ANALYTICS INVESTMENT ADVISORS, LLC

A Diversified ETF Portfolio

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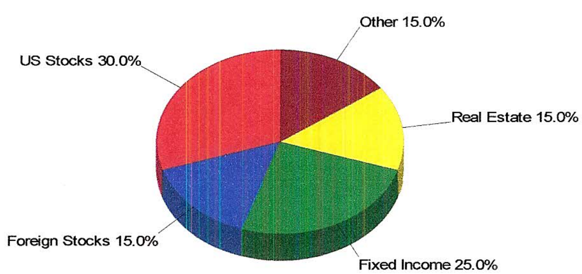
Exchange Traded Funds (ETFs) are a way to combine the potentially high returns of individual stock trading with the benefits of diversification provided by mutual funds. An ETF is a basket of stocks that trade on an exchange with the simplicity and liquidity of an individual stock. ETFs add flexibility, safety through diversification, access to varied markets, are low cost, tax efficient, and since they are traded under the jurisdiction of the Security Exchange Commission (SEC), offer protection and liquidity for orderly and continuous trading. An additional benefit is the ability to effectively monitor performance and effectuate sound risk management strategies in the form of stop orders.

A sample portfolio allocation is diagramed below showing a flexible structure that can be varied depending on an investor's risk tolerance; however, the percentages imply a prudent investor seeking a balanced portfolio with better than average returns. A primary objective is to protect accumulated wealth, and in so doing, less aggressive or low growth investments may be appropriate. The basic strategy is a core and satellite model where the core portion is invested in a handful of index tracking funds. The satellite portion of the model allows for tactical asset allocation, a method which rebalances the percentage of assets in various categories in order to take advantage of market pricing anomalies or strong market sectors. The proposed composition and rationale for each of these categories are detailed below.

Diversified ETF Portfolio



U.S. Stocks 30%

Investing in U.S. Stocks can take several forms. One is a broad market index that is designed to provide returns comparable to the MSCI Broad Market Index which typically covers 97 percent of the market capitalization of all publicly traded companies in the United State and its territories. When choosing to invest in a broad-based index the main risk an investor faces is that the overall market may not perform as well as fixed-income investments or stock market strategies that select individual stocks or particular sectors. On the other hand, buying a broad based index frees the investor from making decisions about market sectors, capitalization and style. Examples of ETFs designed to provide returns comparable to the MSCI US Broad Market Index are: Vanguard Total Stock Market ETF (VTI) which includes 3,300 different stocks; SPDR S&P 500 (SPY), the oldest and most heavily traded ETF; and, iShares Russell 1000 Index (IWB), an index of the 1000 largest U.S. publicly traded companies measured by capitalization.

Given that smaller capitalized firms have unique risks that distinguish them from large-cap stocks, they are not generally recommended as a core portion of a diversified portfolio. Likewise, style investing, which analyzes fundamental characteristics of securities such as growth and value, can be more arbitrary, and thus susceptible to risks unique to certain companies, political, and regulatory factors.

Foreign Stocks 15%

International funds invest outside of the United States. This can be advantageous due to generally relatively low correlations with U.S. equities and exposure to faster growing economies. Suitable considerations include iShares MSCI EAFE Index (EFA) which holdings include Europe (63%), Japan (22%) and Australia (9%). EFA is the biggest and best known ETF, tracks the MSCI EAFE Index, which aims to capture the performances of the large-cap companies domiciled in Europe and Asia, but does not include U.S. and Canadian equities.

Vanguard Emerging Markets Stock ETF (VWO) provides extensive exposure to the emerging-markets large-cap universe, and considered by many to be the cheapest and most liquid emerging-markets ETF. Although this is an emerging-markets fund, 45% of the fund is driven by macroeconomic trends and thus is heavily exposed to international commodity prices such as oil, natural gas and steel. Overall this fund provides diversification benefits to U.S. investors and can be of additional benefits if one is concerned about a falling U.S. dollar since VWO does not hedge its foreign-currency risks.

Fixed Income 25%

Fixed income ETFs provide a way for investors to access the fixed-income market in a cost-efficient manner to diversify their investments and provide stability to their portfolio. Bonds, and in particular, Treasuries are traditionally seen as safe havens for capital in turbulent times. For example, during past ten year the S&P500 generated an annualized return of -0.2%. During the same period, however, the Barclays Capital Aggregate Bond Index returned an average of 6.4%. More recently in 2009 while stocks rallied 26%, bonds still managed a respectable 6%. The Vanguard Total Bond Market ETF (BND), which tracks the Barclays Aggregate Bond Index, is therefore suitable for investors looking for diversified fixed-income exposure with medium-term duration. The average duration of all bonds in this ETF averages between 3.5 and 4.5 years, with nearly 24% of all bonds having durations of less than three years, which helps to lower the funds interest-rate sensitivity. Like all fixed-income investments, there is inflation and interest-rate risk; and because 22% of the portfolio is invested in corporate securities there is also the possibility of default risk. This ETF gives the investor exposure to a wide spectrum of the bond world, including government bonds, corporate bonds and high yield bonds, but does not contain more exotic instruments such as municipal bonds, TIPS bonds and convertible bonds.

Real Estate 15%

Real-estate can provide diversification away from stocks and bonds. Consequently, it seems prudent to have a portion of one's assets in REITs which invests in stocks of real-estate investment trusts; i.e., companies that buy office buildings, hotels and other property. It is advisable to own REIT ETFs in tax-deferred accounts such as IRAs partly because much of the income from REITs is taxed as ordinary income. REITs offer investors the ability to invest in what has traditionally been an illiquid asset class, one that receives stock like returns and bond like revenue. Real estate can also serve as a hedge against inflation through both asset appreciation and rising rents. Two popular ETFs in this asset class are: iShares Dow Jones U.S. Real Estate Index Fund (IYR), which provides the broadest exposure to real estate equities by investing in both REITs and non-REIT companies that engage in real estate operations; and, Vanguard REIT (VNQ), the lowest priced fund with wide coverage of REITs.

Tactical Asset Allocation 10%

Tactical asset allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This methodology allows one to create extra value by taking advantage of changes in the business cycle through investments in satellite ETFs to potentially outperform the overall market.