

The PMC Tactical ETF Portfolio Series

Sector Rotation Portfolios
Country Rotation Portfolios
Fixed Income Portfolio



Are the Rotation Portfolios Right for You?

Do You:

- Want a portfolio that is managed to adjust to market conditions?
- Desire exposure to domestic and global equities using ETFs?
- Seek access to an advanced quantitative-driven investment process?

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PORTFOLIO MANAGEMENT
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The PMC Tactical ETF Rotation Portfolios

Investing for All Types of Market Conditions

In today's volatile markets, you may be looking for solutions that aim to protect your investments during difficult market cycles. The PMCTactical ETF Rotation portfolios are managed by PMC with sub-advisory services by Innealta Capital, a division of AI Frank Asset Management Inc. The portfolios aim to respond to evolving market conditions by avoiding areas of the market that are forecasted to perform poorly. The quantitative model for these portfolios was created over a period of 15 years, and is designed in an effort to determine when equities appear attractive and when investments should be directed into fixed income allocations. Developed for investors seeking diversified, risk-controlled investment solutions, the portfolios aim to provide substantial improvement over the industry's past tactical model applications.

The Sector and Country Rotation Portfolios

The Rotation Portfolios are offered in two primary options: the Sector strategy, which offers exposure to ETFs of domestic equity sectors; and the Country strategy, which offers exposure to ETFs of developed and developing countries. Both investment strategies use a quantitatively driven asset allocation approach – making tactical shifts to try to capitalize on performance expectations of the various investment options. As a market forecast becomes more bearish, the models seek a defensive approach and allocate more to fixed income; conversely, as a market forecast becomes more bullish, the models aim to become more aggressive by allocating more to equities.

The Sector Rotation provides exposure to domestic equity.

The Country Rotation provides global exposure to developed and developing countries.

Key Features of the Rotation Portfolios

Multi-Factor Analysis – The model quantifies relationships between key economic, technical, fundamental, and risk factors and aggregates these measures for each country or sector to generate bullish or bearish tactical signals

Advanced Risk Management – The PMCTactical ETF Rotation Portfolios aim to deliver enhanced returns with quantitatively controlled risk

Core and Total Return Strategies -- The Sector Rotation Portfolio strategy offers access to leveraged ETFs in the Total Return strategy to increase efficiency of capital*

Standalone or Complementary Solutions – The Country and Sector Rotation Portfolios can each be used as standalone investment solutions, in combination with each other, or in conjunction with other investments

*This is based on the assumption that there is a perfect 2x leverage being applied, along with the identical cost structure of the leveraged ETFs, as compared to the ETFs used in the Sector Rotation Portfolio - Core strategy.

Investment Methodology

All Tactical Rotation Portfolios utilize a model that seeks to incorporate both risk control and alpha generation. To select whether to invest in a sector or country at a given time, the model uses a combination of fundamental and technical analysis. The combined model analyzes the attractiveness of equity assets to non-equity assets (bonds, cash, real estate, commodities, etc.).

The quantitative model is comprised of four major sub-models:

- **Economy** – the overall economy (includes monetary policy, the shape and level of term structure of interest rates, business cycle identification, personal consumption, credit spreads and real interest rates)
- **Fundamental** – Equity attractiveness, fundamental variables are used to measure relative value of each equity market versus bonds
- **Risk** – Risk metrics are used to capture the level of uncertainty in the markets
- **Technical** – Momentum/market conviction metrics are used to quantify the strength of market movements

Signals for Each Portfolio Strategy

The Sector and Rotation approaches both use a multi-factor model that evaluates the risk/reward profile of each sector or country in the portfolio on a daily basis, responding to market movements as they affect various sectors or countries. When the model signals that a particular sector or country's risk-adjusted returns appear more attractive than a non-equity allocation, an ETF representing that particular sector or country is purchased. Conversely, when the model indicates that a country or sector's risk-adjusted returns appear less favorable than a non-equity allocation, the allocation is assigned into fixed income.

The PMC Tactical ETF models seek a defensive approach in bearish markets and become more aggressive in bullish markets.

Sector Rotation Portfolios: Core and Total Return

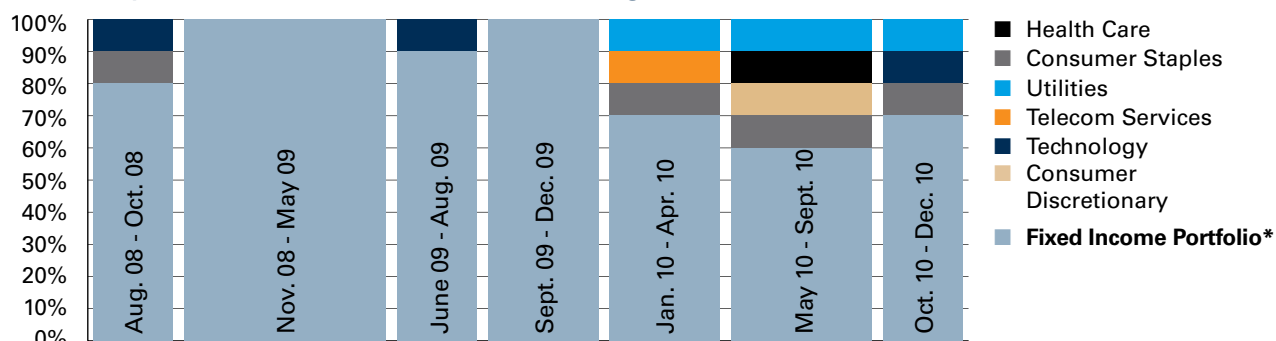
Domestic Equity Exposure through Sector-Specific ETFs

The Sector Rotation Portfolios aim to generate enhanced risk-managed returns by trying to invest in domestic equity sectors with strong performance potential. Each equity sector is modeled independently, and its risk/reward profile is compared to an equal investment in fixed income. If the expected return per unit of risk for the sector is more favorable than that of fixed income, the portfolio will seek to purchase a 10% allocation of that sector for the Core strategy and 5% for the Total Return strategy. If the expected return per unit of risk for the sector is less favorable than that of fixed income, that portion is deployed to the fixed income portfolio. The fixed income portion of the aggregate portfolio is actively managed in terms of duration and credit quality.

Core and Total Return Strategies

The Sector Rotation Portfolio is available in two approaches: Core and Total Return. The Core Strategy does not utilize leveraged ETFs; the Total Return Strategy uses leveraged ETFs, where available, to seek to boost total returns by increasing allocations to higher-yielding asset classes to potentially achieve enhanced performance.

Monthly Sector Rotation Allocations, August 2008 - December 2010



*Please see page 6 for allocations within the fixed income portfolio.
Note: Figures represent allocations on the last day of each month.

Available ETFs for the Core Sector Rotation	
Equity ETFs	Weight
XLE – Energy	0% or 10%
XLB – Materials	0% or 10%
XLI – Industrials	0% or 10%
XLP – Consumer Staples	0% or 10%
XLV – Health Care	0% or 10%
XLY – Consumer Discretionary	0% or 10%
IYZ – Telecom Services	0% or 10%
XLU – Utilities	0% or 10%
XLF – Financials	0% or 10%
XLK – Info Technology	0% or 10%

Available ETFs for the Total Return Sector Rotation	
Leveraged Equity ETFs	Weight
DIG – ProShares: Ultra Oil & Gas	0% or 5%
UYM – ProShares: Ultra Basic Materials	0% or 5%
UXI – ProShares: Ultra Industrials	0% or 5%
UGE – ProShares: Ultra Consumer Goods	0% or 5%
RXL – ProShares: Ultra Health Care	0% or 5%
UCC – ProShares: Ultra Consumer Services	0% or 5%
LTL – ProShares: Ultra Telecommunications	0% or 5%
UPW – ProShares: Ultra Utilities	0% or 5%
UYG – ProShares: Ultra Financials	0% or 5%
ROM – ProShares: Ultra Technology	0% or 5%

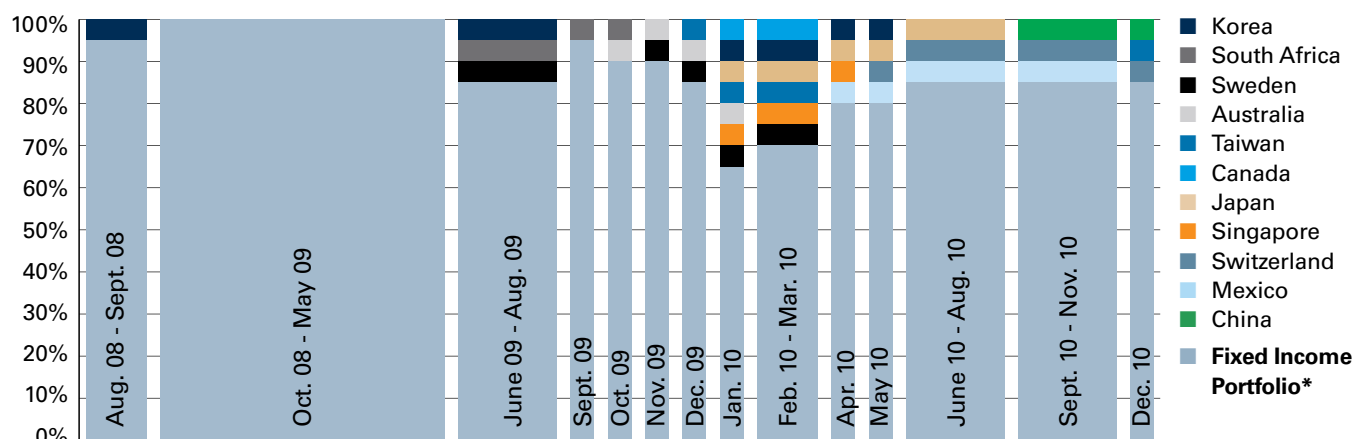
Country Rotation Portfolio: Core

Global Equity Exposure through Country-Specific ETFs

The Country Rotation Portfolio aims to generate enhanced risk-managed returns by trying to invest in countries with strong performance potential. Each available country in the Country Rotation Portfolio is modeled independently on a daily basis, and its risk/reward profile is compared to an equal investment in fixed income. If the expected return per unit of risk for the country is more favorable than that of a fixed income investment, the portfolio will seek to purchase a 5% allocation for that country. If the expected return per unit of risk for the country is less favorable than that of a fixed income allocation, 5% is deployed to the fixed income portfolio. The fixed income portion of the aggregate portfolio is actively managed in terms of duration and credit quality.

The Country Rotation Portfolio is available as a Core Strategy, with no exposure to leveraged ETFs.

Monthly Country Rotation Allocations, August 2008 - December 2010



* Please see page 6 for allocations within the fixed income portfolio.
Note: Figures represent allocations on the last day of each month.

Available ETFs for the Core Country Rotation

Equity ETFs	Weight	Equity ETFs	Weight
EWM – Malaysia	0% or 5%	EWU – UK	0% or 5%
EWN – Netherlands	0% or 5%	EWA – Australia	0% or 5%
EWG – Germany	0% or 5%	EWK – Belgium	0% or 5%
EWV – Mexico	0% or 5%	EZA – South Africa	0% or 5%
EWD – Sweden	0% or 5%	EWT – Taiwan	0% or 5%
EWQ – France	0% or 5%	EWJ – Japan	0% or 5%
EWP – Spain	0% or 5%	EWY – Korea	0% or 5%
EWL – Switzerland	0% or 5%	EWH – Hong Kong	0% or 5%
EWI – Italy	0% or 5%	EWC – Canada	0% or 5%
EWS – Singapore	0% or 5%	FXI – China	0% or 5%

The Tactical ETF Fixed Income Portfolio

Overview

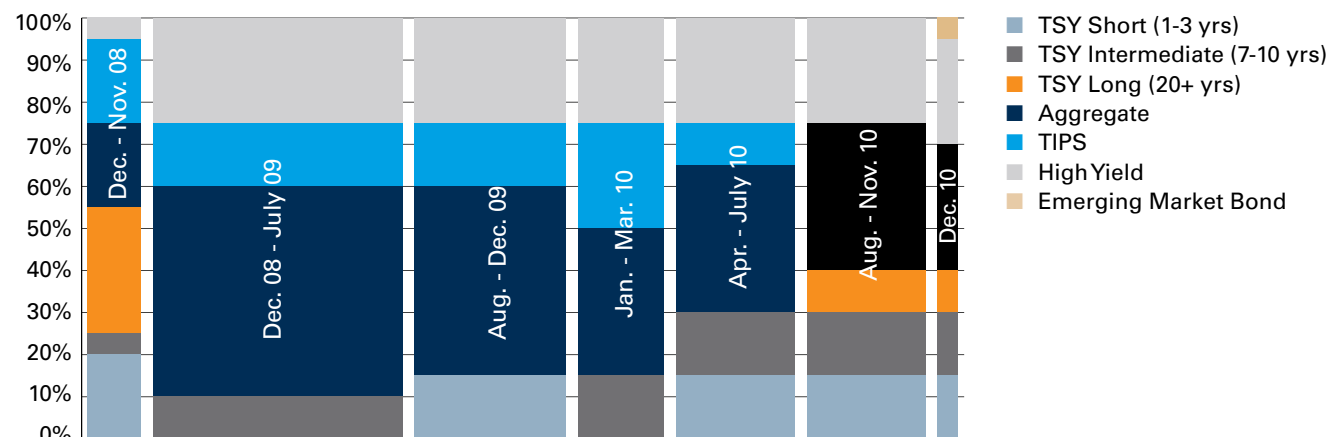
When the Tactical ETF quantitative model indicates that a forecast for a country or sector is not attractive, the model allocates to the Fixed Income Portfolio. The Tactical ETF Fixed Income Portfolio serves as a component of the Sector and Country Rotation Portfolios and is also available as a standalone solution.

The Fixed Income Portfolio aims to generate above-average yield by trying to consistently invest in those fixed income sectors that have strong risk-adjusted performance potential and eligible ETF representation. The portfolio is operated using a quantitative framework, which seeks to ensure that the portfolio's yield, modified duration, and volatility are controlled.

Investment Process

The process starts with the collection of daily information on the fixed income sectors available in ETF form. This information is then incorporated into the quantitative framework to manage the trade-off between risk and yield. Each fixed income class has a wide allocation range to take advantage of potential investment opportunities across different market landscapes.

Monthly Fixed Income Portfolio Allocations, October 2008 - December 2010



Note: Figures represent allocations on the last day of each month.

Fixed Income Asset Classes	Tactical Allocation Range
U.S. Short Treasury	0% to 40%
U.S. Intermediate Treasury	0% to 40%
U.S. Long Treasury	0% to 40%
Aggregate	0% to 50%
High Yield Bond	0% to 25%
TIPS	0% to 40%
Emerging Market Bond	0% to 15%

Available ETFs for Fixed Income Portfolio Income
SHY – iShares Barclays 1-3 Year Treasury Bond
IEF – iShares Barclays 7-10 Year Treasury
TLT – iShares Barclays 20+ Year Treasury Bond
CFT – iShares Barclays Credit Bond
TIP – iShares Barclays TIPS Bond
BND – Vanguard Total Bond Market ETF
JNK – Spyder Barclays High Yield Bond
EMLC – Market Vectors Emerging Market Local Currency Bond

The PMC Tactical ETF Portfolio Series

The Tactical ETF Rotation Portfolios are part of PMC's Tactical ETF Portfolio Series, which is managed by PMC with sub-advisory services by Gerald W. Buetow, Jr. of Innealta Capital.

Gerald W. Buetow, Jr., Ph.D., CFA

- Chief Investment Officer of Innealta Capital – a division of AI Frank Asset Management, Inc.
- Former CIO of XTF GAM, LLC
- Director of Research, Atlantic Asset Management, LLC
- VP of Curriculum Development for the Association for Investment Management and Research (AIMR)
- Wheat First Professor of Finance, Director of the Quantitative Finance program at James Madison University
- Director of Quantitative Research at Prudential Investment's Quantitative Investment Management Group – managed an enhanced index fund and developed structured securities
- Recently has completed two books on term structure modeling and interest rate contingent claim valuation and has been published in various academic and practitioner journals
- B.S. in Electrical Engineering, & M.S., Ph.D. in Finance and Econometrics, Lehigh University
- M.S. in Finance, University of Texas – Dallas
- Chartered Financial Analyst (CFA)

With the Tactical Rotation Portfolios, you potentially gain diversified, risk-managed solutions that can help you navigate today's volatile markets.

NEXT STEPS

To determine how the PMCTactical ETF Rotation Portfolios can assist you in reaching your financial goals, please contact your financial advisor.

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Investnet | PMC has a proven tradition of “advising the advisor” by providing expert consulting and analytical investment solutions to financial advisors and their clients. As Investnet’s portfolio consulting group, PMC seeks to add value at all stages of the investment process by constructing customized portfolios, conducting rigorous research on asset managers and investment vehicles, creating tools to streamline an advisor’s practice, and by developing solutions that address unmet investment needs.

At PMC, the goal is to strengthen the relationship between advisors and their clients, driven by an unwavering focus on perfecting the portfolio.™

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Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) funds are subject to interest rate risk which is the risk that debt securities in a fund’s portfolio will decline in value because of increases in market interest rates.

Exchange Traded Funds (ETFs) are subject to risks similar to those of stocks, such as market risk. Investing in ETFs may bear indirect fees and expenses charged by ETFs in addition to its direct fees and expenses, as well as indirectly bearing the principal risks of those ETFs. ETFs may trade at a discount to their net asset value and are subject to the market fluctuations of their underlying investments.

The PMC Tactical ETF Total Return Sector Rotation portfolios utilize leveraged equity ETFs. The use of leverage by an exchange-traded fund increases the risk to the fund. The more a fund invests in leveraged instruments, the more the leverage will magnify gains or losses on those investments. Due to the complexity and structure of these funds, they may not perform over time in direct or inverse correlation to their underlying index.

Portfolio allocations are presented for informational purposes only. Under no circumstances does the information contained within represent a recommendation to buy or sell securities.