



## iSectors® Asset Allocation Strategies

### Post-MPT Moderate Allocation

4th Qtr. 2011

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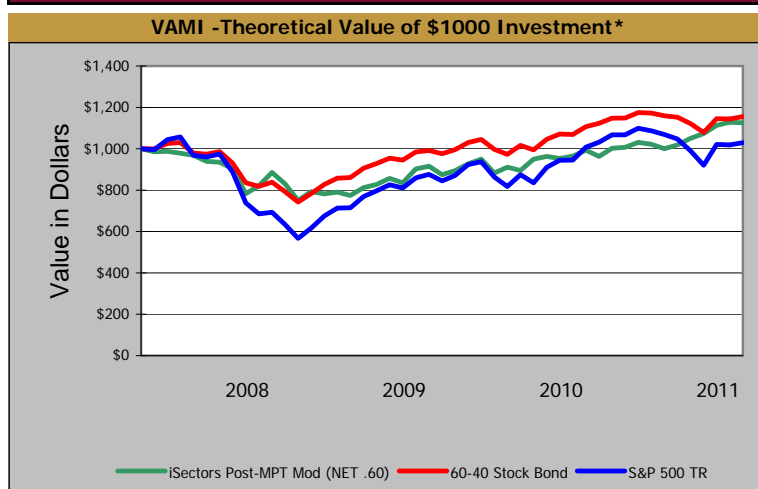
iSectors® Post-MPT Moderate Allocation was up 4.85% for the 3 months ended 12/31/2011. This compared to a 60-40 stock-bond benchmark index (comprised of 60% S&P 500 Total Return Index + 40% Barclays Capital Aggregate Bond Index), which gained 7.13% for the same period. Post-MPT Moderate outperformed its benchmark for the year ended December 31, 2011, gaining 13.30% (net of fees) for 2011, while the benchmark gained 4.41% over that same period. Post-MPT Moderate now has nearly 4 years of actual performance.

Post-MPT Moderate's performance in 2011 can be attributed to the model's significant move to Bonds, especially in the 3rd quarter when bonds surged and equities corrected. The Model also allocated near-maximum allocations to utilities and, at times, gold to help generate its results.

As we begin 2012, the Model continues to hold significant positions in bonds, utilities and energy

**The objective of iSectors® Post-MPT Moderate Allocation** is to achieve investment returns that outperform a 60/40 stock-bond portfolio (as measured by 60% S&P 500 stock market index + 40% Barclays Capital Aggregate Bond Index) with lower downside risk over a complete market cycle. This investment model optimizes asset allocation among up to nine specific, low-correlated asset classes. The mathematical process of determining the optimal asset allocation utilizes over a dozen economic and capital market factors. Portfolios may be invested up to a maximum of 30% into any one asset class. However, up to 50% of the portfolio may be invested in government bonds. The iSectors Post-MPT Moderate Allocation does not use borrowed money and/or leveraged ETFs in its strategy. Client accounts are separately managed and offer daily liquidity. Securities holdings, performance and tax information, with prices updated as of the previous day's close, can be viewed online. For more information, visit [www.iSectors.com](http://www.iSectors.com).

Performance results represent actual returns, net of fees, for period starting 3/1/2008 through 12/31/2011.



Latest Returns	Model	60/40**	S&P 500
Last Quarter	4.85%	7.13%	11.82%
Last 12 mo. Annual	13.30%	4.41%	2.11%
Last 3 Yr Annual	8.32%	11.30%	14.11%
Annual Returns	Model	60/40**	S&P 500
2011	13.30%	4.41%	2.11%
2010	8.45%	11.66%	15.06%
2009	3.42%	18.25%	26.46%
2008^	(11.46)%	(16.16)%	(30.73)%
Cumulative Return*	12.52%	15.59%	2.93%
VAMI	\$ 1,125	\$ 1,156	\$ 1,029

\*Cumulative results for inception 3/1/2008 through 12/31/2011. \*\*60/40 = 60% S&P 500 + 40% Barclays Capital Aggregate Index. Returns presented net of fees. ^=Partial year 3/1 - 12/31

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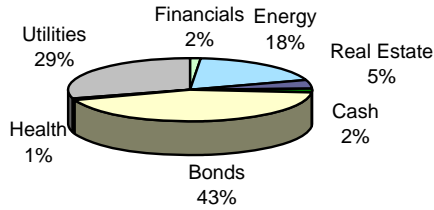
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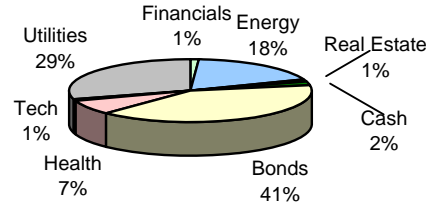
## iSectors® Asset Allocation Strategies Post-MPT Moderate Allocation

4th Qtr. 2011

**iSectors® Post-MPT Moderate Allocation  
October 2011 Target Allocations (%)**

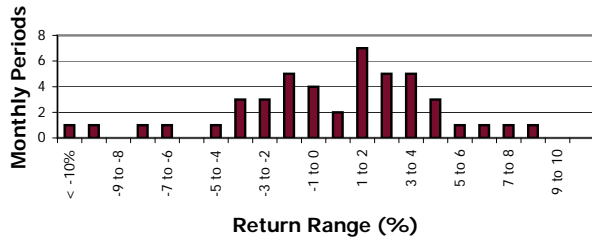


**iSectors® Post MPT Moderate Allocation  
January 2012 Target Allocations (%)**



*Performance results represent actual returns from March 1, 2008 (inception) through 12/31/2011. All return data presented is net of fees.*

### Return Distribution



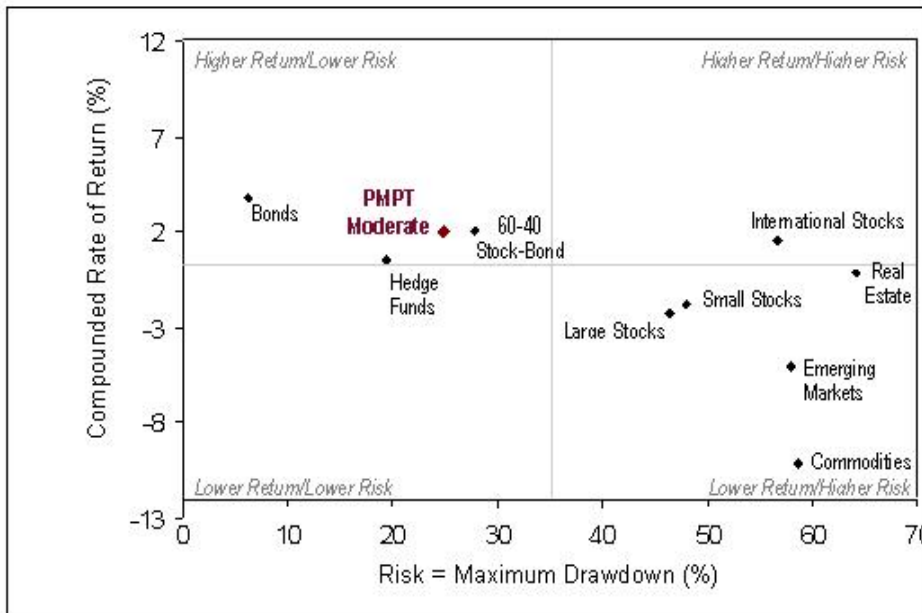
### Statistical Measures\*

	Model	60/40**	S&P 500
Compound ROR	3.13%	3.85%	0.76%
Sharpe (5%)	0.28	0.37	0.14
Sortino (5%)	0.29	0.43	0.05
Best Month (11/09)	8.13%	6.19%	10.93%
Worst Month (10/08)	(13.40)%	(10.24)%	(16.80)%
% Positive Months	56.52%	56.52%	58.70%
Max. Drawdown	(24.94)%	(27.92)%	(46.41)%
Months in Max Drawdown	9	9	9
Months To Recover	24	13	24

*\*Post-MPT Moderate Allocation inception was 3/1/2008. Returns presented reflect actual returns, net of fees from 3/1/2008 - 12/31/2011. \*\*60/40 = 60% S&P 500 + 40% Barclays Capital Aggregate Index*

### iSectors® Post-MPT Moderate Allocation -- Risk/Return Comparison

From Inception (3/1/2008) through 9/30/2011



- Bonds**  
Barclays Aggregate Index
- Commodities**  
Rogers Intl Commodities Index
- Emerging Markets**  
MSCI Emerging Mkts Free Index
- Hedge Funds**  
Dow Jones Credit Suisse Hedge Fund Index
- Real Estate**  
Wilshire US Real Estate Securities Index
- Int'l Stocks**  
MSCI EAFE Index
- Large Stocks**  
S&P 500 Index Total Return
- Small Stocks**  
Russell 2000 Index
- 60-40 Stock-Bond**  
60% S&P 500 Total Return + 40% Barclays Aggregate

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## Definitions:

**Barclays Capital Aggregate Bond Index** - is an unmanaged market value-weighted index representing securities that are SEC-registered, taxable, and dollar denominated. This index covers the U.S. investment grade fixed rate bond market, with index components for a combination of the Barclays Capital government and corporate securities, mortgage-backed pass-through securities, and asset-backed securities.

**Rogers International Commodities Index** - is a composite, U.S. dollar-based, total return index that represents the value of a basket of commodities consumed in the global economy, ranging from agricultural to energy and metals products. The value of this basket is tracked via futures contracts on 35 different exchange-traded physical commodities.

**MSCI Emerging Markets Free Index** - is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

**Dow Jones Credit-Suisse Hedge Fund Index** - is designed to represent the liquid, investable hedge fund universe, reflecting the performance of managed accounts and other regulated fund structures sourced from across a range of platforms. The index is valued daily.

**Dow Jones Wilshire REIT Total Return Index** - is broad measure of the performance of publicly traded U.S. real estate securities, such as Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs). The index is capitalization-weighted.

**MSCI EAFE Index** - is a market-capitalization weighted index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada and is a common benchmark foreign stock funds.

**S&P 500 Index Total Return** - The S&P 500 is an unmanaged, capitalization-weighted index of 500 large-capitalization common stocks actively traded in the United States. The total return index measures both price and dividend performance of the underlying equities in the index.

**Russell 2000 Index** - measures the performance of the small-cap segment of the U.S. equity universe. The index includes approximately 2,000 of the smallest securities based on a combination of their market capitalization and current index membership.

**Sharpe ratio** - measures risk-adjusted return, calculated by taking an asset's excess returns (return in excess of the return generated by a risk-free asset, such as Treasury bills), divided by the asset's standard deviation, or level of volatility.

**Sortino ratio** - is a measure of risk-adjusted return. It is a modification of the Sharpe ratio, but penalizes only those returns falling below a user-specified target, or required rate of return. It is calculated by subtracting the risk-free rate from the return of the portfolio and then dividing by the downside deviation.

The historical index performance results are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of a specific investment meets, or continues to meet, investment objective(s). It should not be assumed that any account holdings will correspond directly to any comparative index. Index results do not take into account the impact of taxes. Indexes are not available for direct investment. Index performance results are compiled directly by each respective index and/or obtained by iSectors from other reliable sources, and have not been independently verified by iSectors.

(See reverse for additional important disclosure information)



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Performance results for the iSectors model(s) presented herein for the corresponding time periods reflect actual composite performance results that assume the reinvestment of dividends and other account earnings and do not reflect the impact of taxes. Performance results have been reduced by 0.60%, including a 0.30% annual iSectors management fee and estimated transaction, custodial, and platform fees of 0.30%, based upon accounts equal to or greater than the recommended minimum \$100,000 investment on platforms charging .15% and using custodians that also charge a 0.15% annual fee for transactions.

For reasons including platform provider and custodian utilized, as well as variances in portfolio account holdings, market fluctuation, the date on which a client engaged iSectors' services, regular model rebalancing and/or updates, and timing of account contributions and withdrawals, the underlying fees of a specific client's account may vary from these estimates. ERISA (group retirement) accounts may be subject to additional recordkeeping and/or administrative fees. iSectors investment allocation models are only available through registered investment advisors, who will charge an additional fee for their advisory services. For information about the fees that pertain to your account, check with your advisor.

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