



Watch List	Symbol/ Abbrev.	Worst Year	10yr Total Return	Annualized Returns				Annual Yield	Expense Ratio	ETF PM Annual Fee
				10yr	5yr	2yr	1yr			
<b>ETF PM Passive Cores</b>										
Basic Core	BC	- 30.5%	62.1%	4.9%	4.7%	- 7.2%	24.0%	2.6%	0.34%	None
eMAC Portfolio	eMAC	- 26.0%	76.8%	5.9%	4.1%	- 4.8%	22.5%	3.2%	0.27%	None
Advanced Core	AC	- 31.8%	81.0%	6.1%	4.6%	- 8.4%	23.0%	2.3%	0.41%	None
<b>Benchmark</b>										
70/30 Growth	70/30	- 15.8%	31.7%	2.8%	3.5%	- 2.8%	12.1%	2.6%	0.11%	None
S&P 500	SPX	- 37.0%	- 9.1%	- 1.0%	0.4%	- 10.7%	26.5%	2.0%	0.09%	None

**Note:** The eMAC Portfolio is based on the efficient multi-asset class portfolio of core ETFs in David Swensen's "Unconventional Success." Index performance was used when fund performance was unavailable. Passive Core returns reflect annual rebalancing of the allocation and exclude transaction costs. All Annual Yield and Expense Ratio data as of 11/30/09. Worst Year figures are based on calendar year data over the trailing 10-year period. Past performance does not guarantee future results.

**ETF Portfolio Management (ETF PM)** is a financial advisory firm that specializes in rules-based investing. We customize a combination of passive and active investment strategies for each client account in order to provide important diversification with strict risk control. Client accounts may be held at Schwab Institutional or Goldman Sachs.

Please see full performance disclosures on the following page or visit [www.etfpm.com](http://www.etfpm.com).

**General Information:** All of the performance estimates (the “Performance Estimates”) for our Passive Cores relate to hypothetical core models (the “Passive Core Portfolios”), strategies that David Kreinces first backtested in 2008. These portfolios are designed to represent broad growth portfolios and do not take into account an individual’s investment objectives and financial circumstances. Consult your investment adviser before investing. All Passive Core information reflects hypothetical backtested calculations rather than actual client account results.

Mr. Kreinces based the eMAC Portfolio (eMACp) on the efficient multi-asset class portfolio of core ETFs in David Swensen's “*Unconventional Success*.” Swensen's performance managing Yale University's multi-billion dollar endowment fund is leading Wall Street in many respects and his views have significantly broadened the industry's perception of proper diversification. iShare ETFs were used for the entire portfolio to simplify performance reporting. David Swensen is not affiliated with ETF PM and has not endorsed ETF PM.

Mr. Kreinces was solely responsible for the development of the Basic and Advanced Core Portfolios, and he had full discretionary authority over the selection of investments.

Mr. Kreinces left Merrill Lynch on November 27, 2007 and started ETF Portfolio Management, LLC (“ETF PM”) on December 1, 2007. It is expected that high net worth individuals and institutional clients will allocate to the Strategic Core Portfolios at ETF PM.

**Performance Estimates at ETF PM:** The Performance Estimates at ETF PM reflect an estimate of the performance that would have been achieved by a hypothetical Passive Core account with annual rebalancing. The Performance Estimates at ETF PM are backtested and have not been audited. The Performance Estimates do not reflect trading fees associated with the annual rebalancing and assume reinvestment of dividends.

The Performance Estimates for the hypothetical backtested Passive Cores do not reflect an advisory fee and ETF PM does *not* charge an advisory fee for these account structures. Each ETF PM advisory account is solely responsible for all commissions and other transaction charges, as well as any charge relating to the custody of securities in such account.

Backtesting involves simulation of a quantitative investment model by applying all rules, thresholds and strategies to a hypothetical portfolio during a specific market period. The Passive Core performance estimates do not reflect the returns of actual client accounts invested in the strategies presented. Backtested performance does not represent actual trading in an account and does not reflect the impact that material economic and market factors might have had on ETF PM’s decision-making process if ETF PM were actually managing the assets.

*Historical performance estimates are not indicative of future performance.* 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. The 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.

The Passive Cores were implemented, and will continue to be implemented, with a view towards low-cost diversification across multiple asset classes. The Performance Estimates presented are for comparison purposes only. All the information in this report was taken from sources we believe to be reliable, but we cannot guarantee perfect accuracy.

**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. The **70/30 Growth** portfolio is 70% S&P 500 and 30% Long-Term Treasury Bonds.