EMA efficient MARKET ADVISORS

A STRATEGIC, TACTIC

Overview. Founded in 2004, Efficient Market Advisors, LLC (EMA) is an independent, employee-owned Registered Investment Advisor with the U.S. Securities and Exchange Commission that constructs proprietary investment portfolios using low-cost, tax-efficient and transparent exchange-traded funds (ETFs).

Using in-house and third-party research, EMA's proprietary ETF portfolios offer investors highly-diversified asset class exposure.

OUR MISSION

Preserving and Growing Wealth Through Proprietary Portfolios of Exchange-Traded Funds

EMA's leadership team has over a century of experience in all facets of the investment industry, including portfolio construction, executive management, finance, operations and compliance. This combination of expertise provides us with an in-depth understanding of the investment world and helps our clients pursue their financial objectives.

A Word About Exchange-Traded Funds. Created in the 1990s, ETFs combine the best features of traditional mutual funds and equity securities. Like mutual funds, ETFs are diversified mixes of stocks, bonds or other assets that seek to reduce individual security risk through diversification. Like equities, ETF shares are traded during the day on a national stock exchange at market prices.

ETFs are low-cost. Because most ETFs are passively managed and designed to track the performance of a specific index, they are low-cost. Not only is the average ETF net expense ratio generally significantly lower than that of actively-managed mutual funds, two Wharton studies found that the trading costs for a sample of equity mutual funds averaged 0.78% of fund assets per year in addition to the mutual funds' published expense ratio costs. See, Chalmers, Edelen and Kadlec, "Mutual Fund Trading Costs," (November 2, 1999) and "Transaction-cost Expenditures and the Relative Performance of Mutual Funds," (November 23, 1999), The Wharton School, University of Pennsylvania.

ETFs are tax-efficient. Like mutual funds, ETFs must distribute income and realized capital gains annually. However, unlike mutual funds, ETFs generally distribute modest, if any, capital gains. This is due to low turnover and an in-kind redemption process available to ETFs but not to mutual funds.

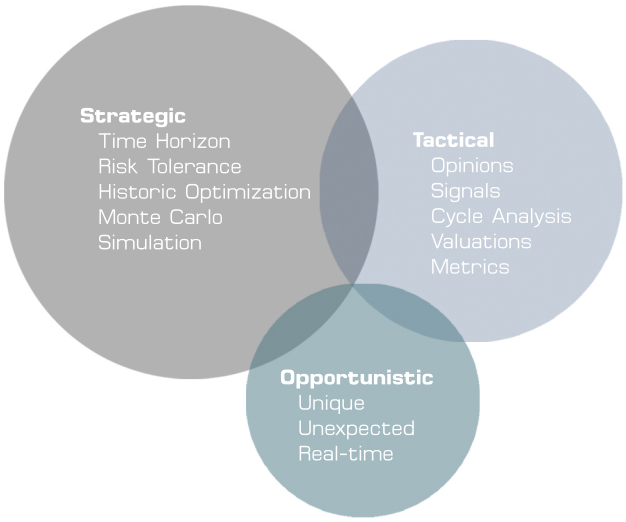
ETFs are transparent. In addition to the quarterly disclosure required for all mutual funds, ETFs publicly disclose their securities holdings every day. ETFs are subject to federal securities laws and regulations designed to protect investors from various risks, and are subject to oversight by a fund Board of Directors.

Active Asset Allocation, Passive Security Selection. Efficient Market Advisors believes in building portfolios that maximize returns without using high-cost, actively-managed mutual funds, individual securities or cookie-cutter investment products. We don't believe in "market timing." Our proprietary approach, based on Nobel Prize-winning academic research (e.g., Harry Markowitz, 1990 Nobel Laureate) and real-world experience, is comprised of strategic, tactical and opportunistic elements using ETFs.

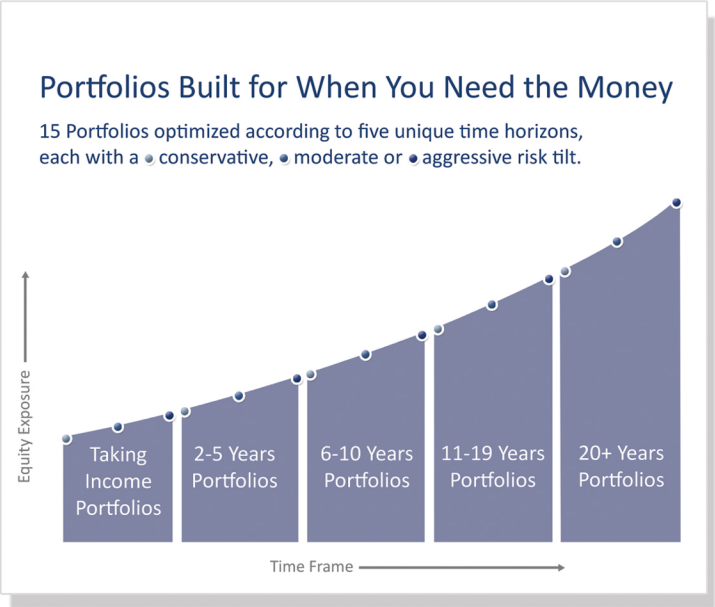
Strategic Asset Allocation considers an investor's time horizon and the historical interrelationship of asset class prices irrespective of the current macroeconomic environment or the state of the business cycle.

Tactical Asset Allocation implements EMA's investment views by adjusting the various asset weightings in a portfolio. EMA uses a top-down approach that considers multiple variables including relative valuation, economic cycle positioning, interest rate spreads, monetary and fiscal policy, political factors, yield curve analysis, and industry and sector valuations.

Opportunistic Investing provides the potential to add "alpha" or value to a portfolio by maintaining the flexibility and willingness to act when unexpected events occur that cause over or under valuations of an asset class, sector or industry.



EMA's 15 Proprietary Portfolios Are Pure ETF Strategies. EMA has one of the longest ETF Strategist track records in the investment industry.



We Put Our Clients' Interests First. As a Registered Investment Advisor, EMA has a fiduciary duty to our clients, and we take that duty seriously.

Throughout decades of business dealings, EMA's professionals have conducted themselves with integrity. We do this for one simple reason: we believe that trust is the most important aspect of the relationship we develop with our clients.

By putting our client's interests above everything else, we fulfill our affirmative obligation of utmost good faith and full and fair disclosure of all material facts.

This material is provided for informational purposes only and should not be considered a recommendation to buy or sell any securities. It reflects EMA's views as of the date of this presentation, and it is subject to change at any time without notice. Some of the information has been obtained from third-party sources we believe to be reliable, but it is not guaranteed. The material is not intended to constitute investment advice, and no investment decision should be made based solely on this information. EMA has not taken into account the investment objectives, financial situation or particular needs of any individual investor. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable or suitable for a particular investor's financial situation or risk tolerance. Asset allocation and portfolio diversification cannot assure or guarantee better performance and cannot eliminate the risk of investment losses. Transactions in shares of ETFs will result in brokerage commissions and will generate tax consequences. All regulated investment companies are obliged to distribute portfolio gains to shareholders. Investing involves risk. Past performance is no guarantee of future results, and an investment in securities can result in the possible loss of principal.