

Confidential Investor Presentation

As of May 31, 2018

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Revolutionary

Introduction:

ETF Portfolio Management (ETF PM) is a revolutionary financial advisory firm, and trend following specialist, building a dynamic fund family.

Efficient

Our focus is to scale our active and passive separate account investment strategies into pooled funds that include hedge funds and ETFs of ETFs.

**Extraordinary
performance**

Our menu is designed to deliver leading solutions for a wide range of investor needs from ultra-low-cost passive indexing and robo-advisory services, to full-service wealth management with extraordinary absolute return strategies.

**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 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

Peter Braunwart, Advisory Board Member

- Over 20 years experience in sales, trading, capital raising, banking, and marketing
- Worked to launch, service and distribute over 12 exchange-traded funds (ETFs)
- Original member of ETF issuer sold to Virtus
- Consultant on issuance and sales to multiple ETF firms
- Held positions with UBS, WR Hambrecht, Wunderlich, Citigroup, and Virtus
- BS, Accounting, Information Management, University of Scranton

Jonathan Schwartz, Advisory Board Member

- Over 20 years experience in portfolio management and business development
- Proprietary trader, manager, and trainer with a focus on trend following
- Experienced in sector SPAC deals and angel investing
- Sy Syms School of Business, Yeshiva University and Economics, CUNY Baruch College

Efficient diversification

**Dynamic rotation
and risk controls**

Diverse Fund Family:

ETF PM is building a “next-generation” Vanguard/Bridgewater.

Our menu provides an efficient range of passive and active investment portfolios, for a wide range of investors, using liquid asset class ETFs, sector ETFs, concentrated stock positions, and/or leverage when appropriate.

The firm’s strategies mainly target annualized returns well over 12%, with annual principal risk limits of 10%. The platform offers asset allocations that range from traditional index ETF portfolios, to dynamic ETF absolute return strategies that delivered gains in the crash of 2008.

Our fund family holdings will mainly be comprised of positions that benefit from **leading growth trends**. Current areas of focus include **artificial intelligence, blockchain, semiconductors, technology, China, and emerging markets** in general.

The fund family will scale through equity driven distribution partnerships and direct sales.

Investment Portfolios:

<u>ETF PM Strategy</u>	<u>Diversification</u>	<u>Short Capacity</u>	<u>Turnover</u>	<u>Annual Yield</u>	<u>Account Minimum</u>	<u>Advisory Fee</u>
<u>Investable Benchmarks</u>						
1) Income & Growth	Broad Multi-Asset Class	Long-Only	Passive	2.3%	\$5,000	0.25%
2) Income & Growth 2x	Multi-Asset Class	Long-Only	Passive	0.9%	\$5,000	0.25%
3) Income & Growth 3x	Multi-Asset Class	Long-Only	Passive	0.3%	\$5,000	0.25%
4) Income & Tech 3x	Multi-Asset Class	Long-Only	Passive	0.2%	\$5,000	0.25%
<u>Absolute Return Strategies</u>						
1) 50/50 Portfolio	Broad Multi-Asset Class	None	Active	1.2%	\$50,000	1.5%
2) Tactical 3x	Multi-Asset Class	None	Active	na	\$50,000	2%
3) Market Neutral 3x	Multi-Asset Class	45% Net	Active	na	\$50,000	2%
4) Max Alpha	Multi-Asset Class	45% Net	Active	na	\$50,000	2%
5) Multi-Portfolio	Multi-Strategy	30% Net	Active	na	\$250,000	2%

**Dynamic strategies
with efficient
scalability**

Six Pooled Funds

**4 Hedge Funds &
2 ETF of ETFs**

Business Model:

Since 2007, ETF PM has been operating separate client accounts, mostly for individual investors through Schwab. Clients currently pay quarterly management fees with a blended average of 1.3% per annum.

We are currently accepting seed investments to launch a hedge fund series for our absolute return strategies. In total, we plan **six pooled funds** which include a hedge fund series of four hedge funds, and two passive ETFs of ETFs.

Planned Pooled Funds

Four Hedge Funds – Tactical 3x (T3), Market Neutral 3x (MN 3x), Max Alpha (MA), and the new Multi-Portfolio (MP), a multi-strategy combination of the first three.

Two Passive ETF of ETFs - Income & Growth 3x (IG 3x) & Income & Tech 3x (IT 3x)

In total, we plan to allocate up to **20% equity interest in each respective hedge fund** strategy to seed investor(s).

We believe all four of our planned hedge funds may each exceed \$1b in AUM within five years of launch as they are designed to scale quickly through strong performance potential, equity driven distribution partnerships and direct sales.

\$500k in working capital

\$10mm in client assets

For up to 20% of revenue share in fund seeded through 2030

The Ask:

We are raising **\$500k in working capital and \$10mm in client assets** to launch a hedge fund series with four hedge funds.

In exchange, **seed investor(s) will get up to 20% revenue share** in the respective hedge fund seeded, with a pro-rata interest in dilutive sale proceeds, **until expiration of these revenue shares at year-end 2030.**

This **seed investment opportunity** may be broken into minimum investment units of 1% in exchange for **either a, b or c below:**

- a) Client Assets of **\$1mm invested** in the hedge fund series.
- b) Client Assets of **\$500k invested** in the series and **working capital of \$25k.**
- c) **Working capital of \$50k.**

In exchange for a, b or c above, the minimum revenue share participation will be 1% in the respective hedge fund seeded. The hedge fund series may launch within 6 months of completing the target funding. In order for the revenue share awards to remain in place through 2030, the **seed client assets must remain in the fund seeded for three years.**

All fund assets will be **monthly liquid, with no lockups**, but any **“early withdrawals” prior to 2022 may cancel the seed investor’s revenue share.**

Tactical 3x Hedge Fund Projections:

Financial Estimates & Targets (\$ in Thousands)		T3							
ETF PM	ETF PM	Launch	Year-End	Year 1	Year 2	Year 3	Year 4	Year 5	Year 8
ETF PM	May-18	2018	2018	2019	2020	2021	2022	2023	2028
Tactical 3x									
T3 Assets	\$7,000	\$10,000	\$10,000	\$15,000	\$40,000	\$200,000	\$800,000	\$2,000,000	\$4,000,000
Management Fee %	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
10% Carry on 20% Annualized Returns	0.00%	na	na	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total Revenue (Management Fees)	na	na	na	\$450	\$1,200	\$6,000	\$24,000	\$60,000	\$120,000
*Net Revenue (65% Net Mgmt. Fees)	na	na	na	293	780	3,900	15,600	39,000	78,000
HF Expenses	na	na	(100)	(110)	(121)	(133)	(146)	(161)	(217)
Salaries	na		-	-	(500)	(500)	(700)	(900)	(2,000)
Marketing			(10)	(30)	(50)	(80)	(100)	(150)	(1,000)
Total Operating Expenses	na	na	(110)	(140)	(671)	(713)	(946)	(1,211)	(3,217)
HF Gross Profit (Loss)	na	na	(\$110)	\$153	\$109	\$3,187	\$14,654	\$37,789	\$74,783
Cumulative Gross Profit (Loss)	na	na	(\$110)	\$43	\$152	\$3,338	\$17,992	\$55,781	na
Employees (Full Time)	1	2	2	2	3	3	4	5	10
\$500k/\$10mm Seeder Revenue Share (20%)	na	na	na	\$90	\$240	\$1,200	\$4,800	\$12,000	\$24,000
1% Seeder Revenue Share	na	na	na	\$5	\$12	\$60	\$240	\$600	\$1,200
Return on \$50k				9%	24%	120%	480%	1,200%	2,400%
1% Revenue Share % Bonus on \$1mm Invested				0%	1%	6%	24%	60%	120%

* A 65% net management fee estimate for the hedge fund assumes we share 35% of product revenues with seeders, distribution partners, and Pledge.

* Assumes 20% annualized returns but future performance can never be guaranteed.

Market Neutral 3x Projections:

Financial Estimates & Targets (\$ in Thousands)		MN 3x							
ETF PM	ETF PM	Launch	Year-End	Year 1	Year 2	Year 3	Year 4	Year 5	Year 8
ETF PM	May-18	2018	2018	2019	2020	2021	2022	2023	2028
Market Neutral 3x									
MN 3x Assets	\$400	\$10,000	\$10,000	\$15,000	\$40,000	\$100,000	\$400,000	\$1,000,000	\$2,000,000
Management Fee %	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
20% Carry on 20% Annualized Returns	0.00%	na	na	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Total Revenue (Management Fees)	na	na	na	\$900	\$2,400	\$6,000	\$24,000	\$60,000	\$120,000
*Net Revenue (65% Net Mgmt. Fees)	na	na	na	585	1,560	3,900	15,600	39,000	78,000
HF Expenses	na	na	(100)	(110)	(121)	(133)	(146)	(161)	(217)
Salaries	na		-	-	(500)	(500)	(700)	(900)	(2,000)
Marketing			(10)	(30)	(50)	(80)	(100)	(150)	(1,000)
Total Operating Expenses	na	na	(110)	(140)	(671)	(713)	(946)	(1,211)	(3,217)
HF Gross Profit (Loss)	na	na	(\$110)	\$445	\$889	\$3,187	\$14,654	\$37,789	\$74,783
Cumulative Gross Profit (Loss)	na	na	(\$110)	\$335	\$1,224	\$4,411	\$19,064	\$56,853	na
Employees (Full Time)	1	2	2	2	3	3	4	5	10
\$500k/\$10mm Seeder Revenue Share (20%)	na	na	na	\$180	\$480	\$1,200	\$4,800	\$12,000	\$24,000
1% Seeder Revenue Share	na	na	na	\$9	\$24	\$60	\$240	\$600	\$1,200
Return on \$50k				18%	48%	120%	480%	1,200%	2,400%
1% Revenue Share % Bonus on \$1mm Invested				1%	2%	6%	24%	60%	120%

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* Assumes 20% annualized returns but future performance can never be guaranteed.

Max Alpha Projections:

Financial Estimates & Targets (\$ in Thousands)		MA							
ETF PM	ETF PM	Launch	Year-End	Year 1	Year 2	Year 3	Year 4	Year 5	Year 8
ETF PM	May-18	2018	2018	2019	2020	2021	2022	2023	2028
Max Alpha (MA)									
MA Assets	\$2,300	\$10,000	\$10,000	\$15,000	\$40,000	\$100,000	\$400,000	\$1,000,000	\$2,000,000
Management Fee %	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
20% Carry on 20% Annualized Returns	0.00%	na	na	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Total Revenue (Management Fees)	na	na	na	\$900	\$2,400	\$6,000	\$24,000	\$60,000	\$120,000
*Net Revenue (65% Net Mgmt. Fees)	na	na	na	585	1,560	3,900	15,600	39,000	78,000
HF Expenses	na	na	(100)	(110)	(121)	(133)	(146)	(161)	(217)
Salaries	na		-	-	(500)	(500)	(700)	(900)	(2,000)
Marketing			(10)	(30)	(50)	(80)	(100)	(150)	(1,000)
Total Operating Expenses	na	na	(110)	(140)	(671)	(713)	(946)	(1,211)	(3,217)
HF Gross Profit (Loss)	na	na	(\$110)	\$445	\$889	\$3,187	\$14,654	\$37,789	\$74,783
Cumulative Gross Profit (Loss)	na	na	(\$110)	\$335	\$1,224	\$4,411	\$19,064	\$56,853	na
Employees (Full Time)	1	2	2	2	3	3	4	5	10
\$500k/\$10mm Seeder Revenue Share (20%)	na	na	na	\$180	\$480	\$1,200	\$4,800	\$12,000	\$24,000
1% Seeder Revenue Share	na	na	na	\$9	\$24	\$60	\$240	\$600	\$1,200
Return on \$50k				18%	48%	120%	480%	1,200%	2,400%
1% Revenue Share % Bonus on \$1mm Invested				1%	2%	6%	24%	60%	120%

* A 65% net management fee estimate for the hedge fund assumes we share 35% of product revenues with seeders, distribution partners, and Pledge.

* Assumes 20% annualized returns but future performance can never be guaranteed.

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