55%	38%
4	1992	58%	36%	51%
3	1991	54%	66%	63%
2	1990	53%	49%	54%
1	1989	85%	62%	81%

Note: Systematic Index is the BarclayHedge Systematic Traders Index which is mostly trend following funds. 60/40 SI is 60% Systematic Index and 40% S&P 500. Hypothetical backtested data for informational purposes assumes annual rebalancing and no transaction costs. Past performance does not guarantee future results. Please see full performance disclosures online at www.barclayhedge.com and www.etfpm.com.

Systematic Index: Rolling 10-Year Total Returns (25 years as of 12/31/11)

The Systematic Index had no negative 10yr total returns in the last 16 periods.

The S&P 500 fell by 13% over its worst 10-yr period.

60/40 SI gained 44% over its worst period.

		Systematic Index	S&P 500	60/40 SI
16	2011	63%	33%	62%
15	2010	74%	15%	60%
14	2009	77%	-9%	48%
13	2008	77%	-13%	44%
12	2007	62%	78%	75%
11	2006	68%	124%	97%
10	2005	83%	138%	112%
9	2004	109%	213%	157%
8	2003	102%	186%	142%
7	2002	101%	144%	126%
6	2001	85%	238%	141%
5	2000	103%	400%	199%
4	1999	149%	433%	249%
3	1998	162%	480%	273%
2	1997	172%	426%	265%
1	1996	293%	315%	323%

Note: Systematic Index is the BarclayHedge Systematic Traders Index which is mostly trend following funds. 60/40 SI is 60% Systematic Index and 40% S&P 500. Hypothetical backtested data for informational purposes assumes annual rebalancing and no transaction costs. Past performance does not guarantee future results. Please see full performance disclosures online at www.barclayhedge.com and www.etfpm.com.

ETF PM Portfolios: 8 All-ETF Strategies

The 50/50 Portfolio is half ETF trend following and half indexing

Absolute Return

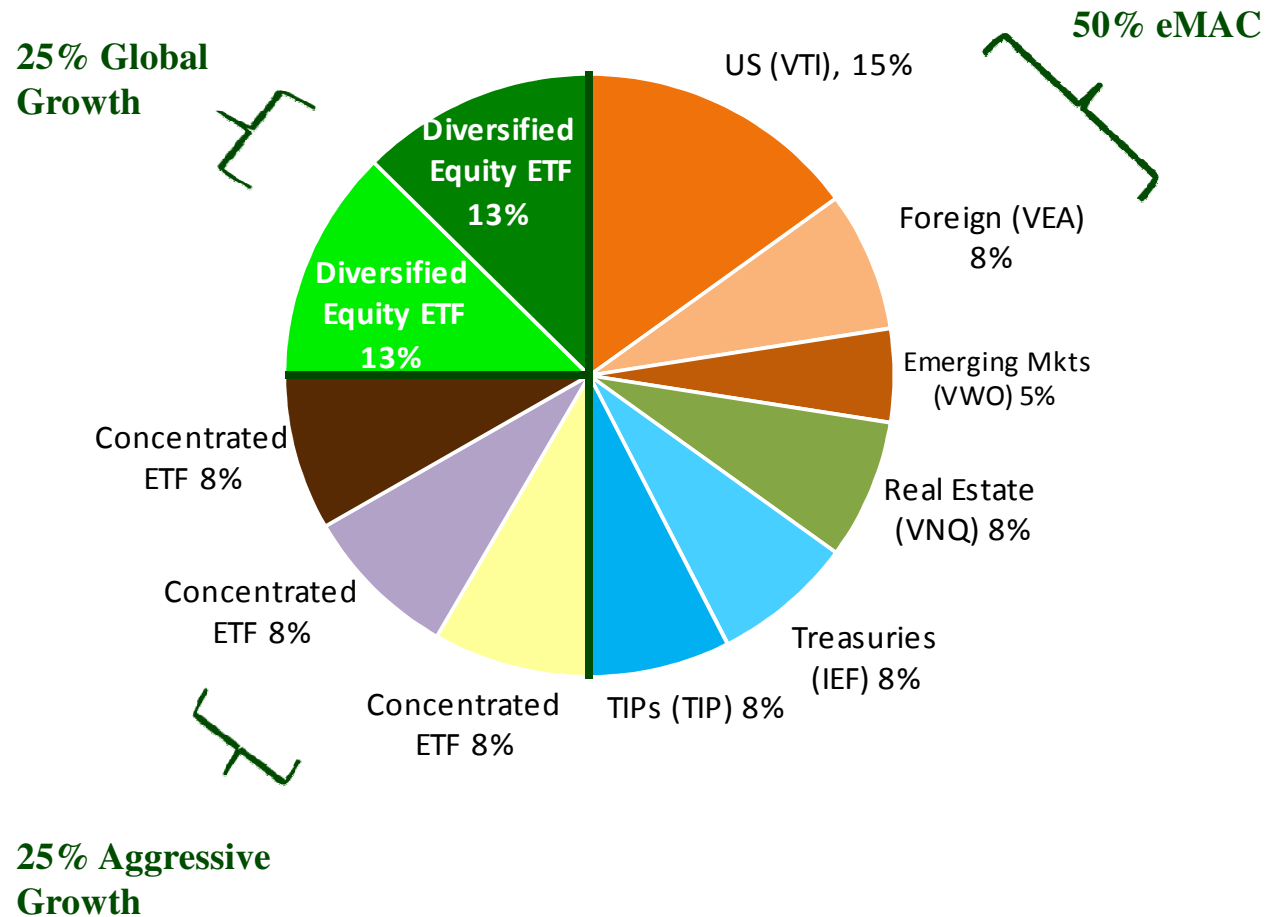
- 50/50 Portfolio (*50/50*)
- Aggressive Growth (*AG*)
- Diversified Portfolio (*DVR*)
- Global Growth (*GG*)
- Single Sector (*SS*)

Investable Benchmarks

- Income (30/70i)
- Income & Growth (I&G)
- eMAC

Sample 50/50 Portfolio: 11 ETFs

Three uncorrelated
ETF strategies in a
single portfolio

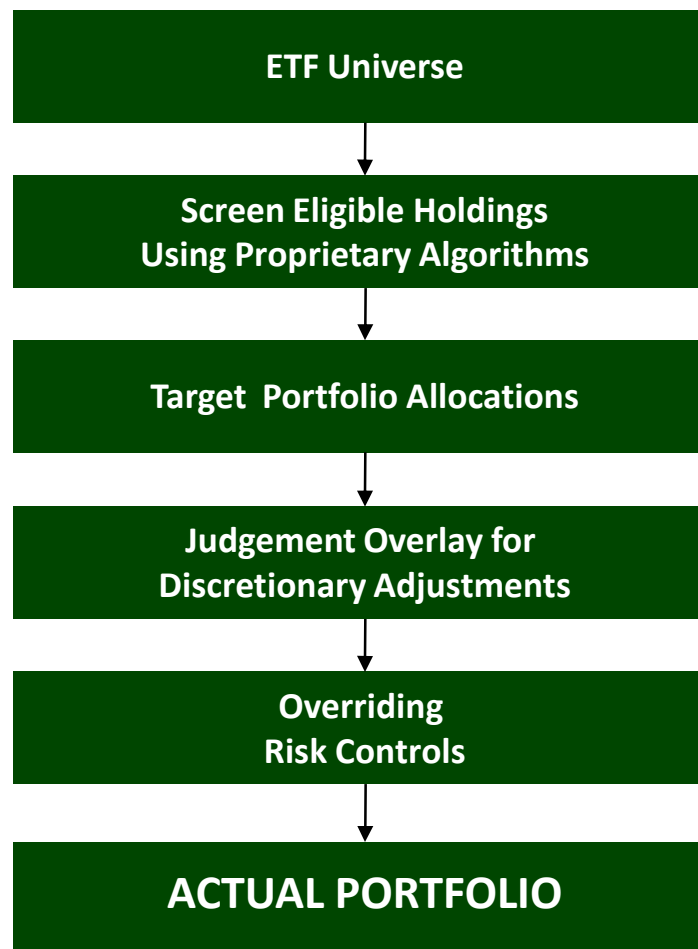


Investment Process: 50/50 Portfolio

A top-down approach

Proprietary indicators include volatility, liquidity and price variables.

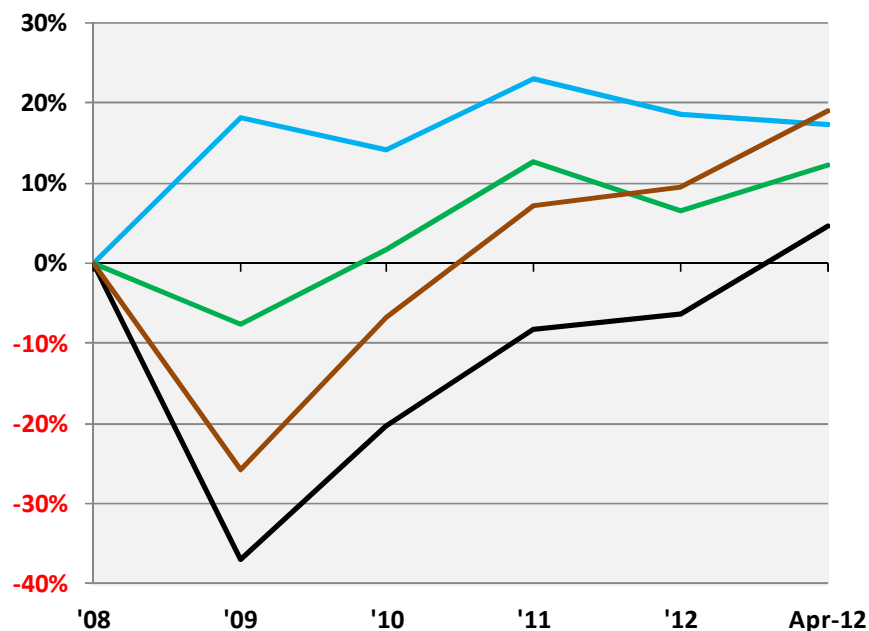
Portfolio exposure may average 85% long with a range of 100% long to 65% cash.



Trend following and indexing in a single portfolio

No leverage and no short exposure

50/50 Portfolio (4.3 years as of 4/30/12)



<u>Total Return</u>	
eMAC	+19%
Systematic Index	+17%
50/50 Portfolio	+12%
S&P 500	+5%

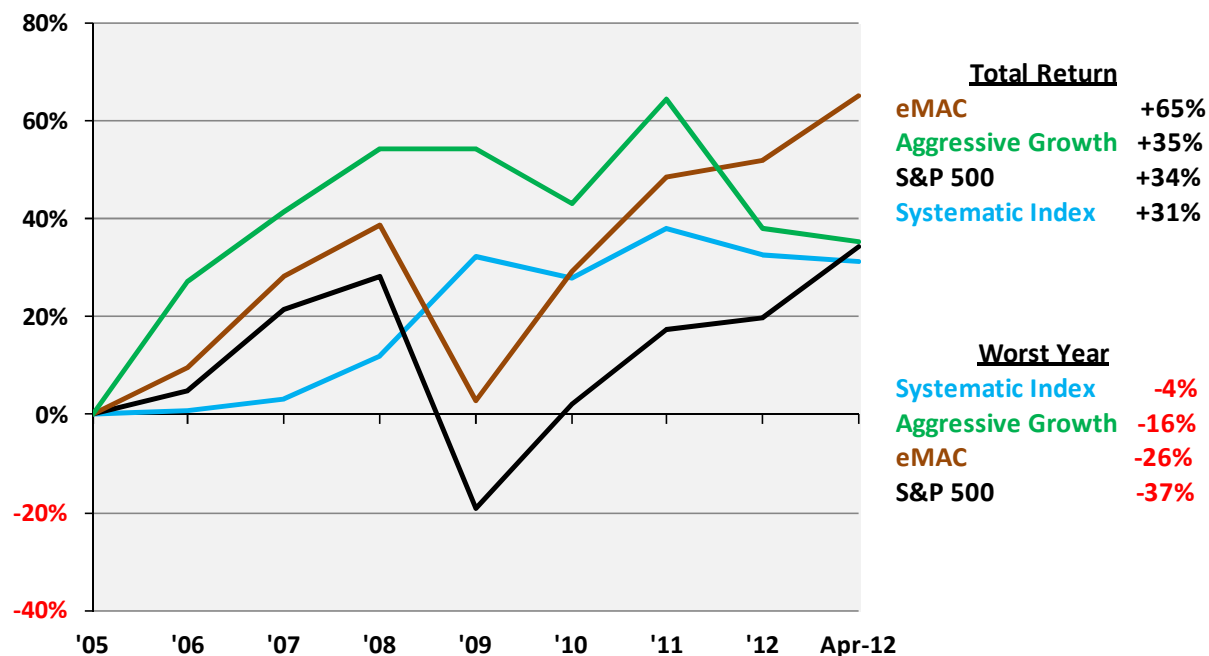
<u>Worst Year</u>	
Systematic Index	-4%
50/50 Portfolio	-8%
eMAC	-26%
S&P 500	-37%

Note: The 50/50 Portfolio is 50% eMAC, 25% Aggressive Growth and 25% Global Growth. Systematic Index is the BarclayHedge Systematic Traders Index which is mostly trend following funds. The eMAC Portfolio is based on the efficient multi-asset class portfolio of core ETFs in David Swensen's "Unconventional Success" and his revisions. Worst Year is worst calendar year since 2008. Past performance does not guarantee future results. Please see full performance disclosures online at www.barclayhedge.com and www.etfpm.com.

Our longest track record

Concentrated multi-asset class ETF rotation with risk control

Aggressive Growth (7.3 years as of 4/30/12)

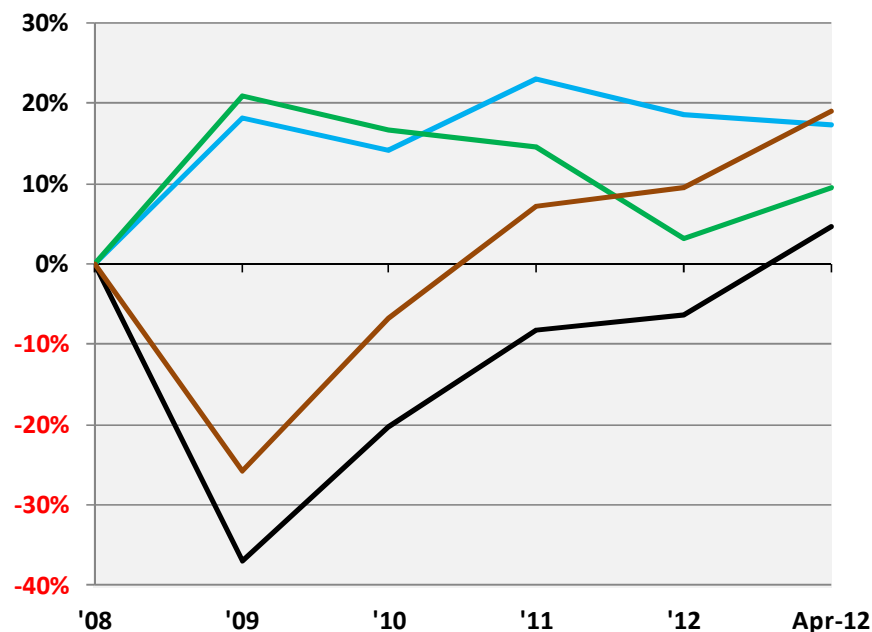


Note: The eMAC Portfolio is based on the efficient multi-asset class portfolio of core ETFs in David Swensen's "Unconventional Success" and his revisions. Systematic Index is the BarclayHedge Systematic Traders Index which is mostly trend following funds. Worst Year is worst calendar year since 2005. Past performance does not guarantee future results. Please see full performance disclosures online at www.barclayhedge.com and www.etfpm.com.

**Our best portfolio
in 2008**

**Diversified equity
ETF rotation with
risk control**

Global Growth (4.3 years as of 4/30/12)



<u>Total Return</u>	
eMAC	+19%
Systematic Index	+17%
Global Growth	+9%
S&P 500	+5%

<u>Worst Year</u>	
Systematic Index	-4%
Global Growth	-10%
eMAC	-26%
S&P 500	-37%

Note: Systematic Index is the BarclayHedge Systematic Traders Index which is mostly trend following funds. The eMAC Portfolio is based on the efficient multi-asset class portfolio of core ETFs in David Swensen's "Unconventional Success" and his revisions. Worst Year is worst calendar year since 2008. Past performance does not guarantee future results. Please see full performance disclosures online at www.barclayhedge.com and www.etfpm.com.

Product Offering and Key Features:

Diversification by asset class and investment process

50/50 Portfolio: Inception January 2008

Recommended Minimum: \$250,000

Management Fee: 1.0% Annually

Transparency with online account access

Performance Fee: None

Custodian: Schwab or Goldman Sachs

Daily liquidity

Account Type: Separately Managed Account

Liquidity: Daily

Independent Verification: The Spaulding Group

**Experienced
Management**

Senior Management and Advisory Board:

David S. Kreinces, Founder & Portfolio Manager

- Over 20 years of diverse investment experience in various asset classes including equities, fixed income, real estate and commodities
- Launched ETF Portfolio Management in November 2007
- Merrill Lynch PIA Program Portfolio Manager for retail high net worth clients
- Launched and managed two startup hedge funds; Cello Technology Fund and E-Growth Fund
- High Yield Media Research Analyst, Bear Stearns & Co.
- Top-ranked High-Yield Broadcasting/Media Research Team
- MS, Real Estate, Georgia State University and BBA, Accounting, Emory University

J. Edwin Holliday, Advisory Board Member

- Formerly Regional Sales Vice President for Campbell & Co., one of the oldest and largest absolute return portfolio managers worldwide
- Raised \$1.3 billion in client capital at Campbell & Co.
- B.S. in Mechanical Engineering from West Virginia Institute of Technology

Disclosures:

General Information: All of our Aggressive Growth performance results relate to the Aggressive Growth representative account (the “AG Portfolio”), an account that David Kreinces first traded in January 2005 while he was a portfolio manager at Merrill Lynch. Mr. Kreinces was solely responsible for the development of the Aggressive Growth Portfolio. While at Merrill Lynch, he had full discretionary authority over the selection of investments for, and was primarily responsible for the day-to-day management of, all accounts that employed the AG Portfolio.

All of our Global Growth performance results relate to the Global Growth representative account (the “GG Portfolio”) which was first implemented in January 2008.

Together the GG Portfolio and AG Portfolio will be referred to as the “Absolute Return Portfolios.”

Most of the Merrill Lynch Aggressive Growth Accounts terminated their respective investment advisory agreements with Merrill Lynch and became investment advisory clients of ETF Portfolio Management (“ETF PM”) and allocated to the same Aggressive Growth Portfolio. The Aggressive Growth Portfolio managed by Mr. Kreinces at ETF PM is substantially similar to, if not the same as, the Aggressive Growth Portfolio employed by him while he was with Merrill Lynch. As was the case while Mr. Kreinces was at Merrill Lynch, Mr. Kreinces has full discretionary authority over the selection of investments for, and is primarily responsible for the day-to-day management of, those ETF PM accounts that allocate to the Aggressive Growth Portfolio.

Mr. Kreinces left Merrill Lynch on November 27, 2007 and started ETF PM on December 1, 2007. The performance results for the AG Portfolio, between the period of January 1, 2005 through November 25, 2007 (the “Prior Performance Period”), reflect the performance of the same account achieved under the management of Mr. Kreinces while he was a portfolio manager at Merrill Lynch. Although Mr. Kreinces will implement the AG Portfolio at ETF PM in substantially the same manner as that of when he was at Merrill Lynch, the performance results during the Prior Performance Period are not indicative of the future performance of the AG Portfolio at ETF PM.

Performance Achieved at ETF PM: The Global Growth Performance Results at ETF PM reflect the performance achieved by the single representative ETF PM Global Growth account. The performance results are similar to the performance achieved by the composite of ETF PM’s Global Growth accounts although the figures are not identical.

Disclosures (Continued):

The Aggressive Growth Performance Results at ETF PM reflect the single account performance achieved by the representative ETF PM Aggressive Growth account, which is the account of an individual related to Mr. Kreinces. The representative account used to represent the Aggressive Growth Portfolio was chosen because it most closely conforms to the investment strategies utilized in the Aggressive Growth Portfolio. Individual account performance will vary based upon the inception date of the account, restrictions on the account, and other factors, and may not equal the performance presented herein. Accordingly, the performance results at ETF PM are similar to the performance achieved by the composite of ETF PM's Aggressive Growth accounts although the figures are not identical.

The Performance Results of the Global Growth and Aggressive Growth portfolios have been verified by The Spaulding Group, are net of all fees, and assume reinvestment of dividends. Please see <http://etfpm.com/resources/all-disclosures/performance-verification-reports/> for the latest performance report from The Spaulding Group or request the report at info@etfpm.com.

Fees: Each GG advisory account was charged an annual management fee of 0.5% of assets under management in 2008. The representative Merrill Lynch Aggressive Growth account was charged an annual, all-inclusive fee of 1.5% of assets under management. On the other hand, each ETF PM AG Portfolio advisory account was charged an annual management fee of 1.0% of assets under management in 2008. The AG Portfolio's Performance Results during the Prior Performance Period reflect the Merrill Lynch Fee Structure.

In 2009, the annual management fee for Aggressive Growth and Global Growth portfolios became 2%. We do not charge a performance fee on any of our accounts. Advisory fees are disclosed in each client's investment management agreement with ETF PM. The Absolute Return Portfolio accounts are solely responsible for all commissions and other transaction charges as well as any charges relating to the custody of securities in such accounts.

Historical Performance: *Historical performance is not indicative of future performance.* Additionally, the investment return and principal value of an ETF PM Account will fluctuate and may be worth more or less than the original cost when liquidated. Investment environment and market conditions may be markedly different in the future and investment returns will fluctuate in value. There can be no assurance that any ETF PM Account will achieve positive returns in future periods.

Disclosures (Continued):

The Absolute Return Portfolios were implemented, and will continue to be implemented, with a view towards long-term capital growth and protection. The indices presented are for comparison purposes only. An ETF PM Account employing the Absolute Return Portfolios may not be as diversified as any of these indices and no index is directly comparable to the Absolute Return Portfolios.

eMAC Portfolio (the “eMAC Portfolio”): All of the performance estimates for our eMAC Portfolio relate to a hypothetical core model, a strategy that David Kreinices first backtested in 2008. The eMAC Portfolio is based on the efficient multi-asset class portfolio of core ETFs in David Swensen's *“Unconventional Success”* and his revisions. This portfolio is designed to represent a broad growth portfolio and does not take into account an individual's investment objectives and financial circumstances. Consult your investment adviser before investing. The eMAC Portfolio information reflects hypothetical backtested calculations rather than actual client account results.

50/50 Portfolio (the “50/50 Portfolio”): The 50/50 Portfolio is a hypothetical portfolio that reflects 50% eMAC, 25% Aggressive Growth and 25% Global Growth portfolios. The 50/50 performance estimates at ETF PM are backtested and have not been audited. The 50/50 performance estimates are net of all fees and assume reinvestment of dividends.

Benchmarks: The **S&P 500 Index (SPX)** is an unmanaged index of common stocks that represents the U.S. stock market. The index is mainly comprised of large cap companies and reflects roughly two-thirds of the total domestic stock market value. **SPY** is an ETF for the S&P 500. **The Dow Jones Credit Suisse Hedge Fund Index (HFI)** includes approximately 8,000 funds that each have a minimum of \$50mm under management, a 12-month track record, and audited financial statements. The index is asset weighted and excludes separate accounts.

Contact Details:

David Kreinces
Founder and Portfolio Manager
(866) 409-5844
info@etfpm.com

ETF Portfolio Management, LLC
350 Via Las Brisas, Suite 270
Newbury Park, CA 91320

www.etfpm.com