

The Problem

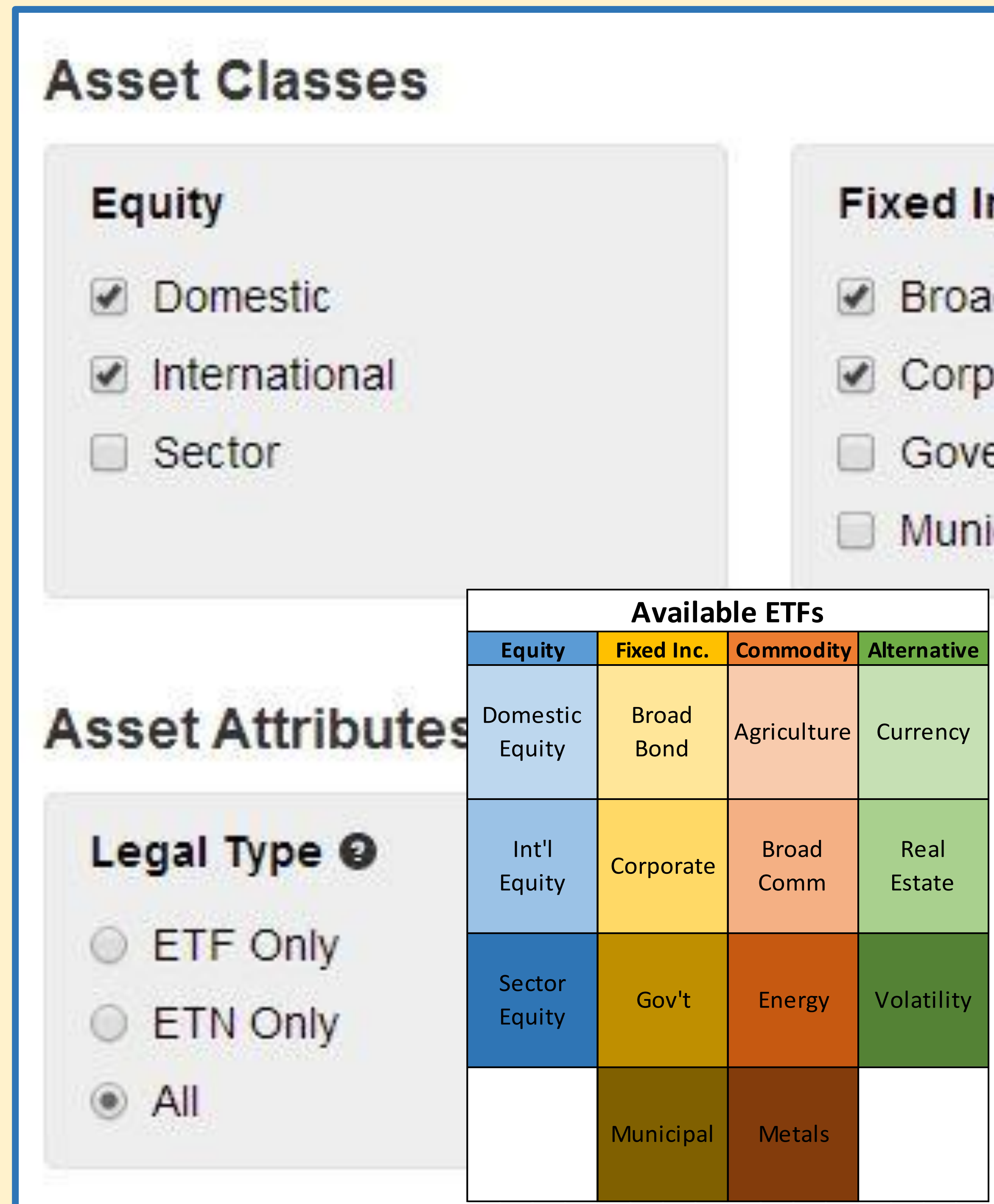
Brokerage firms do not have a web-based, intuitive, and cost-effective tool to buy and sell exchange-traded funds (ETFs). Existing tools are either expensive, difficult to learn for first-time users, or have expensive licensing fees.

The Solution

Strategy Builder is a web application designed to give the investor complete control over their investments by creating a straightforward list of ETFs to invest in based on the investor's preferences and financial goals.

1. Define the Universe

The investor's universe is comprised of **broad categories of ETFs** they want to invest in. Examples of categories include domestic (holdings in the United States) and corporate (holdings in large companies).



Asset Classes

Equity

- Domestic
- International
- Sector

Fixed Income

- Broad
- Corporate
- Government
- Municipal

Asset Attributes

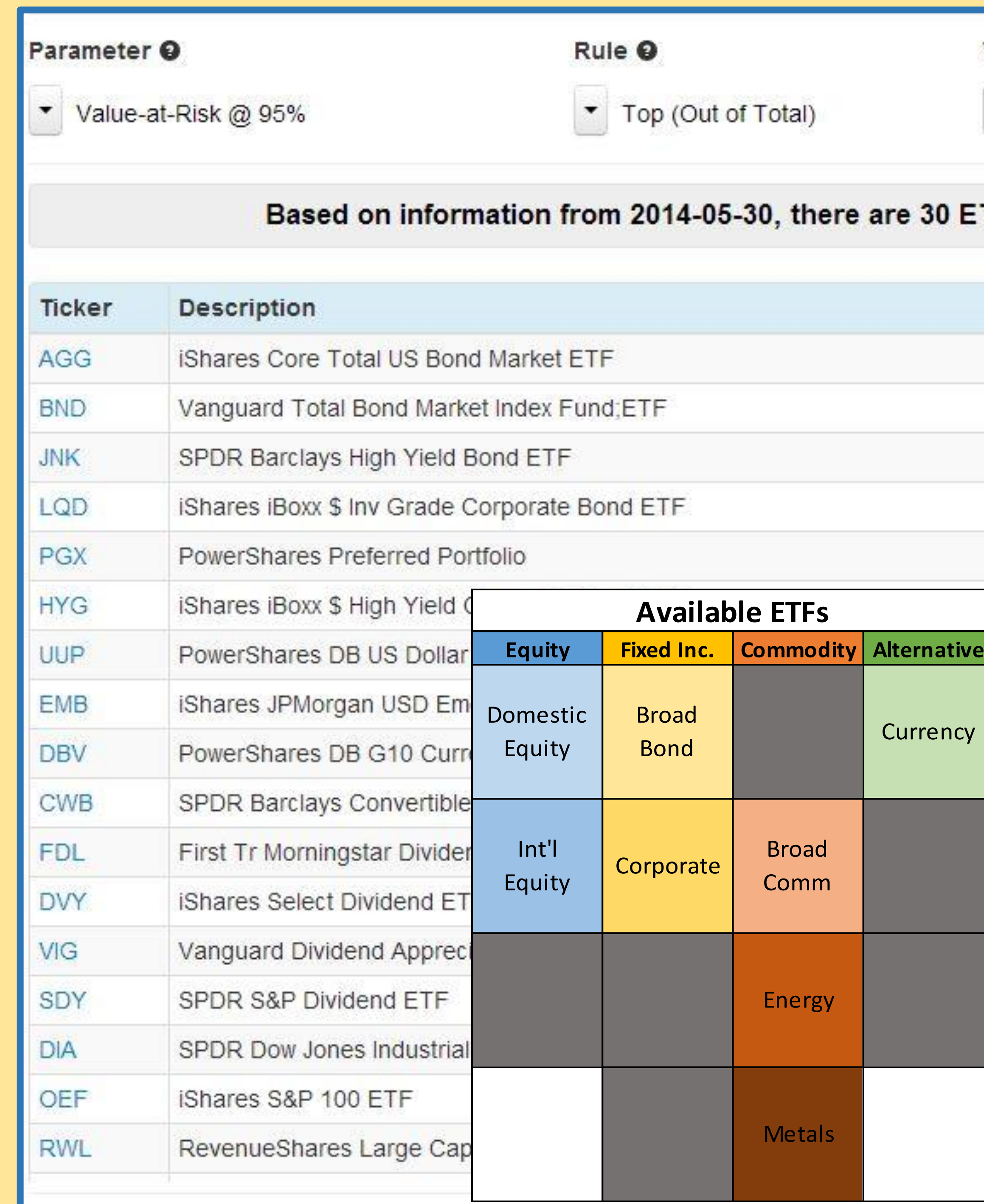
Legal Type

- ETF Only
- ETN Only
- All

| Available ETFs | | | |
|-----------------|------------|-------------|-------------|
| Equity | Fixed Inc. | Commodity | Alternative |
| Domestic Equity | Broad Bond | Agriculture | Currency |
| Int'l Equity | Corporate | Broad Comm | Real Estate |
| Sector Equity | Gov't | Energy | Volatility |
| | Municipal | Metals | |

2. Filter by Criteria

Some ETFs perform better than others in the same category. Investors use filters to determine what constitutes a good ETF, leaving only the best results to invest in; for example, by removing ETFs with a Price to Earnings ratio below a certain threshold.



Parameter: Value-at-Risk @ 95%

Rule: Top (Out of Total)

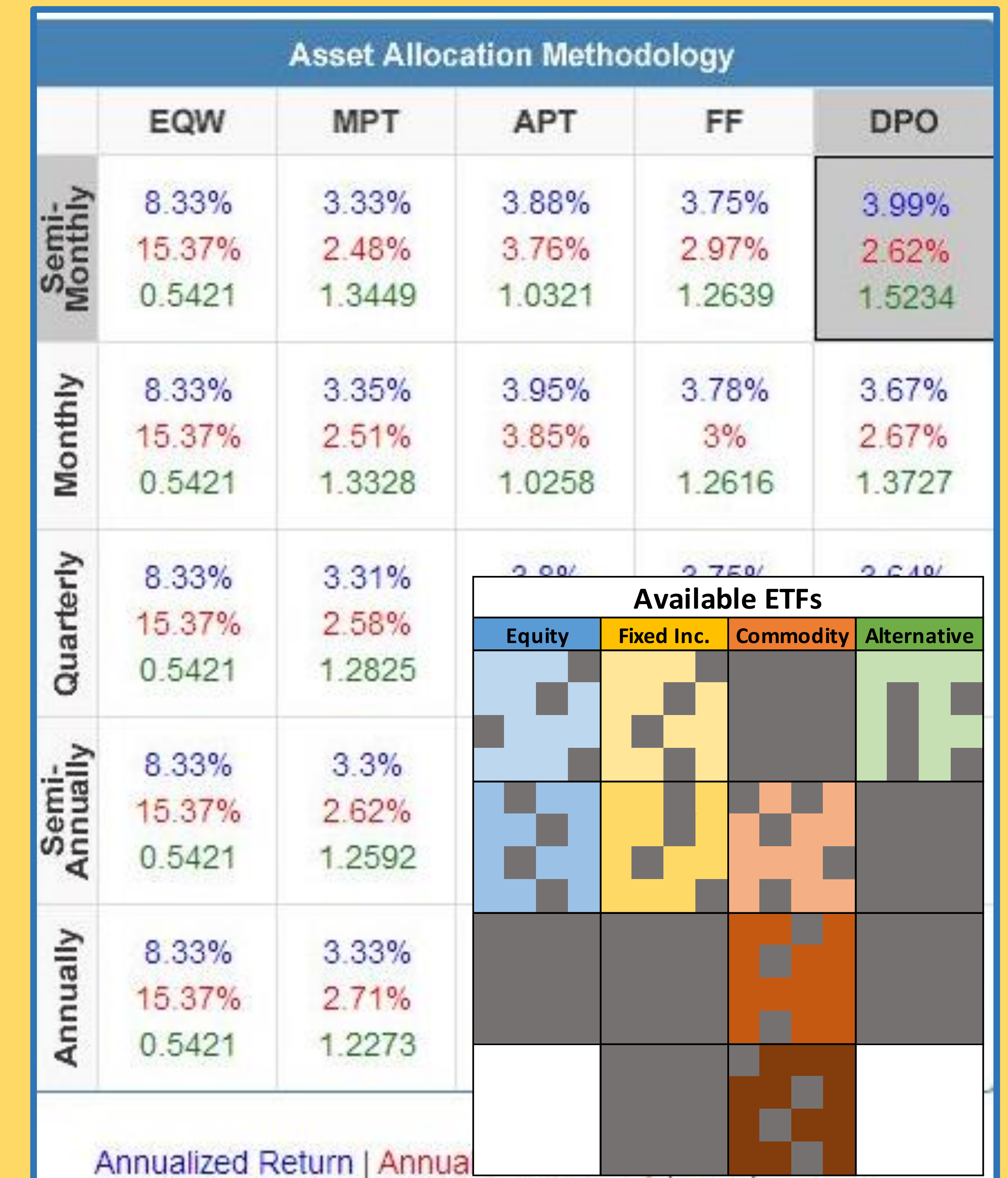
Based on information from 2014-05-30, there are 30 ETFs

| Ticker | Description |
|--------|---|
| AGG | iShares Core Total US Bond Market ETF |
| BND | Vanguard Total Bond Market Index Fund,ETF |
| JNK | SPDR Barclays High Yield Bond ETF |
| LQD | iShares iBoxx \$ Inv Grade Corporate Bond ETF |
| PGX | PowerShares Preferred Portfolio |
| HYG | iShares iBoxx \$ High Yield C |
| UUP | PowerShares DB US Dollar |
| EMB | iShares JPMorgan USD Em |
| DBV | PowerShares DB G10 Curr |
| CWB | SPDR Barclays Convertible |
| FDL | First Tr Morningstar Dividen |
| DVY | iShares Select Dividend ET |
| VIG | Vanguard Dividend Apprec |
| SDY | SPDR S&P Dividend ETF |
| DIA | SPDR Dow Jones Industrial |
| OEF | iShares S&P 100 ETF |
| RWL | RevenueShares Large Cap |

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| | | Metals | |

3. Allocate the Results

The investor's allocation, or distribution, methodology is calculated by using three factors: **aggressiveness** (acceptance of risk), **algorithm** (how to find the optimal mix), and **frequency** (how often to evaluate the ETFs for performance).



Asset Allocation Methodology

| | EQW | MPT | APT | FF | DPO |
|---------------|--------|--------|--------|--------|--------|
| Semi-Monthly | 8.33% | 3.33% | 3.88% | 3.75% | 3.99% |
| | 15.37% | 2.48% | 3.76% | 2.97% | 2.62% |
| | 0.5421 | 1.3449 | 1.0321 | 1.2639 | 1.5234 |
| Monthly | 8.33% | 3.35% | 3.95% | 3.78% | 3.67% |
| | 15.37% | 2.51% | 3.85% | 3% | 2.67% |
| | 0.5421 | 1.3328 | 1.0258 | 1.2616 | 1.3727 |
| Quarterly | 8.33% | 3.31% | 3.9% | 3.75% | 3.64% |
| | 15.37% | 2.58% | | | |
| | 0.5421 | 1.2825 | | | |
| Semi-Annually | 8.33% | 3.3% | | | |
| | 15.37% | 2.62% | | | |
| | 0.5421 | 1.2592 | | | |
| Annually | 8.33% | 3.33% | | | |
| | 15.37% | 2.71% | | | |
| | 0.5421 | 1.2273 | | | |

Annualized Return | Annual

| Available ETFs | | | |
|----------------|------------|-----------|-------------|
| Equity | Fixed Inc. | Commodity | Alternative |
| | | | |
| | | | |
| | | | |
| | | | |