ENVESTNET® PMC™

Liquid Endowment Portfolios

Lasting Diversification

Investing for the long haul requires a diversified portfolio that can successfully navigate the ups and downs of full market cycles. With the aim to build a more durable portfolio, the PMC Liquid Endowment Portfolios reach beyond asset classes to encompass a mix of investment approaches: strategic, tactical and alternative. The result is a better diversified portfolio and an approach that can respond and adapt to varied market conditions.

Power to the Portfolio

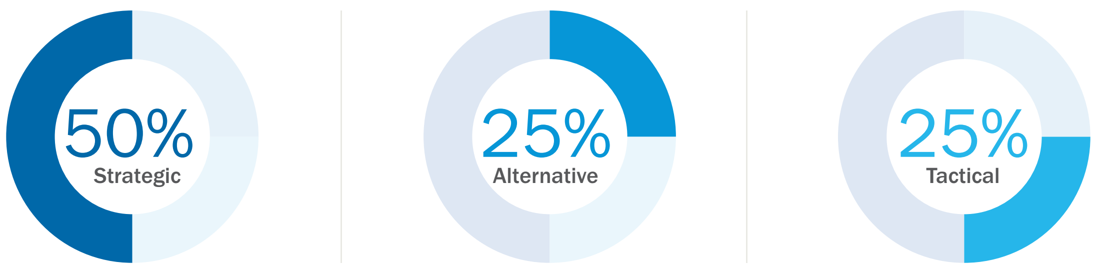
The Liquid Endowment Portfolios are a series of five multi-manager portfolios that draw on PMC's core strengths: asset allocation, manager research, and portfolio construction. Intended as a comprehensive solution, these portfolios are a compelling alternative to a conventional stock and bond approach. And, by seeking to manage risk and deliver enhanced risk-adjusted return potential, these portfolios can help investors to build wealth over longer time horizons.

Diversification by Investment Strategy	Intelligent Implementation	Flexible UMA Technology
Strategic allocations capture broad market performance across global asset classes	"Best-of-breed" manager selection based on objective, in-depth manager research	Access to a diverse range of investment vehicles through one account
Liquid alternative strategies provide an additional source of diversification	Professional PMC oversight and systematic rebalancing	Portfolios tailored to four asset minimum tiers, benefiting a broad range of clients
Tactical strategies enable flexibility to help mitigate downside risk	Cost-efficient Alpha/Beta model	Full transparency

A New Paradigm of Portfolio Construction

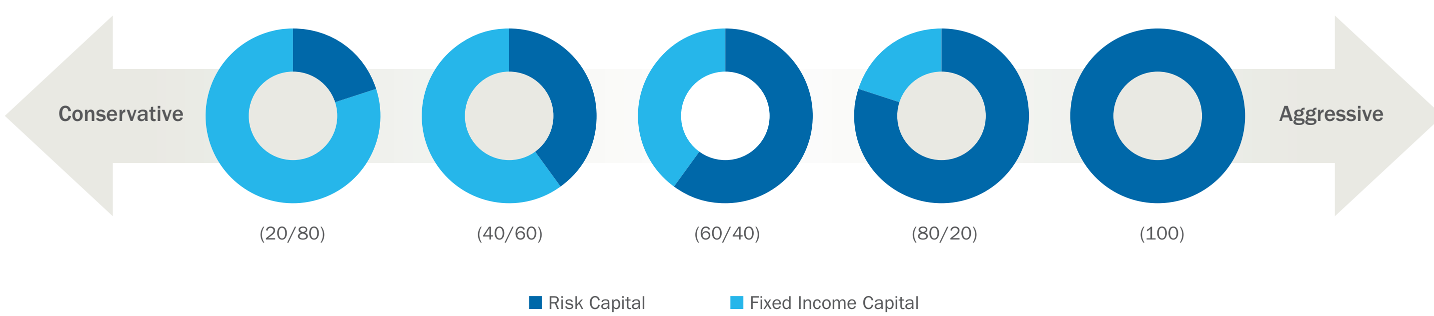
Inspired by university endowment portfolio diversification techniques, PMC developed a portfolio framework with the goal to endure varying market conditions. The endowment model recognizes that, aside from traditional stock and bond markets, there are other sources of return that can complement an investment policy. Based on that premise, and the need for risk mitigation in down markets, PMC combines a strategic allocation of global asset classes with a responsive component (tactical managers) and alternative strategies that strive to guard against rising correlations during market stress.

The Factor-Enhanced Portfolio Construction Process



	Core Diversification	Risk Mitigation	Portfolio Responsiveness
Challenge	Market leadership shifts from year to year, often rapidly.	Traditional asset class correlations rise during market stress, limiting the benefits of diversification.	Severe down markets occur more frequently than investors expect.
Advantage	Strategic allocations capture broad market performance across global asset classes through a buy-and-hold approach.	Liquid alternatives, which have a low correlation with equities, provide an additional source of return.	Tactical managers have the flexibility to be positioned defensively to help mitigate downside risk[1].
Asset Class & Strategy Examples	U.S. Equity & Fixed Income Int'l Developed & Emerging Mkts REITs	Multi-Strategy Hedged Equity Unconstrained Bond	Top Down Macro Momentum Relative Strength

The 50% strategic, 25% tactical, and 25% alternative strategy allocations are applied to five portfolios consisting of combinations of risk and fixed income capital based on risk tolerance[2].



[1] Investing in certain securities may help to hedge against certain risks, but does not imply any guarantee from loss.

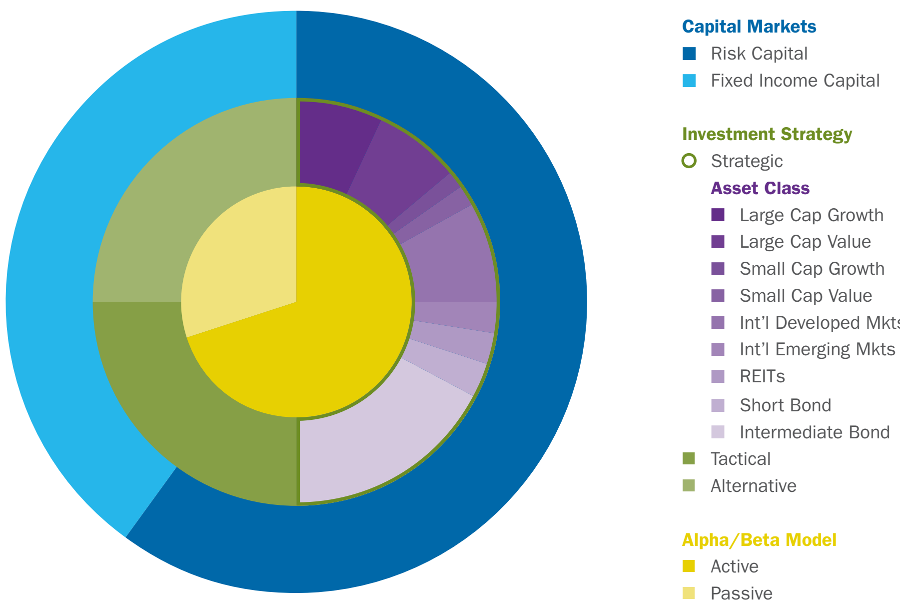
[2] **Risk Capital** includes exposures to managers that invest in traditional equity securities, alternative forms of equity, and unconstrained tactical mandates. Fixed Income Capital includes exposures to managers that invest in traditional fixed income securities using either strategic or tactical approaches in addition to managers deploying alternative strategies in the fixed income asset class.

Intelligent Implementation

"Best-of-breed" Managers	Cost-efficient Alpha/Beta Model	Expert Oversight
• Unbiased selection from entire universe of investment products • Objective and multi-factor due diligence process tailored for traditional, alternative, and tactical managers • Experienced and credentialed staff of investment analysts	• Strategic portion of the portfolio is predominantly invested in passive funds to gain low-cost exposure (i.e. Beta) to the broad market • "Active" investment managers pursue opportunities to add value (i.e. Alpha) in alternative, tactical and inefficient asset classes	• PMC's seasoned Investment Committee oversees the process • Portfolios are continually monitored to ensure allocations are maintained and systematically rebalanced • Managers are held accountable for results, meeting stated investment objectives and maintaining the integrity of their role in the overall portfolio

The Resulting Portfolio Composition

Sample Liquid Endowment Portfolio 60/40



Multiple layers of portfolio diversification are further complemented by top tier managers and diverse investment vehicles.

Ultimate Flexibility = The Best Fit

The five Liquid Endowment Portfolios are available through the Envestnet Guided Portfolios program, which offers four asset minimum tiers. Each asset tier represents a distinct roster of active and passive investments that fit the Liquid Endowment framework. Only the most appropriate and cost-efficient investment vehicles are selected for the asset tier, enabling a broad range of investors to benefit from this thoughtful approach. Envestnet's open architecture features the broadest possible pool of passive products and active managers in all areas of specialization.

Asset Tier Minimum	Investment Vehicle Mix
Tier I $35k	Mutual Funds (MFs), Exchange-Traded Funds (ETFs)
Tier II $200k	MFs, ETFs, Fund Strategist Portfolios (FSPs)
Tier III $500k	Separately Managed Accounts (SMAs), MFs, ETFs, FSPs
Tier IV $1 million	SMAs, MFs, ETFs, FSPs

PMC_FS_LEP_0415