

# ETF Report

THE MAGAZINE FOR ETF ADVISORS // JUNE 2013





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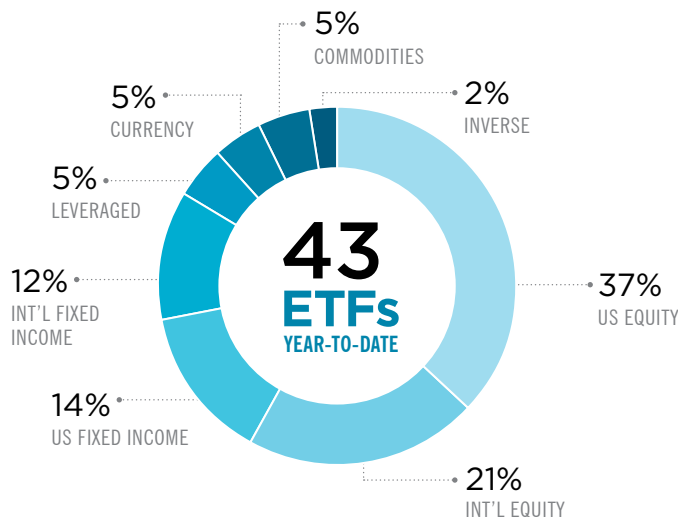
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# ETF Launches



## FEATURED ETF

### iShares MSCI USA Momentum Factor ETF (MTUM)

New iShares is part of a suite of factor-based funds.

#### MTUM Quick View

ISSUER	iShares
SEGMENT	Equity: U.S. – Total Market
EXPENSE RATIO	0.15%
STRUCTURE	Open-Ended Fund
DATE LAUNCHED	April 18, 2013
COMPETING FUNDS	MMTM, EEH, TRND, VQT

iShares debuted three factor-based ETFs in mid-April, each of which was seeded with \$100 million by the Arizona State Retirement System. The iShares USA Momentum Factor Index Fund (MTUM) was launched

alongside the iShares USA Size Factor ETF (SIZE) and iShares MSCI USA Value Factor ETF (VLUE). All three track benchmarks derived from the MSCI USA Index, which tracks mid- and large-cap domestic stocks.

Arizona's decision to join iShares in the creation of these strategies is reflective not only of the growing ETF usage among large institutional investors, but also of pension funds' increasing willingness to consider

lower-cost passive instruments as they struggle to meet mandates in the current economic environment.

MTUM's holdings display greater risk-adjusted price momentum than the components of the parent index as a whole, with roughly the top 100 to 150 of those components selected for inclusion in MTUM's underlying benchmark. Weightings within the MSCI USA Momentum Index are based on a combination of each stock's momentum score and free-float market capitalization, the prospectus said.

Competing ETFs and ETNs include the SPDR S&P 1500 Momentum Tilt ETF (MMTM) and the Elements Spectrum Large Cap US Momentum ETN (EEH). At just 15 basis points, MTUM is by far the cheapest of these products. ☘

## ETF FILING ACTIVITY

### LAUNCHES

#### U.S. EQUITY

iShares MSCI USA Momentum Factor  
iShares MSCI USA Size Factor  
iShares MSCI USA Value Factor  
iShares Enhanced U.S. Large-Cap  
iShares Enhanced U.S. Small-Cap

#### U.S. FIXED INCOME

iShares 2016 Inv Grade Corporate Bond  
iShares 2018 Inv Grade Corporate Bond  
iShares 2020 Inv Grade Corporate Bond  
iShares 2023 Inv Grade Corporate Bond

#### INT'L EQUITY

Global X Nigeria  
Global X Central Asia & Mongolia  
FlexShares Intl Quality Dividend  
FlexShares Intl Quality Div Defensive  
FlexShares Intl Quality Div Dynamic  
VelocityShares Emerging Markets DR  
VelocityShares Russia Select DR  
VelocityShares Emerging Asia DR

#### INT'L FIXED INCOME

SPDR Blackstone/GSO Senior Loan

#### COMMODITIES

Credit Suisse Silver Cov Call ETN

### LEVERAGED

Direxion Daily Brazil Bull 3X  
Direxion Daily South Korea Bull 3X

### CLOSURES

Stream S&P Dyn Roll Glb Commodities  
iShares Diversified Alternatives Trust

### SELECTED FILINGS

ALPS Intl Sector Dividend Dogs  
Guinness Atkinson Dividend  
WisdomTree Japan Hedged SmallCap Eq  
WisdomTree Korea Hedged Equity  
WisdomTree U.K. Hedged Equity  
Guggenheim BulletShrs 2022 Corp Bond  
Direxion Daily Chile Bull 3x Shares  
Direxion Daily Chile Bear 3x Shares  
Market Vectors Israel ETF

# HYEM

## Emerging Markets High Yield Bond ETF

### INVEST BEYOND SOVEREIGNS

- Focuses solely on non-sovereign segment of the HY EM bond<sup>1</sup> market
- HY EM corporates currently have higher yields than HY EM sovereigns and HY U.S. corporates<sup>2</sup>
- HY EM corporates historically have had lower default rates than HY U.S. corporates<sup>3</sup>



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<sup>1</sup>All references to high-yield emerging markets corporate or non-sovereign bonds are to U.S. dollar-denominated bonds within these categories.

<sup>2</sup>As represented by The BofA Merrill Lynch High Yield U.S. Emerging Markets Liquid Corporate Plus Index for USD-denominated EM high-yield corporate bonds, The BofA Merrill Lynch USD Emerging Markets Sovereigns Index for USD-denominated EM high-yield sovereign bonds and The BofA Merrill Lynch U.S. High Yield Master Index II for U.S. high-yield corporate bonds.

<sup>3</sup>Source: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®; 2011 Annual Global Corporate Default Study and Rating Transitions

The Fund may be subject to credit risk, interest rate risk and a greater risk of loss of income and principal than higher rated securities. Emerging markets securities are subject to elevated risks, which include, among others, expropriation, confiscatory taxation, issues with repatriation of investment income, limitations of foreign ownership, political instability, armed conflict and social instability. Investors should be willing to accept a high degree of volatility and the potential of significant loss. The Fund may loan its securities, which may subject it to additional credit and counterparty risk.

Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Creation units are issued and redeemed principally in kind. Shares may trade at a premium or discount to their NAV in the secondary market.

Investing involves substantial risk and high volatility, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. An investor should consider the investment objective, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus and summary prospectus, which contain this and other information, call 888.MKT.VCTR or visit [marketvectorsetfs.com/hyem](http://marketvectorsetfs.com/hyem). Please read the prospectus and summary prospectus carefully before investing.

# ETF Explainer: CHIQ

## Global X China Consumer ETF

Each month, we look at an ETF with a particularly interesting chart and explain the market forces behind its performance. This month we look at the Global X China Consumer ETF, with \$204 million in assets under management and volatile performance. What's behind CHIQ's ups and downs?



**MAY 17** According to a Nielson report, Chinese consumer confidence hits its highest level since 2005 in the first quarter, thanks in large part to easing inflation and confidence about government policy.

**JUN 11** Despite inflation hitting a 23-month low in the month of May, Chinese consumers retrench in May, spending less on non-essential goods, particularly home appliances.

**AUG 16** The global market watches as Japan and China trade public barbs over the sovereignty of the Diaoyu Islands after Japanese officials capture 14 Chinese nationals in and around the island chain.

**SEP 7** China's top economic planner announces an ambitious, 55-project stimulus program worth nearly USD 158 billion to build highways, ports and railways across the country.

**OCT 15** Consumer prices rise far less in September than the month prior, providing more latitude to authorities to pursue expansionary monetary policies to stoke economic growth.

**JAN 18** Chinese economic growth hits its lowest level in 13 years, as GDP grew just 7.8% in 2012. One of the main contributors was a slowdown in industrial production.

**MAR 9** Chinese CPI hits a 10-month high of 3.2 in February thanks to a marked uptick in food, which accounts for one-third of Chinese CPI calculation.

**APR 17** Just days after a report shows Chinese retail sales grew 12.4% year-over-year in the first quarter, the State Council vowed to increase its efforts to boost domestic consumption.

# Are you overweighting overvalued stocks?

Consider the PowerShares **FTSE RAFI US 1000 Portfolio (PRF)**. Based on the Fundamental Index methodology, PRF uses evaluation criteria (cash flow, book value, sales and dividends) that are independent of market speculation.

To see how our **Fundamental Index ETFs** stack up against traditional benchmarks, visit [PowerShares.com/RAFI](http://PowerShares.com/RAFI).

**PRF**  
FTSE RAFI  
US 1000

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Weight by fundamentals

Expect more from your beta

// Beta is a measure of relative risk and the slope of regression.

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# Embracing ETFs

How one Denver-based money manager abandoned market timing and transitioned to an MPT approach—with the help of ETFs

By Heather Bell



Robert Grey, founder, and wife Paula Grey, chief compliance officer and chief financial officer, in the firm's offices in Denver. Both worked in the insurance field before starting Denver Money Manager.

**ON A SNOWY DAY IN MID-APRIL, THE OFFICES OF DENVER MONEY MANAGER STILL MANAGE TO COME OFF AS BRIGHT AND AIRY.** That has as much to do with the energy of the suite's occupants as the comfortable and cheerfully colored décor and the floor-to-ceiling windows that look out onto Denver's Cherry Creek. The atmosphere is both upbeat and modern.

Since 1984, this family-managed practice has offered investors financial advice and managed their portfolios. And as the exchange-traded funds industry has grown, the firm has increasingly added them to their repertoire.

## Advisor Quick View

<b>FIRM</b>	Denver Money Manager
<b>FOUNDED</b>	1984
<b>LOCATION</b>	Denver
<b>AUM</b>	\$130 Million
<b>ALL ETFs?</b>	No

## AN 'AGILE ACE' EVOLVES

Denver Money Manager has undergone quite a transformation in almost three decades. Back in its start, both Robert Grey and his wife Paula were working in the insurance field. Rob frequently received queries from his clients regarding financial advice, and began referring them to broker-dealers like Prudential Bache. However, the lack of fiduciary duty associated with the broker-dealer business convinced Rob to stop giving referrals. Instead, he decided to learn the investment business and soon established Denver Money Manager with Paula in 1984, with an aim to serve his former insurance clients.

"I became disenchanted with the commission-driven sales cycle," Rob said. "[The mid-1980s was] when the financial planning industry was beginning to emerge."

In July 1988, Rob and Paula transitioned Denver Money Manager to a fee-only business.

The firm initially embraced tactical management, which it practiced throughout the '90s, accumulating a small block of retail clients to go along with other clients such as financial planners, advisors and institutions. At that time, Rob was creating technical strategies, and was even profiled in a 1994 article in Barron's as the "Agile Ace," a moniker that referred to his strategies, but could also refer to how he has steered his firm through a highly unusual three-decade period in the markets.

In the early 2000s, Denver Money Manager reached another turning point: It came during the controversy surrounding high-velocity mutual fund trading and the growth spurt experienced by ETFs around that time.

"We came to recognize that many of the things we were doing that we thought we were quite genius about were really more about luck," he said. "It was more about being in a raging bull market and that a monkey could throw darts at a board and probably make money."

"When we were doing the market timing initially, there were a lot of inefficiencies in the market," Paula added. "And if



you were alert and paying attention, you could find those inefficiencies. But as more and more people caught on to what was going on, the inefficiencies disappeared. It was hard, but we came around about 8 or 9 years ago, and what we realized was that market timing doesn't work anymore."

The firm developed an approach built around asset allocation, the efficient market frontier, low costs, easy access—all of which, Rob says, steered the firm toward ETFs. Passive management and low costs were "in complete alignment" with the firm's new approach, he adds, noting that "there was an opportunity to marry all of the best benefits of ETFs with what our fundamental strategy was all about."

Denver Money Manager also received approval in 2005 to sell mutual funds offered by Dimensional Fund Advisors. DFA is well known for its avoidance of market timing and stock picking, even if its funds do not strictly track market indexes. The funds are also only available to institutional investors and to retail investors through firm-approved RIAs. The low-cost mutual funds fit perfectly with Denver Money Manager's new direction.

#### PHILOSOPHY

Denver Money Manager is a small, family-operated firm that fields just three advisors: Rob; his son Aaron, who joined the company in 2003, after working as an engineer; and Joel Martin, who joined Denver Money Manager in 2011. Paula serves as chief compliance officer and chief financial officer. The firm manages \$130 million. Excluding variable annuities and 401(k) accounts—which are largely ineligible to hold ETFs—11 percent of the firm's assets are invested in ETFs, with that amount expected to grow.

With no minimum investment requirements, Denver Money Manager embraces a wide range of clients, from young professionals just starting out to older retirees to small business owners. New business comes in mainly via client referrals and networking with other financial professionals. When the question arises of what the typical client is like, the entire office erupts into laughter.

"The truth is, what we're really about more than anything else is relationships. A lot of wealth management firms have asset-size minimums, so you don't get to talk to anyone unless you've got a half a million dollars sitting around someplace. We have a minimum fee, but we really don't have a minimum size client from an asset management standpoint," Rob said. Ninety percent of the firm's assets under management are invested for retirement purposes, he notes.

Joel Martin, Denver Money Manager's director of business development, sums up the firm's approach thusly: "We work with people who are trying to save their way to wealth, so we don't necessarily go after the \$10 million clients who already have wealth."

Aaron, who is also the firm's managing partner, offered a more in-depth explanation:

"Most wealth managers define their typical client in terms of age and income. We don't do that. Our typical client is someone who wants our help, and is interested in a long-term relationship. That spans ages and income brackets and asset size."

Aaron describes the custom investment policy that Denver Money Manager designs for each customer as a "recipe," and investment vehicles like ETFs and mutual funds as the "ingredients." Denver Money Manager, as the advisor, goes out to buy the ingredients and bakes the cake, he says.

Rob notes that the firm has what it calls a "global equity asset allocation," or its ideal allocation proportions among the various asset classes, adding that the firm can build that allocation in any way from the "ingredients" available. A typical "moderately aggressive" allocation for investors puts 16% each into a broad large-cap allocation and a large-cap value allocation, and 8% each for a broad small-cap allocation and a small-cap value allocation, in order to achieve a strong value tilt in the portfolio while still maintaining diversification. Eight percent is allocated to global REITs and emerging markets

each, while 16% of the portfolio is invested in developed international, and 20% in intermediate investment-grade bonds.

#### USE OF ETFs

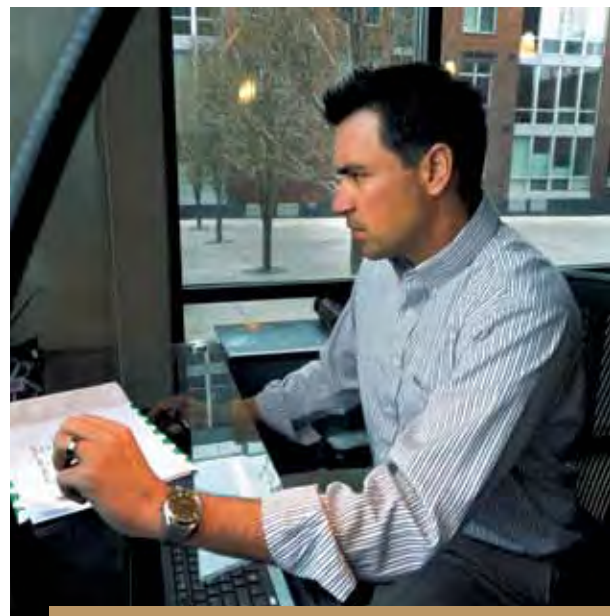
Commission-free ETF trading has been an important new development for Denver Money Manager, primarily in the area of rebalancing.

"Not only do the low expense ratios agree with our philosophy, but now you can eliminate the friction of transaction

## COMMISSION-FREE ETF TRADING HAS BEEN IMPORTANT, PRIMARILY IN THE AREA OF REBALANCING

expenses. That still doesn't exist with mutual funds and that's where ETFs have found a nice place within our methodology," Aaron explained, noting that when looking for an ETF for a portfolio, he usually starts with the list of no-transaction-fee funds at TD Ameritrade.

With small accounts, it's simply more efficient to rebalance using transaction-free ETFs rather than traditional mutual



Managing Partner Aaron Grey pairs ETFs with mutual funds covering the same asset classes for rebalancing purposes

## I REALLY SEE THE FIXED-INCOME SIDE OF THE ETF MARKETPLACE AS BEING THE NEXT BIG EMERGING PART

—Robert Grey



The Denver Money Manager team from left to right: Paula Grey, Aaron Grey, Robert Grey and Joel Martin

funds, which come with transaction costs and can only be traded at the end of the day. With larger clients who are invested primarily in mutual funds, Denver Money Manager still uses ETFs for rebalancing, pairing mutual funds and ETFs representing the same asset classes.

“When you rebalance, you don’t sell all of the fund, you just end up selling some of it—maybe 2 or 3 percent of the actual holding,” Aaron said. “If you pair the mutual fund and the ETF together, you can create the asset class allocation in the appropriate size, but when you’re doing the actual transacting, you’re doing that on a non-transaction-expense basis.”

Not surprisingly, ETFs from iShares and Vanguard are the most common holdings in

Denver Money Manager’s portfolios. However, Aaron describes the firm as “agnostic” when it comes to preferences regarding ETF providers. Among the smaller ETF issuers the firm uses is Guggenheim Investments, whose BulletShares target-maturity bond ETFs are a particular favorite of Aaron’s.

“This is something kind of unique and they’re trying to package-in the benefit of being able to build something like a bond ladder, but building in the diversification that you don’t get if you’re just doing that with a few individual fixed-income issues,” he said.

Denver Money Manager is also just beginning to implement portfolios built around the WisdomTree ETFs for clients—primarily retirees—who are concerned about income, Rob says. He also is very impressed with Pimco’s fixed-income ETF lineup.

“I really see the fixed-income side of the ETF marketplace as being the next big emerging part,” he said.

And actively managed ETFs aren’t verboten at Denver Money Manager. Rob says he holds the Peritus High Yield ETF (HYLD) issued by AdvisorShares in his own portfolio, and is currently monitoring it as a potential addition to clients’ portfolios. Although it’s more expensive than an index-based ETF, he believes it’s well worth the added expense.

“That’s still an asset class that benefits from active management,” he noted.

### NAVIGATING THE NEW NORMAL

Looking ahead long term, Rob says the firm has lowered its expectations with

regard to financial markets’ performance in the future, particularly in the area of fixed income. Aaron suggests looking at the past 100 years rather than the past 30 years for a more realistic picture of how markets will perform, and looking at international markets for higher returns.

“I would say that nothing’s changed,” Aaron said. “There’s going to be fear, there are going to be bubbles; it’s always going to feel like it’s different this time. But markets always seem to find a way to survive.”

“The beauty of the investment disciplines that we employ is that it does not require that anybody have a crystal ball for our investments to have success,” he added. “Instead, we simply design a risk-appropriate asset allocation and continuously monitor the portfolio. We periodically rebalance the portfolio, which by definition, has us selling high and buying low without needing to have a forecast about the future.”

However, in the near term, Rob cites “headline risk” around the May/June Congressional budget debate, which may create stock market volatility and an accompanying decline in prices. His real concern, though, is that investors will pull out of bonds to invest in the stock market on fears that interest rates will rise. Instead, he suggests investors shorten the duration of their bond portfolio while diversifying among sectors. He emphasizes that investors should maintain their target asset allocations, which really reflects what Denver Money Manager is all about. ☺



Director of Business Development Joel Martin says that Denver Money Manager works with ‘people who are trying to save their way to wealth’



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- Investors' expectations with respect to the rate of inflation;
- Currency exchange rates;
- Interest rates;
- Investment and trading activities of hedge funds and commodity funds; and
- Global or regional political, economic or financial events and situations. Should there be an increase in the level of hedge activity of gold, silver, platinum or palladium producing companies, it could cause a decline in world gold, silver, platinum and palladium prices, adversely affecting the price of the Shares.

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[www.etfsecurities.com/us/document/etfs\\_document.asp](http://www.etfsecurities.com/us/document/etfs_document.asp).

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ETF000518 04/10/2014

# The End Of The GOLD BULL RUN

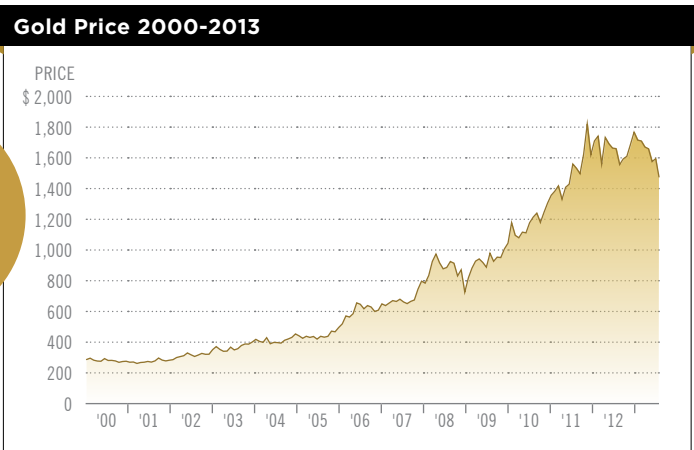
AFTER 12-STRAIGHT YEARS OF PERFORMANCE GAINS, 2013 WILL MARK THE END OF A REMARKABLE, AND IMPROBABLE, RUN.

All good things come to an end. It's clichéd, but true. That's why no one should be surprised that after 12-straight years of gains, the gold bull market is poised to end. While another cliché is also appropriate here—it's not over until the fat lady sings—all indications are that the yellow metal will have a tough time keeping the streak alive in 2013.

After bottoming out in the mid-\$1,500/oz range in August 2012, gold prices embarked on a rapid rally thanks to anticipation of—and the eventual announcement of—the Federal Reserve's third round of quantitative easing (QE3) in September.

The Fed's move was unprecedented: purchase \$40 billion worth of mortgage-backed securities per month, indefinitely, in order to stimulate the then-temper economy. Gold peaked just under \$1,800 in early October in response to the news. Prices then inexplicably began to decline.

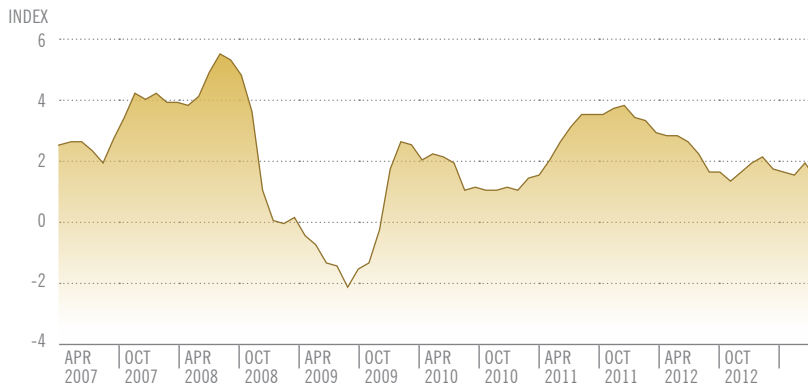
In December, the Fed said that it would continue to purchase billions of dollars worth of Treasury bonds each month, even after the expiration of "Operation Twist" at the end of the year. With "Twist," the Fed sold \$45 billion worth of short-term notes, while simultaneously purchasing \$45 billion in longer maturities in an effort to bring down long-term interest rates (short-term rates were already near zero).



Source: Bloomberg. Data from 1/31/2000 to 4/30/2013.

After a remarkable 12-year run, April's dramatic sell-off signals the end of dramatic gold gains

## U.S. Consumer Price Index (Year-Over-Year)



Source: Bloomberg. Data from 4/30/2007 to 3/31/2013.

Despite inflation concerns, the U.S. is running at a 1-2% year-over-year rate—right in line with the Fed's target rate

But by December, the Fed was on track to exhaust its supply of short-term Treasuries. By opting to continue the purchase portion of “Twist” without simultaneous sales, the Fed essentially instituted another round of quantitative easing totaling \$45 billion. Combined with QE3, the Fed was now purchasing a whopping \$85 billion worth of bonds each month, or a rate of over \$1 trillion per year.

Yet what did gold do? Nothing. Prices continued to decline after the announcement of “QE4.” It was as if the market was experiencing stimulus exhaustion.

### THE INFLATION THAT NEVER WAS

Fast-forward to early May, where gold prices are near \$1,450, having wiped out the entire QE3 and then some. In fact, prices haven't been this low since early 2011. Several Federal Open Market Committee meetings have come and gone, with officials reiterating their pledge to keep ultra-loose monetary policies in place for the foreseeable future. Moreover, according to a survey of Fed officials, the first hike in the federal funds rate—the Fed's benchmark overnight interest rate—won't occur until 2015.

What exactly happened? All the pieces were in place for gold to rocket higher, yet prices did just the opposite. In markets, when prices move counter to what

conventional wisdom would suggest, it's often a signal that the conventional wisdom is wrong.

It's important to consider why one would expect gold to rise on the Fed's quantitative easing programs in the first place. As the Fed purchases mortgage-backed securities and Treasuries, its balance sheet and the monetary base expand. In theory, this rapid expansion of the money supply could lead to higher inflation. But of course, if banks don't lend out the money—as they've been reluctant to do—it never enters the economy, and there's no impact on prices.

Without getting bogged down in the details of monetary transmission mechanism, suffice it to say we haven't seen any notable acceleration inflation—which has surprised many. Growth in consumer prices in the United States is running at a 1 to 2% year-over-year rate—and that includes volatile food and energy prices (core inflation, ex-food and energy is also below 2%). That's right in line with the Fed's target rate.

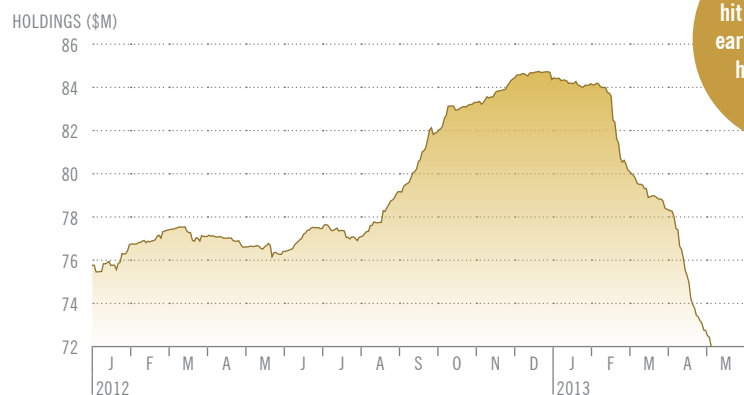
While there are many reasons people and institutions buy gold, at its core, the yellow metal is considered an inflation hedge or an alternative store of value. If fiat currencies aren't rapidly losing value via inflation, then gold's appeal is significantly diminished.

Gold bulls counter that runaway inflation is around the corner; it's only a matter of time. While directionally they're right, in terms of magnitude they're likely way off the mark.

### MONETARY TIGHTENING

Recent indications are that the U.S. economy may have turned the corner. While there have been several false starts, with

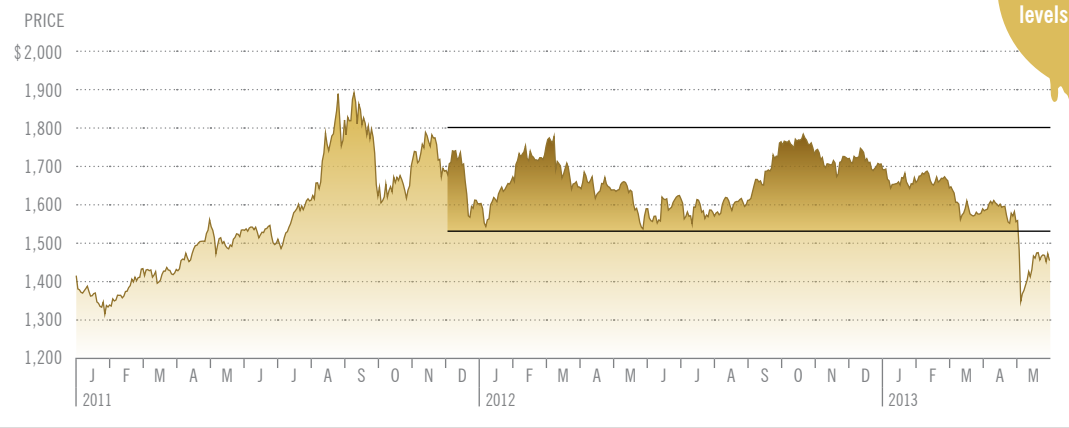
## Gold ETF Holdings



Source: Bloomberg. Data from 1/3/2012 to 5/8/2013.

Gold ETF holdings hit an all-time high earlier this year, but have fallen with gold's price

## Gold Price Support Levels



Gold's price needed to stay within key support levels to sustain the bull run

Source: Bloomberg. Data from 1/3/2011 to 5/8/2013.

stock markets currently near record highs and the unemployment rate at a four-year low, confidence is high that the economy may be on the verge of a self-sustaining expansion.

That means the Fed is likely contemplating, and debating, how and when to reverse its ultra-loose monetary policies. The first step is to end QE. The next step is to raise interest rates. And the final, optional step is to reduce the size of the Fed's balance sheet through sales of the bonds it has accumulated. The third step is optional because those bonds will slowly fall off the central bank's balance sheet as they mature.

All of these steps will result in a tightening of monetary conditions, and are thus seen as bearish for gold. True, it may be some months before even step one takes place, but monetary tightening is inevitable at this point. The markets see this and that's why gold has performed poorly.

The Fed's tightening will have other ramifications for the markets. The U.S. dollar will strengthen at the expense of other currencies. The greenback recently reached multimonth highs on speculation that the U.S. central bank will begin to hike rates before others. Gold, denominated in dollars, will suffer.

### INVESTORS FLEE

Large investors, seeing the writing on the wall, have already begun to liquidate their positions in gold. Holdings of gold

in exchange-traded funds have fallen 12.6 million ounces (392 metric tons) since the start of the year. Holdings rose by 9 million ounces in 2012.

Steadily rising demand from gold investors has been a linchpin of the 12-year gold bull market. If gold investment demand has hit a saturation point—as I suspect it may have—that could be a fatal blow for bulls.

On the flip side, one group that has picked up the slack to some extent is central banks. In an effort to diversify away from the U.S. dollar, central banks in aggregate became net buyers of gold in 2010 after 20-straight years of selling. That buying continued in 2012 as they purchased the most gold in 50 years.

However, while central banks—particularly those in emerging markets—will certainly seek to continue to diversify their foreign-exchange holdings, their appetite for gold may wane as interest rates in the U.S. rise, making Treasuries more attractive.

Finally, no analysis of the gold market is complete without mention of India and China. Respectively, the two countries are the Nos. 1 and 2 consumers of the metal. In 2012, India's demand plummeted 12% due to import duties, though demand is expected to rebound this year.

China's demand held steady at record highs in 2012, but as we are seeing across all commodity markets, China's transition to slower, consumer-oriented economic

growth is leading to much slower growth in demand for commodities. So don't expect Asia to bail out gold.

### THE BEGINNING OF THE END

Gold is at a critical juncture. Since peaking at a record \$1,921 in September 2011, prices were essentially range-bound between \$1,525 and \$1,800. In April, prices imploded after breaking through the former price floor at \$1,525. Gold's free fall shattered investor confidence and is likely to lead to a steeper decline as technical traders and long-term holders alike continue to liquidate their positions.

The important question now is, How low could prices go?

As with all commodities, prices will gravitate toward where supply meets demand. But if one considers that gold was trading near \$1,200 in 2010, near \$1,000 in 2008 and near \$400 in 2005, there is plenty of downside potential.

Contrary to what gold bugs will tell you, the yellow metal is a highly speculative asset and any price forecast would be inherently speculative.

For investors, the most important thing is to recognize that 12-straight years of annual gains in any asset are an unusual phenomenon. And while a single down year does not spell the end of a bull market per se, gold price action in modern times has been one of boom and bust. Large price increases are often followed by large price declines. It's not different this time. ☹

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# GOLD MINING RETURNS A TOUGH FIND

“SO I DIG INTO MY POCKET, ALL MY MONEY SPENT.

SO I DIG DEEPER BUT STILL COMING UP WITH LINT.”

**T**HOSE WORDS FROM THE ESTIMABLE RAPPER RAKIM

sum up the feelings of most gold-mining investors over the past few years. Despite the yellow metal’s yearly gains in 2010,

2011 and 2012, the companies mining and exploring for gold have barely registered a peep. The strategy – which has been likened to a leveraged or options play on gold – has been a dud for the better part of the last five years.

In the past five years, gold prices are up 43%, even after accounting for the recent sell-off. Over that same period, the most popular gold-mining ETF on the market – the Market Vectors Gold Mining ETF (GDX) – is down 50%. Said another way, the gold-mining shares lagged the price of gold by nearly 100% over the past five years.

Although it seems obvious, especially after seeing those numbers, investing in mining shares is not the same as

investing in the metal itself. By investing in gold-mining shares, you are subject to much more than the simple supply-and-demand dynamics that impact the price of gold. You are making a bet on the management team, the production capacity and potential expansion of production, and the company’s ability to profitably mine and refine gold.

The basic principle of a play on gold mining is grounded in the idea that by buying the company mining and selling the gold, you’re buying gold at the cash cost and selling it at market prices. This may be simplifying the strategy too much for some, but the basic idea is you’re trying to capture the equivalent of the crack spread in gold.

There is also the matter of dividends. While nobody in their right mind would claim gold-mining companies are dividend mavens, GDX does have a current portfolio yield of 1.85%, which is just 12 basis points less than that of the SPDR S&P 500 ETF (SPY). It’s also more than the zero percent current and future yield on gold bullion. As with any business, the ability to sell gold at a price high enough to cover the costs of producing it (*ceteris paribus*) is of paramount importance to the success of the company, and in turn, your investment in said company. Those miners best positioned to increase production, decrease costs or both are the firms that will, in theory, provide the best return.





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**THE FIRST CONSIDERATION—** the ability to increase production—is perhaps the hardest of them all. Gold is becoming increasingly hard to find and increasingly expensive to extract.

Gold exploration spending hit a record \$8 billion in 2011, according to Barrick CEO Jamie Sokalsky, and yet there were just three discoveries that year, none of which held more than 20 million ounces. The old adage that all of the world's above-ground gold could fit into an Olympic-sized swimming pool may seem tired and trite, but the simplicity of the statement speaks volumes. If new gold production were easier to find, the metal would not be viewed as a safe haven any more than salt. As such, the frequency with which companies are able to find sizable new gold deposits is on the decline.

One result of this is higher financing costs. Because many of the companies exploring for gold are small, fledgling companies, they tend to find the cost of capital to be high regardless. Add in the fact that success is hard to come by, and the amount creditors and investors charge to finance new projects is inflated even more. In a world where high-yield bonds are flirting with record lows, it says quite a bit about the nature and risk of gold mining that cheap financing can be hard to come by.

Of course this high financing creates a real profitability and cash-flow hurdle that makes the business of gold mining all that more challenging. As if it weren't enough that gold exploration is akin to opening a restaurant in New York City, the cost of doing business is extremely high. Not only is financing a tough nut to crack, the biggest input cost of any gold-mining firm is typically energy. Considering the volatility in the energy markets in the past five years, it's easy to see why that type of uncertainty can wreak havoc on gold miners.



**ALL IN ALL, IT'S A PRETTY BLEAK** picture, especially for the exploration firms whose properties are exclusively provisional at this point. Not only are many of the properties they own located in politically volatile regions of the world where the threat of nationalization looms around every corner, the likelihood of actually finding substantial ore is low.

That's not to say that the big firms—Goldcorp, Barrick and Newmont—are without their own issues. All three of these giants are trying to cope with declining gold production worldwide, either through acquisitions or portfolio diversification. Barrick, for example, has massive copper production that augments its gold-mining revenues. Without the ability to grow its gold production organically, these firms have had to look externally to find ways to increase profits and cash flow. And there is still the matter of leadership volatility to contend with. Barrick fired its former CEO, Brian Porter, in June last year after three years of disappointing results. In fact, five of the top 20 Canadian gold producers

named new CEOs in 2012. A combination of poor results, poor capital management and declining exploration success rates has seen CEO turnover in the industry reach dizzying heights.

The problem is, when these firms diversify into copper, nickel or silver production, they dilute your already-imperfect exposure to gold. In other words, you're already taking a major step away from pure exposure to gold prices by choosing to invest in the firms that mine gold, and when your gold-mining firm diversifies into other metal production or buys exploration firms, you're moving that much further away from your initial goal: a call option on gold.

None of this is to say that there's no case for owning gold-mining firms. After all, if you believe this secular bull market in gold is simply undergoing a normal correction and poised to climb (much) higher in the future, the margin expansion will overwhelm many of the issues listed above. After all, if the product your firm sells increases in price at a greater rate than your costs, that's the ideal line of business to be in.



**HERE ARE NOW SIX DIFFERENT** gold-mining ETFs on the market, and all of them have their warts. The big issues surround dilution, accessibility and cost.

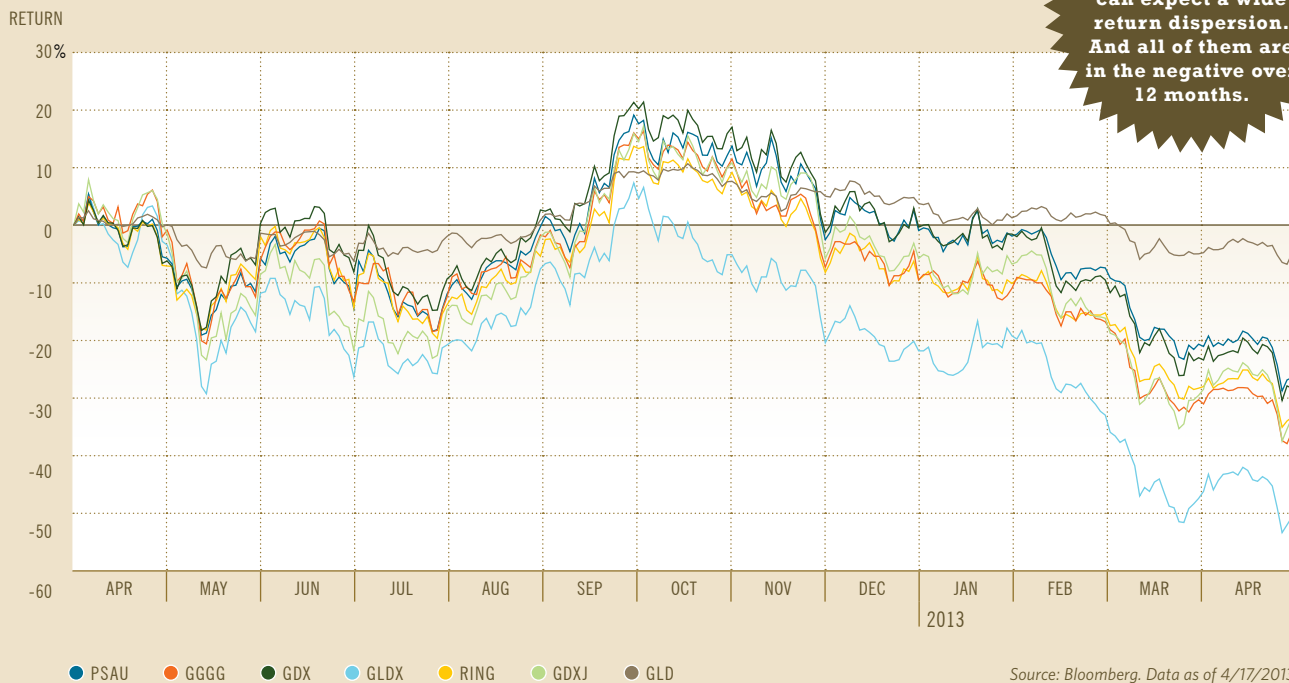
The dilution problem is perhaps the greatest of them all because it puts investors between the proverbial rock and a hard place. The cheapest, most popular gold-mining ETF is GDJ. Most days, more than \$525 million worth of its shares changes hands, and spreads average just 1 penny, or 3 basis points. To put that in context: GDJ gets more daily volume than the rest of the segment combined and once you remove GDJ from the conversation, that amount of money trading on a given day is more than the combined AUM of the other gold-mining ETFs. Add in GDJ's robust options market, and GDJ is the only real game in town.

Given that massive advantage in accessibility, the fact that GDJ really isn't a gold-mining ETF prevents investors from fully capturing the gold market. Just 64% of GDJ's underlying equities are in pure gold-mining firms, with the remainder in everything from silver-mining firms like Silver Wheaton to integrated mining companies.

Those investors looking for more targeted exposure to gold mining have options, but they are underwhelming at best when you consider the market for those ETFs. The Global X Pure Gold Miners ETF (GGGG) attempts to solve the dilution problem by only including firms with 90% of their revenue coming specifically from gold mining and processing. While this does make GGGG the purest of the gold-mining choices (94% of portfolio in gold-mining firms, the highest of the segment), it has done little to spark interest in the fund. There's currently less than \$5 million invested in GGGG, which makes it prohibitive to trade. Although its 59 bp expense ratio is just 7 bps more than that charged by GDJ, the cost of trading the fund is exorbitant (150 bp average

## Gold Mining ETFs And GLD

Even with seven ETFs available, gold mining investors can expect a wide return dispersion. And all of them are in the negative over 12 months.



spreads). Unless you're an institutional investor willing to commit to the full 50,000-share creation unit size, the cost of doing business in GGGG is prohibitive.

This problem is certainly not unique to GGGG, by any means. iShares' MSCI Global Gold Miners ETF (RING) is also a purer play on gold mining, with 79% of its portfolio in firms we consider to be pure gold miners, but its \$28 million asset tally provides little liquidity for its shares. The same problem plagues PowerShares' Global Gold and Precious Metals ETF (PSAU), although it doesn't aim to provide pure gold-mining exposure, instead covering the entire precious metals complex.

The only other fund in the segment that's accessible to anyone trading less than \$50,000 shares is the Market Vectors Junior Gold Miners ETF (GDXJ), and it's certainly not the fund for those looking for pure gold-mining exposure. It covers junior mining firms, most of which are in the exploration phase of their business cycle. These are firms with high financing costs and massive uncertainty surrounding their ongoing operations. Sure, the fund's \$2 billion asset base provides a deep market for its shares, but just 65% of its portfolio is in firms we consider to be true gold-mining companies.



## DESPITE THE FACT THAT SOME

of these portfolios are nearly impossible to access, the difference in exposure between them may override concerns about the full cost of each fund.

Over the past year, gold prices are down 17%, while all of the ETFs covering gold-mining firms are down more than 40%, with the Global X Gold Explorers ETF (GLDX) down more than 57%. Regardless of your choice of ETF, gold-mining shares were one of the worst possible places to have your money. Sure, the difference between the performer (PSAU) and the worst performer (GLDX) was a full 20%, but that does little to comfort an angry client whom you told that gold miners are the right place to park some cash. Still, the difference in exposure does matter. Although GDX and GDXJ are by far the most liquid options on the market, the difference in returns among the funds will outweigh the difference in trading costs.

The past year has not been kind to gold-mining shares, and the recent sell-off in gold does little to inspire confidence. Despite this, there are still many sophisticated investors who believe gold-mining firms will enjoy their day in the sun. If you agree, then you have a difficult choice ahead of you. ☘

# RON PAUL:

## Protecting Wealth Is a Challenge for Advisors

By Cory Banks and Evan Simonoff

Former U.S. Senator Ron Paul tells it like it is. At the fourth annual Innovative Retirement Strategies conference in Orlando, Fla., he spoke to more than 200 retirement advisors about the reasons he feels liberty has been compromised in America, saying that the focus should move away from “economic” versus “social” liberty. Instead, the nation should move toward total individual liberty, with a freedom to do what one pleases without hurting others.

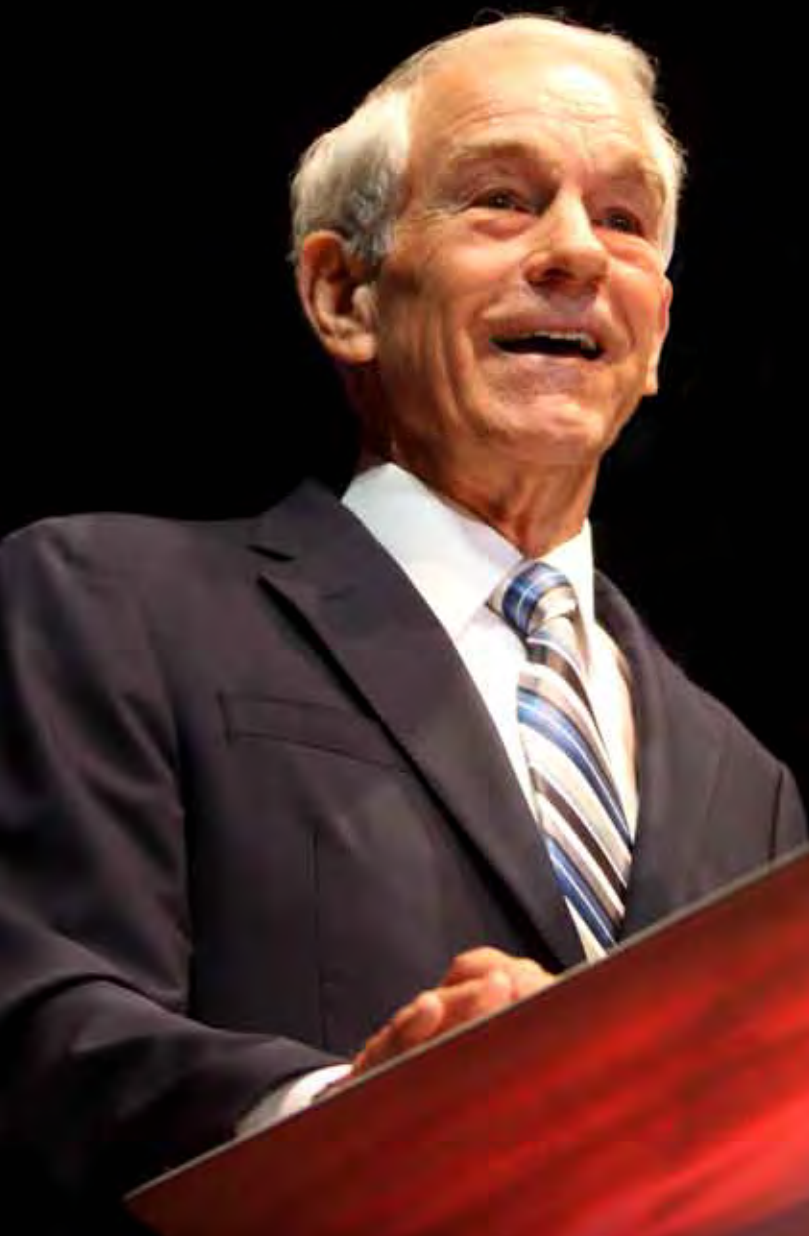
Considered the “godfather” of the Tea Party, Sen. Paul’s views extend beyond concerns of freedom into fiscal policy. Speaking with Financial Advisor magazine Editor-in-Chief Evan Simonoff and ETF Report Managing Editor Cory Banks, Paul expressed a renewed desire to return to the gold standard, while calling the U.S. Federal Reserve’s current easing prices nothing short of “money printing.”

**Evan: You’ve been an active proponent of the gold standard, and others have thought that gold is a little too dependent on things like the wedding season in India.**

That is so small it really has no effect. But compare that to [Fed Chairman Ben] Bernanke’s ability to buy \$85 billion worth of junk with a computer—that’s what you have to worry about, where the distortions and devaluations come from. The amount of gold never goes down; it stays in play. The amount that is produced on demand for jewelry and all is miniscule. But even if it were huge, as long as you have free-market structure and prices, you’re OK.

There are times when the market supply of gold has a big effect. The one in history that was most important is when the Spanish came over here and took tons back to Spain. If you have a relatively fixed amount of gold and it’s dependent on mining, it comes in slowly. But if you have a fixed amount of gold in Spain, and all of a sudden you bring enough to double the supply of gold, it lowers its purchasing power. That’s not going to happen; that was just a rare circumstance.

The reason gold is money is because it is difficult to find. The gold supply has generally increased worldwide 3-4% at the most. The average is about 3% a year. And ironically, the population so often was pretty close to that. So you have a great deal of price stability.



**Cory: How would you then contrast that with the recent dips in gold value?**

You can't look at a short run, because sometimes it's going to be lower than you think, and lower than what reality is. And sometimes it's too high. We went totally off the gold standard in '71 and went from \$35 [per ounce] up to \$800. It was reacting to 35 years of suppressed prices.

**Cory: But wouldn't shifting back to the gold standard with the prices where they're at now also be an issue?**

Yes, it's a big issue. It depends on how you do it. The British did it in the 1920s and they went back to the original amount. The last time they officially priced gold, they went from \$35 to \$38 to \$42; on the books it still held at \$42. But if you went back to \$42, I'd turn in all my paper and take the gold at \$42. So you can't do that.

The best example of going back to the gold standard was in 1875/1878. After the Civil War, they got off the gold standard—didn't go back—and they had a massive inflation. And the price of gold was a couple of hundred dollars. But the country was still attuned to gold money because that's been history; it's in the Constitution. So they had the Resumption Act. And they said for three years they would turn back and make the dollar convertible at \$20 an ounce. The price of gold went down. They quit printing greenbacks. They balanced the budget. They didn't have any foreign wars going on. They didn't have a welfare state. And the amazing thing is that people believed the government back then.

Today they don't believe the government. We have wars going on. We have welfare. We have this spending. We have this debt. So even if tomorrow they very sincerely tried to tell us, "Well, we've got to go back on the gold standard and we're going to convert at \$2,000 an ounce," we would have even a little bit of margin there. Most people who really understand gold wouldn't for a minute turn in their gold. Because they would say, what's the Fed going to do? When you're in a gold standard, you can't have a Federal Reserve independently printing money at will. People wouldn't believe that.

But you can't look at what's happening last year or so [in gold prices]. A better way to look at it is to look back to the 1970s. The day they [federal government] closed the gold window and totally went off gold is the day that my ears perked up. It was sort of an epiphany for me. And I was able to buy gold at \$35, \$45 an ounce.

So if you look at the long term, my assumption was that there are no restraints on spending, no restraints on debt and no restraints on the Fed. So gold has risen on the back of that from \$35 up to \$1,600? And even in these last 10 years, we've had gold go from \$270 in 2000 to now close to \$1,600. So as long as we had the same policy, percentagewise just doubling gold sounds horrendous. It's almost a 600% increase in 12 years. So just doubling it or tripling, that's minor.

That's why policy is so important. That's why I think you who are in the advisory business, you might find some stuff and get some nominal savings in there, but how do you protect people's real wealth? That has to be a big challenge.

What our government tells us is, "Well, there's no inflation. We'll keep a fixed income, so we don't have to raise the cost of living increases." And it's those on fixed income who are getting killed right now. The price is going up. Last year was the biggest jump in educational costs we've ever had. And they say there's no inflation. It went up 8.5%!

**Evan: Do you think your son's [Senator Rand Paul (R-KY)] filibuster during the drone debate highlighted the feeling that a lot of Republicans are sick of these political wars?**

I hope we've nudged them in that direction. But there's too much support for the wars by both parties. It's all a facade. I think it's to have elections and pretend there are a lot of differences. The American people, I think, want peace. I don't think everybody says, "Oh yeah, we love these wars." But the peace candidate generally wins. Obama was really the peace candidate in '08, and again in '12, even though he expanded the wars, which is nonsense.

Both parties are arguing over the budget, but you know, really, the Republicans arguing right now for slashing the budget don't want one penny cut from the proposed increases. Businesspeople don't have an automatic gift that your budget and your expenditures are going to go up at a steady rate. But the politician does. Everybody gets automatic increases.

So the Democrats propose over 10 years that they would increase the budget, their spending, by \$2.5 trillion. The Republicans say, "No, that's too much. We should increase it by \$2.4 trillion." You see the almost hopelessness of my position prevailing because the demagogues are out there. The Democrats do it, the media does it, every special interest does, the military industrial complex does it.

**Evan: One of the biggest criticisms of the health-care debate is that it did not address that 25-27% of the doctors in this country are over 55 years old. And the medical schools are not expanding their enrollments.**

I think that's true. I see a lot of people quitting. They had been, over the decades—quitting when they're 45, 50, 55 if they happen to do well in investments. They got sick and tired of the forms, and it's going to get much worse.

**Cory: What's the way to fix that?**

Get the government out of health care. A lot of people say Obama is a socialist, he wants socialized medicine—he probably wouldn't mind it. But he wants a one-payer system. But in the meantime, it's a corporate approach—I call it corporatism. Because if you had a prescription drug program, or even Obamacare, you know the corporation still exists. You're going to have your insurance companies. You're going to have your health maintenance companies. You're going to have your hospitals. They're not going to do away with that.

So the big corporations then donate money to both Republicans and Democrats. And the insurance companies, they ended up with more people and the prices are going up. And they're being squeezed; some are being squeezed out and they're going into the current system. But that didn't bother Obama. You know it was just pushing them over. ☺

WHY  
I OWN

TDIV

First Trust Nasdaq  
Technology Dividend ETF**KING LIP**

Chief Investment Officer



**FIRM:** Baker Ave  
**LOCATION:** San Francisco  
**FOUNDED:** 2005  
**AUM:** \$800 Million  
**ALL ETFs?** No

### What do you like about the First Trust Nasdaq Technology Dividend ETF (TDIV)?

TDIV has the technology exposure, but with it you're also getting the safety of a big yield, and getting that total return. So that's why we own it, in a nutshell.

### How does TDIV fit into your overall strategy?

One of the strategies we run here is a dividend opportunity strategy. In our dividend strategy, we own things like consumer staples, utilities, financials, preferreds—just sort of your traditional, income-producing assets. But we didn't see anything that was more growth oriented in the space. Specifically, we were looking for things in technology.

### When did you buy TDIV?

We've held it since August 2012.

### What sets TDIV apart from comparable income-generating ETFs?

TDIV launched in August 2012. This was around the time when people were talking about Apple's large cash balance on their balance sheet, and all this talk about Apple paying a dividend. We were looking for a technology-oriented income-producing ETF and we didn't find one.

The closest thing that resembled a tech-oriented product was the telecom ETFs, which had some tech exposure, but it was minimal. Most of the weightings were in AT&T and Verizon, which we view as utilities rather than growth companies.

TDIV was actually [Baker Ave's] idea. We went to First Trust, who was one of our trusted ETF vendors, and said, "Hey, we want to do this. Can you help us create this security?" They thought it was very timely and something that they really wanted to work with us on.

### In terms of a dividend strategy, why technology and not another sector?

We were looking for a sector that was growing their dividend payouts, rather than contracting or having very slow growth.

We wanted a combination of both "earnings growth" and "dividend growth," which only the technology sector provided. The telecom sector neither provided earnings growth nor much dividend growth.

We wanted things like IBM, Intel, Cisco—large, blue-chip-type technology stocks that were now paying 2, 3, 4% in yields.

### You mentioned Apple—as a dividend-paying stock, how does Apple play into TDIV's strategy?

That's an excellent question. Apple literally just got added to TDIV at the end of the first quarter of 2013. If you look at the top holdings in the fund, Microsoft is the largest, at 8 percent. Apple is now 7.6%, approximately, putting it fifth or sixth.

I think Apple's addition to TDIV will be a net positive over the long term for the performance of the ETF, resulting in more assets. We expect Apple to announce an increase in its dividends when it announces earnings in a few weeks.

With the addition of Apple, TDIV now holds the biggest and most recognizable technology companies in the world.

### Do you think TDIV loses out by being U.S. based, rather than global?

Well, keep in mind that a lot of these technology companies actually have a large portion of their business overseas, like Intel, Cisco and Microsoft. We didn't think it was a necessary to have a global strategy.

And frankly, if we're talking about where the headquarters of technology is, it's right here in the U.S., here in Silicon Valley.

There are good international technology companies out there, like SAP. But by far, the bulk of the bluest-chip technology companies are here in the U.S. And even SAP, for example, is only paying about 90 basis points. So, by no means is the income-to-production as good as the companies here in the U.S. +

### First Trust Nasdaq Technology Dividend ETF (TDIV)

**EQUITY:** Global Technology  
**ISSUER:** First Trust  
**LEGAL STRUCTURE:**  
Open-Ended Fund  
**EXPENSE RATIO:** 0.50%  
**AUM:** \$77.5 Million  
**AD\$V (30-DAY):** \$857,000  
**AVG. SPREAD:** 0.25%  
**COMPETING FUNDS:**  
IXN, SKYY, PXN, SOCL

#### RETURN



Sources: Bloomberg, IndexUniverse. Data from 8/16/2012 to 4/17/2013.



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### 6<sup>th</sup> annual + Inside Commodities



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### 2<sup>nd</sup> annual + Inside Fixed Income



**October 18, 2013** GRAND HYATT • SAN FRANCISCO

Designed for FINANCIAL ADVISORS and INSTITUTIONAL INVESTORS

Learn about nontraditional fixed-income products, best practices for a rising rate environment and what fixed-income opportunities lie outside the U.S. At Inside Fixed Income, uncover how to tactically tilt and strategically incorporate fixed-income investments into your portfolio and find out what risks are involved in trading fixed-income ETFs.

### 2<sup>nd</sup> annual + Inside ETFs Trading



**November 4, 2013** NEW YORK STOCK EXCHANGE • NY

Designed for FINANCIAL ADVISORS and INSTITUTIONAL INVESTORS

Keynote speaker Tom Dorsey, along with other leading financial experts, will share with you tactical and actionable trading strategies to benefit any portfolio. See how the top traders achieve the best execution through a live trading session, and find out what macro-driven strategies will be steering the market in 2014 and beyond.

**April's** U.S. sector performance was impressive, judging by the returns of U.S. sector ETFs. Telecom funds fared best: The iShares Dow Jones Telecommunications ETF (IYZ) ended the month up 10%, while the Vanguard Telecommunication Services ETF (VOX) gained slightly more than 8%. Utilities and real estate finished strong as well – the Vanguard REIT ETF (VNQ) rose 6.7%, while the Utilities Select SPDR (XLU) gained almost 6% by month end. Other sectors showed more modest performance. Consumer cyclicals, represented by the Consumer Staples Select SPDR (XLP), gained almost 3%.

Not everything was a gain, however. The energy sector, represented by the Energy Select SPDR (XLE), lost 1.2%. XOP, the SPDR S&P Oil & Gas Exploration & Production ETF, fared even worse, dropping 5% by the end of April. The biggest discrepancy, however, was in basic materials, where the broad Materials Select SPDR (XLB) stayed essentially flat, while the SPDR S&P Metals and Mining ETF's (XME) return dramatically dropped, down 7.8% by month end.

In flows, XLV gained \$627 million in net new assets, followed by the Vanguard REIT ETF (VNQ) with \$578 million and XLP with \$544 million. XRT lost \$404 million in outflows, followed by the Financial Select SPDR (XLF) with \$293 million and XLB with \$215 million. +

## Top Inflows

	TICKER	NET FLOWS	AUM (\$M)		
	Health Care Select SPDR	XLV	626.63	7,972.5	Health Care
	Vanguard REIT	VNQ	578.45	20,033.7	Real Estate
	Consumer Staples Select SPDR	XLP	543.89	7,222.4	Consumer Non-cyclicals
	Alerian MLP	AMLP	227.47	6,025.5	Energy
	iShares NASDAQ Biotechnology	IBB	206.20	2,997.7	Health Care

## Top Outflows

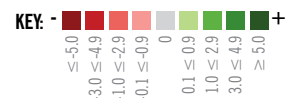
	TICKER	NET FLOWS	AUM (\$M)		
	SPDR S&P Retail	XRT	-403.82	562.0	Consumer Cyclicals
	Financial Select SPDR	XLF	-292.85	11,677.1	Financials
	Materials Select SPDR	XLB	-215.05	2,708.9	Basic Materials
	Energy Select SPDR	XLE	-194.89	7,449.2	Energy
	iShares Dow Jones U.S. Real Estate	IYR	-191.64	5,769.5	Real Estate

## Sector Performance

APRIL 2013

BASIC MATERIALS	CONS. CYCL.	CONS. NON-CYCL.	ENERGY	FINANCIAL	HEALTH CARE	INDUSTRIAL	REAL ESTATE	TECH	TELECOM	UTILITIES
BROAD XLB 0.84%	BROAD XLY 2.98%	BROAD XLP 2.98%	BROAD XLE -1.23%	BROAD XLF 2.77%	BROAD XLV 2.88%	BROAD XLI -0.74%	BROAD IYR 5.65%	BROAD XLK 1.71%	BROAD IYZ 10.07%	BROAD XLU 5.94%
MINING XME -7.79%	HOME BLD XHB 0.87%	FOOD PBJ 0.77%	EQUIP IEZ -1.64%	BANKS KBWB 1.17%	BIOTECH IBB 7.71%	DEFENSE PPA 0.19%	BROAD VNQ 6.70%	INTERNET FDN 0.57%	BROAD VOX 8.06%	BROAD VPU 5.62%
	MEDIA PBS 2.62%		EXPLOR XOP -5.07%	BANK & IN IAI -0.72%	MED DEV IHI -1.07%	TRANSP IYT -1.18%		SEMIS XSD -0.90%		
	RETAIL XRT 4.41%			INSURANCE KBWI 2.56%	PHARMA IHE 3.36%	ENGINEER PKB -2.66%		SOFTWARE IGV -1.74%		
	LEISURE PEJ 2.73%			SERVICES IYG 1.27%	EQUIPMENT XHE -2.52%					
					SERVICES IHF 2.70%					

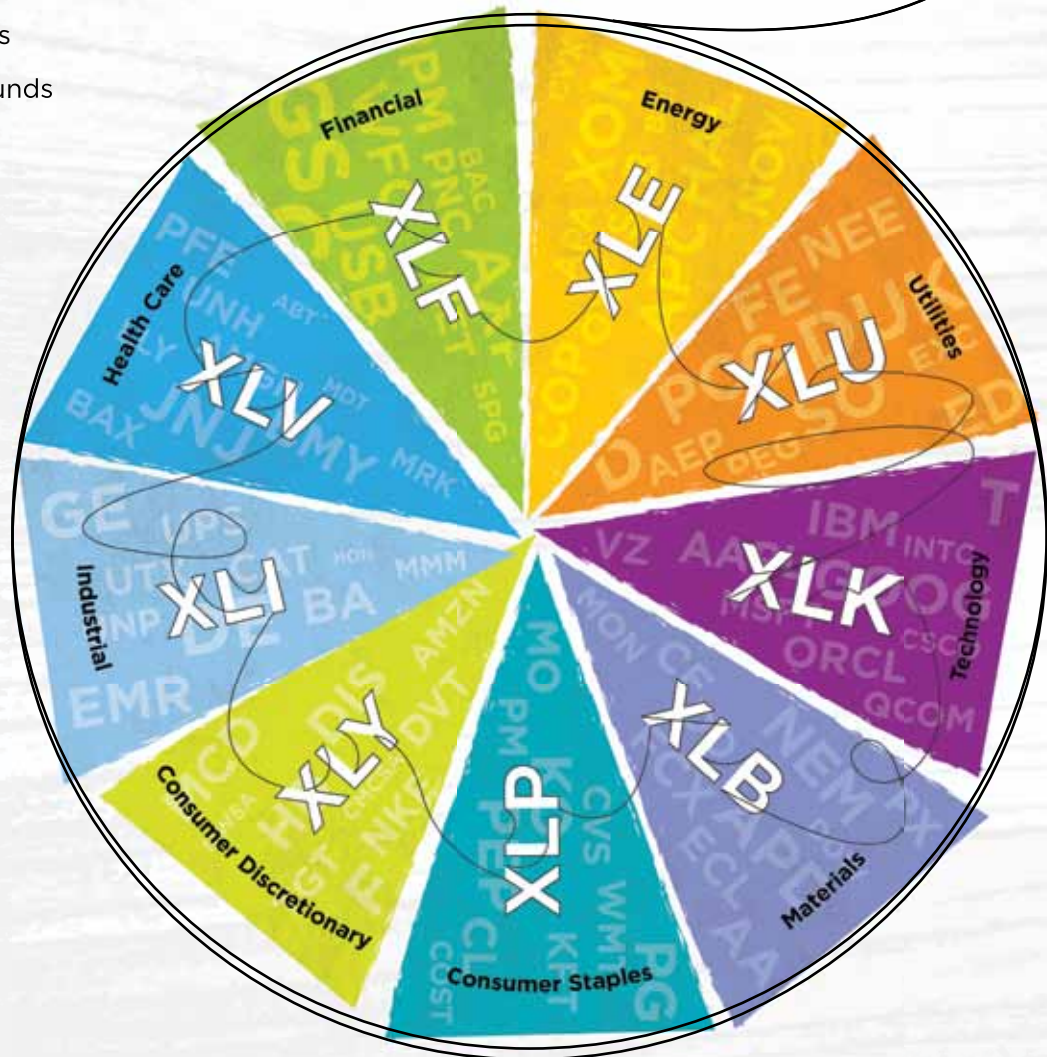
Source: Bloomberg. Data from 03/29/2013 to 04/30/2013. ETFs chosen to represent each sector based on the most liquid ETF in each segment of the IndexUniverse ETF Classification System.



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# ETF DATA

## U.S.-LISTED ETFs BY ASSET CLASS AND YEAR-TO-DATE RETURN

- › Data as of 04/30/2013
- › Exp Ratio is annual expense ratio
- › AUM is net assets in \$US millions
- › YTD is year-to-date
- › 3YR and 5YR returns are annualized
- › Includes all U.S.-listed ETFs and ETNs with assets of \$150 million and above
- › Source: Morningstar

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
<b>U.S. EQUITY: TOTAL MARKET</b>						
iShares MSCI USA Minimum Volatility	USMV	0.15	3,690.3	16.38	-	-
WisdomTree Dividend Ex-Financials	DTN	0.38	1,130.5	15.10	17.74	8.04
WisdomTree Total Dividend	DTD	0.28	312.4	13.79	15.02	5.83
SPDR Dow Jones Total Market	TMW	0.20	496.5	12.89	12.45	5.53
Vanguard Total Stock Market	VTI	0.05	29,904.4	12.76	12.81	5.87
iShares Dow Jones US	IYY	0.20	712.4	12.73	12.69	5.54
Schwab US Broad Market	SCHB	0.04	1,800.0	12.72	12.93	-
iShares Core S&P Total U.S. Stock Market	ITOT	0.07	688.5	12.69	12.67	5.34
FlexShares MStar U.S. Market Factor Tilt	TILT	0.27	279.4	12.64	-	-
iShares Russell 3000	IWW	0.20	4,154.4	12.54	12.59	5.50
iShares MSCI USA	EUSA	0.15	158.2	12.38	-	-
<b>U.S. EQUITY: TOTAL MARKET GROWTH</b>						
iShares Russell 3000 Growth	IWZ	0.25	395.9	11.76	13.11	6.54
Fidelity NASDAQ Composite	ONEQ	0.31	196.5	10.56	11.53	7.60
<b>U.S. EQUITY: TOTAL MARKET VALUE</b>						
iShares Russell 3000 Value	IWW	0.25	409.7	13.55	11.80	4.21
<b>U.S. EQUITY: EXTENDED CAP</b>						
Vanguard Extended Market	VXF	0.14	2,134.9	13.59	13.12	7.96
PowerShares FTSE RAFI US 1500 SmMid	PRFZ	0.39	563.8	11.81	10.46	10.26
<b>U.S. EQUITY: LARGE CAP</b>						
ALPS Sector Dividend Dogs	SDOG	0.40	207.0	17.84	-	-
PowerShares S&P 500 Low Volatility	SPLV	0.25	5,431.6	17.37	-	-
iShares Morningstar Large Core	JKD	0.20	336.7	15.91	13.90	6.72
RevenueShares Large Cap	RWL	0.49	175.7	14.99	13.06	5.52
iShares MSCI KLD 400 Social	DSI	0.50	210.8	14.94	11.05	5.45
PowerShares FTSE RAFI US 1000	PRF	0.39	1,771.3	14.74	12.61	7.46
Guggenheim S&P Equal Weight	RSP	0.40	3,718.0	14.13	13.29	7.73
PowerShares S&P 500 High Quality	SPHQ	0.29	228.7	14.13	15.36	2.38
SPDR DJ Industrial Average Trust	DIA	0.17	12,173.1	14.12	13.27	5.76
iShares MSCI USA ESG Select Social	KLD	0.50	208.9	13.83	10.89	5.03
WisdomTree LargeCap Dividend	DLN	0.28	1,620.7	13.41	15.22	5.19
First Trust Large Core AlphaDEX	FEX	0.70	398.3	13.35	12.41	6.53
Vanguard Russell 1000	VONE	0.12	201.8	12.95	-	-
Schwab US Large-Cap	SCHX	0.04	1,455.4	12.82	12.83	-
Vanguard Large-Cap	VV	0.10	3,999.3	12.80	12.80	5.46
iShares Russell 1000	IWB	0.15	7,425.0	12.79	12.74	5.40
Vanguard S&P 500	VOO	0.05	9,030.7	12.72	-	-
iShares S&P 500	IWV	0.07	41,378.0	12.63	12.68	5.18
SPDR S&P 500	SPY	0.09	132,152.0	12.63	12.68	5.18

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
Vanguard Mega Cap 300	MGC	0.12	557.1	12.37	12.66	5.11
iShares S&P 100	OEF	0.20	4,034.2	11.77	12.30	4.63
Guggenheim Russell Top 50	XLG	0.20	569.9	11.12	11.77	4.38
PowerShares S&P 500 High Beta	SPHB	0.25	266.8	8.85	-	-
Barclays ETN+ S&P Veqtor ETN	VQT	0.95	356.7	5.88	-	-

### U.S. EQUITY: LARGE CAP GROWTH

Guggenheim S&P 500 Pure Growth	RPG	0.35	404.8	15.07	15.59	9.63
PowerShares Dyn Large Cap Growth	PWB	0.61	212.9	12.47	13.60	5.05
iShares Russell 1000 Growth	IWF	0.20	19,100.2	11.65	13.23	6.44
iShares S&P 500 Growth	IWG	0.18	7,105.2	11.42	13.32	6.53
SPDR 500 Growth	SPYG	0.20	247.7	11.28	13.18	6.84
iShares Russell Top 200 Growth	IWY	0.20	396.2	11.17	13.07	-
Schwab US Large-Cap Growth	SCHG	0.07	657.5	11.15	12.21	-
Vanguard Growth	VUG	0.10	10,031.9	10.98	13.30	6.49
Vanguard Mega Cap 300 Growth	MGK	0.12	1,002.4	10.51	13.14	6.59
iShares Morningstar Large Growth	JKE	0.25	449.0	8.92	12.11	5.34
PowerShares QQQ	QQQ	0.20	32,912.2	8.84	13.94	9.26

### U.S. EQUITY: LARGE CAP VALUE

PowerShares Dyn Large Cap Value	PWV	0.59	572.3	15.84	14.49	8.06
Guggenheim S&P 500 Pure Value	RPV	0.35	194.2	15.14	14.03	8.77
Vanguard Value	VTV	0.10	9,558.6	14.59	12.22	4.35
Schwab US Large-Cap Value	SCHV	0.07	604.1	14.56	13.14	-
Vanguard Mega Cap 300 Value	MGV	0.12	562.2	14.23	12.05	3.61
iShares S&P 500 Value	IVE	0.18	5,844.5	13.72	11.84	3.55
iShares Russell 1000 Value	IWD	0.20	17,223.6	13.69	12.09	4.03
First Trust Large Cap Value AlphaDEX	FTA	0.70	388.8	12.90	13.40	8.24
iShares Morningstar Large Value	JKF	0.25	260.0	12.50	11.48	1.87

### U.S. EQUITY: MID CAP

WisdomTree MidCap Dividend	DON	0.38	592.0	16.25	14.79	9.16
Vanguard Mid-Cap	VO	0.10	4,918.6	14.65	13.35	7.02
Schwab US Mid-Cap	SCHM	0.07	497.6	14.52	-	-
iShares Russell Midcap	IWR	0.21	7,492.4	14.40	13.57	7.15
iShares S&P 400 MidCap	IJH	0.15	15,853.7	14.18	13.59	8.26
Vanguard S&P Mid-Cap 400	IVOO	0.16	159.4	13.90	-	-
SPDR S&P MidCap 400	MDY	0.25	11,918.2	13.87	13.47	8.03
First Trust Mid Cap Core AlphaDEX	FNX	0.70	418.5	13.69	13.17	9.48
iShares Morningstar Mid Core	JKG	0.25	195.6	13.28	15.01	8.05
WisdomTree MidCap Earnings	EZM	0.38	211.0	12.82	14.36	10.99

### U.S. EQUITY: MID CAP GROWTH

iShares S&P Mid Cap 400 Growth	IJK	0.25	3,805.8	13.50	14.61	8.84
Vanguard Mid-Cap Growth	VOT	0.10	1,498.3	13.14	13.64	5.54
iShares Russell Mid Cap Growth	IWP	0.25	3,623.3	13.09	13.43	6.60
Vanguard S&P Mid-Cap 400 Growth	IVOG	0.20	154.8	13.05	-	-
Guggenheim S&P MidCap 400 Pure Growth	RFG	0.35	615.4	11.52	15.82	13.26
iShares Morningstar Mid Growth	JKH	0.30	167.3	11.48	12.67	4.95

### U.S. EQUITY: MID CAP VALUE

Vanguard Mid-Cap Value	VOE	0.10	1,640.5	16.22	12.83	8.16
iShares Russell Midcap Value	IWS	0.28	4,722.9	15.37	13.50	7.36
iShares S&P MidCap 400 Value	IJJ	0.27	2,990.5	14.86	12.50	7.54

### U.S. EQUITY: SMALL CAP

WisdomTree SmallCap Dividend	DES	0.38	562.4	13.12	12.33	8.30
iShares Morningstar Small Core	JKJ	0.25	161.5	13.10	10.91	7.80
Vanguard Small-Cap	VB	0.10	6,055.4	13.02	12.81	8.68
Schwab US Small-Cap	SCHA	0.08	1,090.4	12.41	12.57	-
Vanguard Russell 2000	VTWO	0.21	210.1	11.94	-	-
iShares Russell 2000	IWM	0.23	21,168.1	11.92	11.25	7.32
SPDR S&P SmallCap 600 Index	SLY	0.20	296.8	11.69	12.85	9.05
iShares S&P SmallCap 600	IJR	0.16	9,912.2	11.59	12.85	8.22
WisdomTree SmallCap Earnings	EES	0.38	180.0	11.36	11.42	10.92
First Trust Small Cap Core AlphaDEX	FYX	0.70	217.0	10.76	11.99	8.82

### U.S. EQUITY: SMALL CAP GROWTH

iShares Russell 2000 Growth	IWO	0.25	4,438.9	12.49	12.99	7.85
Vanguard Small-Cap Growth	VBK	0.10	2,672.0	11.81	14.02	9.01
iShares S&P SmallCap 600 Growth	IJT	0.25	1,830.8	11.30	14.34	8.48
SPDR S&P SmallCap 600 Growth	SLVG	0.25	203.7	11.24	14.32	9.85

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
<b>U.S. EQUITY: SMALL CAP VALUE</b>						
iShares Morningstar Small Value	JKL	0.30	278.6	14.10	12.37	10.14
Vanguard Small-Cap Value	VBR	0.10	2,954.0	13.20	11.28	7.98
SPDR S&P SmallCap 600 Value Index	SLVY	0.25	168.6	12.19	11.00	8.60
iShares S&P SmallCap 600 Value	IJS	0.29	2,242.0	11.60	11.30	7.81
iShares Russell 2000 Value	IWN	0.37	5,238.5	11.44	9.47	6.51
<b>U.S. EQUITY: MICRO CAP</b>						
iShares Russell Microcap	IWC	0.69	542.9	12.28	9.36	5.66
<b>U.S. EQUITY: BASIC MATERIALS</b>						
Materials Select SPDR	XLB	0.18	2,708.9	5.79	8.06	1.10
Vanguard Materials	VAW	0.14	766.8	5.19	9.63	1.94
First Trust Materials AlphaDEX	FXZ	0.70	198.4	4.06	8.72	5.34
iShares DJ US Basic Materials	IYM	0.47	507.0	1.27	4.93	-0.77
SPDR S&P Metals and Mining	XME	0.35	632.6	-17.43	-11.75	-12.46
<b>U.S. EQUITY: CONSUMER CYCLICALS</b>						
PowerShares Dynamic Media	PBS	0.63	150.8	20.53	14.39	9.03
SPDR S&P Retail	XRT	0.35	562.0	17.89	21.27	19.07
First Trust Consumer Discr AlphaDEX	FXD	0.70	566.9	16.56	14.75	11.34
Consumer Discr Select SPDR	XLY	0.18	4,689.6	15.46	18.05	13.01
iShares DJ US Consumer Services	IYC	0.47	380.0	15.37	17.96	12.06
Vanguard Consumer Discr	VCR	0.14	769.6	15.24	17.76	12.97
iShares DJ US Home Construction	ITB	0.47	2,308.9	14.67	17.61	4.82
SPDR S&P Homebuilders	XHB	0.35	2,783.6	13.97	18.17	8.09
<b>U.S. EQUITY: CONSUMER NON-CYCLICALS</b>						
First Trust Consumer Staples AlphaDEX	FXG	0.70	560.3	21.32	18.50	12.18
PowerShares Dyn Food & Beverage	PBJ	0.63	236.2	18.63	15.19	8.40
Vanguard Consumer Staples	VDC	0.14	1,454.1	17.95	17.49	11.31
Consumer Staples Select SPDR	XLP	0.18	7,222.4	17.89	17.36	11.05
iShares DJ US Consumer Goods	IYK	0.47	481.5	17.13	16.57	10.23
<b>U.S. EQUITY: ENERGY</b>						
Credit Suisse Cushing 30 MLP ETN	MLPN	0.85	484.7	22.30	19.50	-
JPMorgan Alerian MLP ETN	AMJ	0.85	5,795.0	22.00	20.17	-
ETRACS MLP Infrastructure ETN	MLPI	0.85	817.3	19.89	19.87	-
Alerian MLP	AMLMP	0.85	6,025.5	13.32	-	-
Yorkville High Income MLP	YMLP	0.82	177.1	11.88	-	-
iShares DJ US Oil/Gas Expl & Production	IEO	0.47	319.1	11.83	8.40	-0.57
SPDR S&P Oil/Gas Equipment & Services	XES	0.35	249.3	11.80	7.53	-1.86
iShares DJ US Oil Equipment & Services	IEZ	0.47	367.1	10.80	6.69	-3.40
Energy Select SPDR	XLE	0.18	7,449.2	10.08	11.21	0.87
iShares Dow Jones US Energy	IYE	0.47	1,211.3	9.82	10.53	0.25
Vanguard Energy	VDE	0.14	2,111.5	9.38	10.15	0.40
SPDR S&P Oil/Gas Expl & Production	XOP	0.35	809.9	6.38	9.74	0.33
First Trust ISE-Revere Natural Gas	FCG	0.60	411.5	3.06	-3.72	-8.88
<b>U.S. EQUITY: FINANCIALS</b>						
SPDR KBW Insurance	KIE	0.35	305.2	21.03	10.70	3.72
PowerShares KBW High Div Yld Financial	KBWD	1.48	245.5	17.93	-	-
First Trust Financials AlphaDEX	FXO	0.70	271.3	17.39	11.97	6.77
iShares DJ US Financial	IYF	0.47	879.8	14.86	7.73	-2.46
Vanguard Financials	VFH	0.19	1,256.7	14.77	7.59	-2.12
Financial Select SPDR	XLF	0.18	11,677.1	14.48	6.61	-4.81
iShares DJ US Financial Services	IYG	0.47	428.7	13.13	4.62	-4.86
SPDR KBW Regional Banking	KRE	0.35	1,348.8	11.36	5.47	0.22
SPDR KBW Bank	KBE	0.35	1,906.4	11.21	0.02	-6.46
iShares Dow Jones US Regional Banks	IAT	0.47	349.8	9.94	2.34	-3.73
<b>U.S. EQUITY: HEALTH CARE</b>						
Market Vectors Biotech	BBH	0.35	299.9	30.49	-	-
iShares NASDAQ Biotechnology	IBB	0.48	2,997.8	25.57	24.06	17.59
First Trust NYSE Arca Biotechnology	FBT	0.60	327.2	24.96	16.58	20.22
PowerShares Dyn Biotech/Genome	PBE	0.63	154.0	23.92	12.85	9.82
SPDR S&P Biotech	XBI	0.35	846.7	20.41	20.69	13.99
First Trust Health Care AlphaDEX	FXH	0.70	835.0	19.77	18.31	16.19
iShares DJ US Healthcare	IYH	0.47	986.1	19.68	17.68	11.22
Health Care Select SPDR	XLV	0.18	7,972.5	19.19	17.66	10.70
Vanguard Health Care	VHT	0.14	1,571.0	18.99	17.61	11.50
SPDR S&P Pharmaceuticals	XPH	0.35	389.8	18.33	18.04	17.38
PowerShares Dyn Pharmaceuticals	PJP	0.63	468.3	17.93	28.93	20.04

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
Market Vectors Pharmaceutical	PPH	0.35	277.3	17.60	-	-
iShares DJ US Pharmaceuticals	IHE	0.47	460.8	16.91	20.84	16.77
iShares DJ US Healthcare Providers	IHF	0.47	275.2	15.02	16.74	9.95
iShares DJ US Medical Devices	IHI	0.47	340.6	11.92	8.39	6.25
<b>U.S. EQUITY: INDUSTRIALS</b>						
iShares DJ Transportation Average	IYT	0.47	566.8	16.90	10.70	5.05
First Trust Industrials/Producer Durables AlphaDEX	FXR	0.70	153.5	12.71	10.25	4.60
iShares DJ US Industrial	IYJ	0.47	925.2	10.90	11.83	4.67
Vanguard Industrials	VIS	0.14	727.0	10.74	11.48	4.01
Industrial Select SPDR	XLI	0.18	4,405.6	9.84	10.70	4.00
<b>U.S. EQUITY: TECHNOLOGY</b>						
Market Vectors Semiconductor	SMH	0.35	325.0	14.60	-	-
First Trust DJ Internet	FDN	0.60	933.8	11.21	16.71	12.56
First Trust Technology AlphaDEX	FXL	0.70	233.8	10.64	7.80	5.30
iShares S&P North American Technology	IGM	0.48	507.1	8.36	9.78	6.70
iShares S&P North Amer Software	IGV	0.48	698.9	8.26	11.59	7.77
Technology Select SPDR	XLK	0.18	9,639.0	7.20	11.35	6.81
SPDR Morgan Stanley Technology	MTK	0.50	175.1	6.84	7.74	5.67
Vanguard Information Technology	VGIT	0.14	2,853.8	6.05	9.41	6.96
iShares DJ US Technology	IYW	0.47	1,859.2	4.40	8.10	6.15
iShares S&P North Am Multimedia Netwrk	IGN	0.48	184.3	0.09	-1.14	-0.67
<b>U.S. EQUITY: TELECOMMUNICATIONS</b>						
Vanguard Telecommunication Svcs	VOX	0.14	626.0	14.66	15.94	7.27
iShares DJ Telecommunications	IYZ	0.47	534.1	11.08	12.82	4.55
<b>U.S. EQUITY: UTILITIES</b>						
Vanguard Utilities	VPU	0.14	1,635.4	19.94	15.73	5.37
iShares DJ US Utilities	IDU	0.47	1,117.3	19.75	15.38	4.79
Utilities Select SPDR	XLU	0.18	6,511.3	19.66	15.44	4.93
First Trust Utilities AlphaDEX	FXU	0.70	200.2	14.46	12.13	7.50
<b>U.S. EQUITY: REAL ESTATE</b>						
Vanguard REIT	VNQ	0.10	20,064.6	15.29	17.09	7.36
First Trust S&P REIT	FRI	0.50	518.1	15.20	16.55	6.33
iShares DJ US Real Estate	IYR	0.47	5,761.9	14.56	15.81	6.00
Schwab U. S. REIT	SCHH	0.07	582.3	14.36	-	-
SPDR Dow Jones REIT	RWR	0.25	2,295.7	14.20	16.59	6.08
iShares FTSE NAREIT Residential Plus	REZ	0.48	350.0	13.76	18.62	9.12
iShares Cohen & Steers Realty Majors	ICF	0.35	3,189.8	13.25	16.41	4.71
<b>U.S. EQUITY: THEME</b>						
iShares FTSE NAREIT Mortgage Plus	REM	0.48	1,263.0	18.39	12.68	2.44
PowerShares Water Resources	PHO	0.62	877.1	6.27	7.64	1.94
<b>U.S. EQUITY: ALPHA-SEEKING</b>						
PowerShares Buyback Achievers	PKW	0.71	415.2	16.26	16.51	9.92
PowerShares DWA Technical Leaders	PDP	0.67	876.9	13.72	14.84	4.53
Market Vectors Morningstar Wide Moat Research	MOAT	0.49	187.9	7.83	-	-
<b>U.S. EQUITY: HIGH DIVIDEND YIELD</b>						
iShares High Dividend Equity	HDV	0.40	3,507.8	17.69	-	-
First Trust Mstar Dividend Leaders	FDL	0.45	625.9	17.40	18.47	7.71
WisdomTree Equity Income	DHS	0.38	692.9	17.31	18.72	5.76
Schwab US Dividend Equity	SCHD	0.07	916.8	16.27	-	-
SPDR S&P Dividend	SDY	0.35	11,650.4	16.26	13.84	8.90
First Trust Value Line Dividend	FVD	0.70	643.6	15.73	14.99	8.61
PowerShares HIYld Equity Div Achievers	PEY	0.60	322.5	15.70	12.94	3.58
iShares DJ Select Dividend	DVY	0.40	12,423.4	15.41	15.45	6.09
Vanguard High Dividend Yield	VYM	0.10	5,810.4	15.10	15.41	6.47
PowerShares Dividend Achievers	PFM	0.60	302.4	13.84	14.06	4.74
Vanguard Dividend Appreciation	VIG	0.13	15,336.0	12.63	12.72	6.51
Guggenheim Multi-Asset Income	CVY	0.77	1,024.8	12.10	14.31	7.30
<b>GLOBAL EQUITY</b>						
iShares MSCI All Country World Minimum Volatility	ACWW	0.34	1,044.4	14.81	-	-
iShares S&P Global 100	IOO	0.40	1,263.1	9.80	8.67	1.17
Vanguard Total World Stock	VT	0.19	2,263.7	8.96	9.08	-
iShares MSCI ACWI	ACWI	0.34	3,937.0	8.55	8.67	1.33
<b>GLOBAL EQUITY EX-U.S.</b>						
SPDR S&P World ex-US	GWL	0.34	619.7	7.22	6.96	-0.82
Vanguard FTSE All-World ex-US SmCap	VSS	0.25	1,408.9	6.48	7.08	-
iShares MSCI ACWI ex US	ACWX	0.34	1,443.9	5.92	5.72	-1.87

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
Vanguard Total International Stock	VXUS	0.16	1,640.1	5.76	-	-
SPDR MSCI ACWI ex-US	CWI	0.34	427.8	5.50	5.91	-0.59
Vanguard FTSE All-World ex-US	VEU	0.15	9,635.7	5.45	6.38	-0.76
<b>INTERNATIONAL EQUITY: BLENDED DEVELOPMENT</b>						
iShares MSCI All Country Asia ex-Japan	AAJ	0.69	2,759.2	-0.17	3.84	-
iShares S&P Asia 50	AIA	0.50	252.9	-2.39	7.32	1.67
<b>INTERNATIONAL EQUITY: DEVELOPED</b>						
WisdomTree Japan Hedged Equity	DXJ	0.48	7,696.5	28.96	6.20	0.45
iShares MSCI Japan	EWJ	0.53	10,612.4	20.00	5.95	-0.89
WisdomTree Japan SmallCap Dividend	DFJ	0.58	237.3	18.47	9.21	4.60
Maxis Nikkei 225	NKY	0.50	187.7	18.06	-	-
Vanguard Pacific	VPL	0.12	2,244.4	14.85	8.05	1.45
iShares MSCI New Zealand	ENZL	0.53	201.7	14.55	-	-
iShares MSCI Switzerland	EWL	0.53	940.2	13.81	14.07	5.50
iShares MSCI EAFE Minimum Volatility	EFV	0.20	546.0	13.70	-	-
iShares MSCI EAFE Small Cap	SCZ	0.40	2,042.8	11.84	10.00	2.11
iShares MSCI Australia	EWA	0.53	2,654.3	11.77	11.25	5.10
WisdomTree Intl SmallCap Dividend	DLS	0.58	585.2	11.26	10.55	2.45
SPDR S&P International Small Cap	GWX	0.59	766.5	10.37	7.95	1.76
iShares MSCI Sweden	EWSD	0.53	406.5	9.77	11.08	4.52
iShares MSCI EAFE Growth	EFG	0.40	1,555.5	9.71	8.48	-0.48
iShares MSCI Pacific ex-Japan	EPP	0.50	4,767.0	9.46	11.33	4.99
Vanguard MSCI EAFE	VEA	0.10	13,754.1	9.28	7.73	-0.77
iShares MSCI Kokusai	TOK	0.25	598.3	9.16	10.15	2.01
iShares Core MSCI EAFE	IEFA	0.14	636.4	9.14	-	-
WisdomTree DEFA	DWM	0.48	488.1	9.11	8.03	-1.12
iShares MSCI EAFE	EFA	0.34	42,447.7	8.93	7.66	-0.98
iShares MSCI EAFE Value	EFV	0.40	1,921.3	8.68	6.54	-1.66
WisdomTree Intl LargeCap Dividend	DOL	0.48	222.0	8.08	7.50	-1.51
PowerShares F/R Dev Mkts ex-US SmMid	PXF	0.45	537.8	7.51	4.57	-1.50
Schwab International Equity	SCHF	0.09	1,254.2	7.08	7.03	-
Schwab International Small-Cap Eq	SCHC	0.20	258.3	6.58	7.70	-
WisdomTree Intl Hedged Equity	HEDJ	0.58	239.5	6.17	5.91	-
Vanguard European	VGK	0.12	5,674.3	5.66	8.02	-1.80
WisdomTree Intl Dividend ex-Financials	DOO	0.58	366.5	5.62	6.51	-2.37
iShares S&P Europe 350	IEV	0.60	1,241.7	5.60	7.36	-2.28
iShares MSCI Singapore	EWS	0.53	1,641.6	5.48	10.45	5.25
iShares MSCI Hong Kong	EWH	0.53	3,648.3	5.36	12.32	4.26
iShares MSCI United Kingdom	EWU	0.53	1,620.9	4.74	9.16	-0.35
iShares MSCI France	EWQ	0.53	531.0	3.98	4.42	-4.27
iShares MSCI Netherlands	EWN	0.53	155.6	3.80	4.30	-3.41
iShares MSCI EMU	EZU	0.53	2,062.1	3.20	3.62	-6.03
iShares MSCI Germany	EWG	0.53	2,851.5	3.12	8.48	-2.12
iShares MSCI Spain	EWP	0.53	271.3	3.07	-1.31	-7.53
SPDR Euro STOXX 50	FEZ	0.29	2,060.2	2.02	2.85	-6.05
iShares MSCI Canada	EWC	0.53	4,305.5	-1.34	1.74	-1.01
iShares MSCI Italy	EWI	0.53	602.7	-2.23	-5.08	-12.88
iShares MSCI South Korea	EWY	0.61	3,327.7	-7.79	4.99	0.50
<b>INTERNATIONAL EQUITY: EMERGING</b>						
iShares MSCI Philippines	EPHE	0.61	463.8	21.22	-	-
iShares MSCI Indonesia	EIDO	0.61	603.4	17.55	-	-
iShares MSCI Thailand	THD	0.61	1,050.1	15.17	30.96	16.20
Market Vectors Indonesia	IDX	0.57	474.7	14.70	11.72	-
iShares MSCI Turkey	TUR	0.61	910.7	9.63	8.30	8.67
WisdomTree Emrg Mkts SmallCap Div	DGS	0.64	1,563.9	6.68	8.70	6.58
SPDR S&P Emrg Mkts Small Cap	EWX	0.65	921.6	5.21	3.28	-
iShares MSCI Malaysia	EWM	0.53	973.2	4.56	12.81	9.27
iShares MSCI Emerging Markets Minimum Volatility	EEMV	0.25	1,926.5	3.32	-	-
PowerShares India	PIN	0.81	386.6	3.05	-4.98	-6.01
iShares MSCI Taiwan	EWT	0.61	2,763.9	2.79	6.08	0.21
iShares MSCI Mexico	EWX	0.53	3,114.5	2.58	12.27	5.91
iShares S&P India Nifty 50	INDY	0.92	462.5	2.29	-1.08	-
iPath MSCI India ETN	INP	0.89	438.1	2.28	-3.01	-3.87
PowerShares Halter USX China	PGJ	0.69	181.7	2.14	-6.29	-6.18
SPDR S&P Emerging Asia Pacific	GMF	0.59	485.2	1.59	4.80	1.45

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
iShares MSCI India	INDA	0.67	188.0	1.14	-	-
Guggenheim China Small Cap	HAO	0.75	251.7	-0.17	-1.67	1.04
First Trust Emerging Markets AlphaDex	FEM	0.80	171.2	-0.46	-	-
iShares MSCI Chile	ECH	0.61	551.0	-0.79	4.96	5.45
iShares S&P Latin America 40	ILF	0.50	1,433.0	-1.16	-0.58	-2.19
iShares Core MSCI Emerging Markets	IEMG	0.18	1,068.8	-1.40	-	-
iShares MSCI Brazil	EWZ	0.61	7,471.9	-1.41	-5.83	-6.03
SPDR S&P Emerging Markets	GMM	0.59	225.2	-1.52	3.05	-0.15
Vanguard MSCI Emerging Markets	VVO	0.18	57,938.9	-1.59	3.53	-0.50
Schwab Emerging Markets Equity	SCHE	0.15	878.5	-1.71	3.18	-
WisdomTree India Earnings	EPI	0.83	1,048.5	-2.32	-5.94	-4.83
iShares MSCI Emerging Markets	EEM	0.69	44,967.4	-2.39	2.76	-0.54
Guggenheim BRIC	EEB	0.64	279.4	-2.58	-3.40	-5.25
BLDRS Emerging Markets 50 ADR	ADRE	0.30	282.3	-2.61	-1.39	-3.99
iShares MSCI BRIC	BKF	0.69	603.7	-3.28	-2.68	-5.22
PowerShares FTSE RAFI Emrg Mkts	PXH	0.49	375.6	-3.59	0.80	-0.84
SPDR S&P China	GXC	0.59	1,067.8	-3.95	1.80	-1.02
SPDR S&P BRIC 40	BIK	0.50	269.5	-4.55	-0.03	-3.75
iShares MSCI China	MCHI	0.61	1,240.7	-4.76	-	-
Market Vectors Brazil Small-Cap	BRF	0.59	437.1	-5.96	2.14	-
iShares FTSE China 25	FXI	0.74	6,504.0	-6.70	-0.61	-4.75
Global X/InterBolsa FTSE Colombia 20	GXG	0.79	184.7	-9.08	8.81	-
iShares MSCI Russia	ERUS	0.61	210.1	-9.81	-	-
iShares MSCI South Africa	EZA	0.61	502.3	-10.31	5.48	4.17
Market Vectors Russia	RSX	0.62	1,019.5	-10.57	-6.02	-10.31
iShares MSCI Poland	EPOL	0.61	152.6	-12.80	-	-
iShares MSCI All Peru	EPU	0.61	309.8	-13.23	8.12	-
<b>INTERNATIONAL EQUITY: FRONTIER</b>						
Market Vectors Vietnam	VNM	0.76	426.1	8.39	-8.47	-
<b>GLOBAL EQUITY: SECTOR</b>						
iShares S&P Global Healthcare	IXJ	0.48	795.0	18.62	17.70	10.06
First Trust North American Energy Infrastructure	EMLP	0.95	336.4	17.58	-	-
PowerShares Listed Private Equity	PSP	2.32	408.5	17.28	10.76	-5.54
iShares S&P Global Consumer Staples	KXI	0.48	629.2	15.56	16.76	9.63
iShares S&P Global Consumer Discr	RXI	0.48	198.5	13.24	14.76	8.09
SPDR DJ Global Real Estate	RWO	0.50	1,045.1	13.07	16.40	-
iShares S&P Global Utilities	JXI	0.48	241.4	12.47	5.46	-2.52
iShares S&P Global Telecommunications	IXP	0.48	495.0	11.81	12.38	2.89
iShares S&P Global Financials	IXG	0.48	272.5	11.54	5.88	-4.93
Guggenheim Timber	CUT	0.70	228.3	10.76	7.25	3.20
Market Vectors Oil Services	OIH	0.35	1,743.6	10.72	-	-
iShares S&P Global Industrials	EXI	0.48	221.1	9.29	8.91	1.89
Guggenheim S&P Global Water	CGW	0.70	239.1	9.01	11.85	2.88
iShares S&P Global Infrastructure	IGF	0.48	450.4	8.88	9.25	-0.01
iShares S&P Global Timber/Forestry	WOOD	0.48	296.5	8.53	6.80	-
PowerShares Global Water	PIO	0.75	210.4	7.83	3.37	-1.64
iShares S&P Global Technology	IXN	0.48	528.2	5.36	7.44	4.12
iShares S&P Global Energy	IXC	0.48	1,021.0	4.55	6.15	-1.62
iShares S&P North Amer Natural Res	IGE	0.48	1,952.4	3.06	4.19	-2.02
Market Vectors Agribusiness	MOO	0.55	5,366.3	2.84	9.45	-0.64
FlexShares MStar Gbl Upstream Nat Res	GUNR	0.48	2,286.3	-3.34	-	-
SPDR Global Natural Resources	GNR	0.40	431.1	-3.67	-	-
iShares S&P Global Materials	MXI	0.48	440.9	-6.02	0.27	-4.77
Market Vectors Coal	KOL	0.59	206.8	-13.40	-15.47	-12.41
iShares MSCI Gbl Select Mts & Min Prods	PICK	0.39	233.6	-15.46	-	-
Global X Silver Miners	SIL	0.65	226.6	-33.69	0.27	-
Market Vectors Gold Miners	GDX	0.52	5,957.2	-34.55	-15.05	-6.56
Market Vectors Junior Gold Miners	GDXJ	0.55	1,701.5	-35.22	-19.40	-
<b>GLOBAL EX-U.S. EQUITY: SECTOR</b>						
SPDR DJ Intl Real Estate	RWX	0.59	4,304.0	11.96	16.63	2.10
Vanguard Global ex-US Real Estate	VNQI	0.32	845.1	11.43	-	-
<b>INTERNATIONAL EQUITY: DEVELOPED SECTOR</b>						
iShares S&P Dev Ex-US Property	WPS	0.48	219.9	13.27	15.72	2.24
iShares FTSE E/N Dev Real Est ex-US	IFGL	0.48	1,977.5	11.32	14.81	1.46

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
<b>INTERNATIONAL EQUITY: EMERGING SECTOR</b>						
EGShares DJ Emrg Mkts Consumer Titans	ECON	0.85	995.6	2.63	-	-
Global X China Consumer	CHIQ	0.65	203.9	-3.56	-5.22	-
<b>GLOBAL EQUITY: HIGH DIVIDEND YIELD</b>						
Global X SuperDividend	SDIV	0.58	590.1	11.33	-	-
First Trust Dow Jones Global Select Dividend	FGD	0.60	323.9	6.53	10.61	2.98
<b>GLOBAL EX-U.S. EQUITY: HIGH DIVIDEND YIELD</b>						
SPDR S&P International Dividend	DWX	0.45	1,407.3	5.08	4.00	-1.83
<b>INTERNATIONAL EQUITY: HIGH DIVIDEND YIELD</b>						
WisdomTree DEFA Equity Income	DTH	0.58	226.5	9.75	7.73	-1.71
PowerShares Intl Dividend Achievers	PID	0.56	901.5	9.73	9.94	0.81
iShares DJ Intl Select Dividend	IDV	0.50	2,059.4	8.00	10.39	1.83
WisdomTree Emrg Mkts Equity Income	DEM	0.63	5,560.1	-1.90	6.12	4.46
SPDR S&P Emrg Mkts Dividend	EDIV	0.59	559.3	-3.33	-	-
<b>INTERNATIONAL EQUITY: ALPHA SEEKING</b>						
PowerShares DWA EM Tech Leaders	PIE	0.90	483.3	13.18	11.42	-0.80
PowerShares DWA Dev Mkts Technical Leaders	PIZ	0.80	252.2	9.16	6.71	-0.78
<b>U.S. FIXED INCOME: BROAD MARKET - BROAD MATURITIES</b>						
iShares Barclays Government/Credit Bond	GBF	0.20	190.9	1.34	5.80	5.58
Schwab US Aggregate Bond	SCHZ	0.05	431.3	1.12	-	-
iShares Barclays Aggregate Bond	AGG	0.08	15,582.8	1.04	5.38	5.39
Vanguard Total Bond Market	BND	0.10	18,246.3	0.94	5.42	5.63
SPDR Barclays Aggregate Bond	LAG	0.17	706.3	0.58	5.40	5.66
<b>U.S. FIXED INCOME: BROAD MARKET - SHORT-TERM</b>						
Vanguard Short-Term Bond	BSV	0.10	12,036.4	0.51	2.61	3.31
<b>U.S. FIXED INCOME: BROAD MARKET - INTERMEDIATE</b>						
Vanguard Intermediate-Term Bond	BIV	0.10	4,582.7	1.64	8.28	7.53
iShares Barclays Intermt Gov/Cred Bond	GVI	0.20	1,116.4	0.84	4.38	4.58
<b>U.S. FIXED INCOME: BROAD MARKET - LONG-TERM</b>						
Vanguard Long-Term Bond	BLV	0.10	775.6	2.15	12.47	10.23
<b>U.S. FIXED INCOME: GOVERNMENT</b>						
Vanguard Long-Term Government Bond	VGLT	0.12	243.8	2.08	12.84	-
Vanguard Intermediate-Term Government Bond	VGIT	0.12	184.3	1.08	5.87	-
Vanguard Short-Term Govt Bond	VGSH	0.12	249.8	0.12	1.09	0.44
<b>U.S. FIXED INCOME: TREASURY - BROAD MATURITIES</b>						
PowerShares 1-30 Laddered Treasury	PLW	0.25	164.6	1.80	9.67	7.63
<b>U.S. FIXED INCOME: TREASURY - SHORT TERM</b>						
Schwab Short-Term US Treasury	SCHO	0.08	298.5	0.28	-	-
iShares Barclays 1-3 Yr Treasury Bond	SHY	0.15	7,597.0	0.17	1.06	1.78
iShares Barclays Short Treasury Bond	SHV	0.15	4,233.0	-0.01	0.07	0.37
SPDR Barclays 1-3 Month T-Bill	BIL	0.13	1,163.5	-0.02	-0.03	0.19
<b>U.S. FIXED INCOME: TREASURY - INTERMEDIATE</b>						
iShares Barclays 7-10 Yr Treasury Bond	IEF	0.15	4,797.7	1.64	8.86	7.24
Schwab Intermediate-Term US Treasury	SCHR	0.10	223.6	1.11	-	-
iShares Barclays 3-7 Yr Treasury Bond	IEI	0.15	2,295.7	0.89	4.98	4.97
SPDR Barclays Intermediate Treasury	ITE	0.13	170.7	0.76	3.93	4.10
<b>U.S. FIXED INCOME: TREASURY - LONG-TERM</b>						
Vanguard Ext Duration Treasury	EDV	0.12	200.2	2.79	20.26	12.85
iShares Barclays 20+ Yr Treasury	TLT	0.15	3,869.0	2.18	13.94	9.64
iShares Barclays 10-20 Yr Treasury	TLH	0.15	601.6	2.00	10.69	8.67
<b>U.S. FIXED INCOME: AGENCIES</b>						
iShares Barclays MBS Bond	MBB	0.26	6,722.9	0.74	3.94	4.90
iShares Barclays Agency Bond	AGZ	0.20	420.9	0.72	3.18	-
Vanguard Mortgage-Backed Securities	VMBS	0.12	466.1	0.50	4.05	-
<b>U.S. FIXED INCOME: TIPS</b>						
iShares Barclays TIPS Bond	TIP	0.20	20,431.0	0.68	7.83	6.29
PIMCO 15+ Year US TIPS	LTPZ	0.20	189.2	0.67	13.62	-
Schwab US TIPS	SCHP	0.07	597.0	0.45	-	-
SPDR Barclays TIPS	IPE	0.18	737.8	0.41	8.03	6.47
Vanguard Short-Term Inflation-Protected Securities	VTIP	0.10	548.8	-0.08	-	-
PIMCO 1-5 Year US TIPS	STPZ	0.20	1,139.5	-0.18	2.93	-
FlexShares iBoxx 5-Year Target Duration TIPS	TDTF	0.20	518.1	-0.19	-	-
iShares Barclays 0-5 Year TIPS Bond	STIP	0.20	550.0	-0.20	-	-
FlexShares iBoxx 3-Year Target Duration TIPS	TDTT	0.20	1,538.6	-0.35	-	-

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
<b>U.S. FIXED INCOME: MUNICIPAL - BROAD MARKET</b>						
iShares S&P Natl Municipal Bond	MUB	0.25	3,676.2	1.78	5.77	5.54
Market Vectors Short Municipal	SMB	0.20	205.5	1.24	2.90	3.82
PowerShares Insured Natl Muni Bond	PZA	0.28	1,032.5	1.18	7.09	6.10
iShares S&P California Muni Bond	CMF	0.25	313.2	1.04	6.04	5.66
SPDR Barclays Municipal Bond	TFI	0.23	1,256.5	0.62	5.94	5.88
<b>U.S. FIXED INCOME: MUNICIPAL - SHORT TERM</b>						
SPDR Nuveen Barclays Sh-Term Muni Bond	SHM	0.20	1,912.8	0.39	2.03	3.01
iShares S&P Short Term Natl Muni Bond	SUB	0.25	633.1	0.23	1.48	-
<b>U.S. FIXED INCOME: MUNICIPAL - INTERMEDIATE</b>						
PIMCO Intermediate Muni Bond Strategy	MUNI	0.35	203.0	1.43	5.44	-
Market Vectors Intermediate Muni	ITM	0.24	746.6	1.32	6.66	6.29
<b>U.S. FIXED INCOME: MUNICIPAL - HIGH YIELD</b>						
SPDR Nuveen S&P High Yield Municipal Bond	HYMB	0.45	236.3	2.93	-	-
Market Vectors High-Yield Municipal	HYD	0.35	1,130.5	2.19	8.65	-
<b>U.S. FIXED INCOME: MUNICIPAL - VRDO</b>						
PowerShares VRDO Tax-Free Weekly	PVI	0.25	233.7	-0.03	0.31	0.85
<b>U.S. FIXED INCOME: MUNICIPAL - BUILD AMERICA BONDS</b>						
PowerShares Build America Bond	BAB	0.28	1,090.7	3.83	12.17	-
<b>U.S. FIXED INCOME: CORPORATE - INVESTMENT GRADE - BROAD MATURITIES</b>						
iShares Barclays Credit Bond	CFT	0.20	1,357.6	1.90	7.51	7.36
iShares iBoxx \$ Inv Gr Corporate Bond	LQD	0.15	23,573.0	1.89	9.00	7.93
PIMCO Investment Grade Corporate Bond	CORP	0.20	171.5	1.67	-	-
iShares Aaa-A Rated Corporate Bond	QLTA	0.15	397.1	0.97	-	-
<b>U.S. FIXED INCOME: CORPORATE - INVESTMENT GRADE - SHORT-TERM</b>						
Vanguard Short-Term Corporate Bond	VCSH	0.12	6,036.4	0.95	4.22	-
SPDR Barclays Sh-Term Corporate Bond	SCPB	0.12	2,110.4	0.68	2.62	-
iShares Barclays 1-3 Year Credit Bond	CSJ	0.20	10,056.8	0.44	2.27	3.26
<b>U.S. FIXED INCOME: CORPORATE - INVESTMENT GRADE - INTERMEDIATE</b>						
Vanguard Intermediate Corporate Bond	VCIT	0.12	3,267.8	2.27	9.15	-
iShares Barclays Intermediate Credit Bond	CIU	0.20	5,519.0	1.14	5.85	6.16
SPDR Barclays US Intermediate Corp Bond	ITR	0.15	408.5	1.12	6.19	-
<b>U.S. FIXED INCOME: CORPORATE - INVESTMENT GRADE - LONG-TERM</b>						
Vanguard Long-Term Corporate Bond	VCLT	0.12	821.0	2.76	12.22	-
iShares 10+ Year Credit Bond	CLY	0.20	344.5	1.03	11.49	-
<b>U.S. FIXED INCOME: CORPORATE - INVESTMENT GRADE - FIXED MATURITIES</b>						
Guggenheim BulletShares 2017 Corporate Bond	BSCH	0.24	247.9	1.44	-	-
Guggenheim BulletShares 2016 Corporate Bond	BSCG	0.24	210.9	1.26	-	-
Guggenheim BulletShares 2015 Corporate Bond	BSCF	0.24	226.1	0.92	-	-
Guggenheim BulletShares 2014 Corporate Bond	BSCD	0.24	245.6	0.63	-	-
Guggenheim BulletShares 2013 Corporate Bond	BSCD	0.24	171.7	0.60	-	-
<b>U.S. FIXED INCOME: CORPORATE - INVESTMENT GRADE - FLOATING RATE</b>						
iShares Floating Rate Note	FLOT	0.20	1,572.6	0.30	-	-
<b>U.S. FIXED INCOME: CORPORATE - HIGH YIELD - BROAD MATURITIES</b>						
Peritus High Yield	HYLD	1.35	251.3	6.04	-	-
iShares iBoxx \$ HiYld Corporate Bond	HYG	0.50	16,165.2	4.32	10.16	7.96
SPDR Barclays High Yield Bond	JNK	0.40	11,801.6	4.16	10.11	8.37
PowerShares Fundamental HiYld Corp Bond	PHB	0.50	803.3	3.42	8.91	3.22
<b>U.S. FIXED INCOME: CORPORATE - HIGH YIELD - SHORT-TERM</b>						
Pimco 0-5 Year High Yield Corporate Bond	HYS	0.55	1,989.6	3.81	-	-
SPDR Barclays Short Term High Yield Bond	SJNK	0.40	1,260.0	3.41	-	-
<b>U.S. FIXED INCOME: CORPORATE - HIGH YIELD - FIXED MATURITIES</b>						
Guggenheim BulletShares 2015 Hi Yld Corp Bond	BSJF	0.42	398.1	3.30	-	-
Guggenheim BulletShares 2014 Hi Yld Corp Bond	BSJE	0.42	275.6	2.32	-	-
Guggenheim BulletShares 2013 Hi Yld Corp Bond	BSJD	0.42	206.2	1.41	-	-
<b>U.S. FIXED INCOME: CORPORATE - CONVERTIBLES</b>						
SPDR Barclays Convertible Bond	CWB	0.40	1,136.6	7.70	7.57	-
<b>U.S. FIXED INCOME: CORPORATE - LOANS</b>						
PowerShares Senior Loan	BKLN	0.66	3,763.1	2.45	-	-
<b>U.S. FIXED INCOME: CORPORATE - PREFERRED STOCK</b>						
PowerShares Financial Preferred	PGF	0.66	1,889.6	4.32	10.67	5.69
PowerShares Preferred	PGX	0.50	2,585.0	4.21	9.70	2.25
iShares S&P US Preferred Stock	PFF	0.48	12,362.7	4.10	8.78	5.67
SPDR Wells Fargo Preferred Stock	PSK	0.45	391.4	3.64	8.78	-

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
<b>GLOBAL FIXED INCOME</b>						
Market Vectors International High Yield Bond	IHY	0.40	273.7	2.67	-	-
PIMCO Total Return	BOND	0.55	5,219.0	2.30	-	-
Guggenheim Enhanced Ultra-Short Bond ETF	GSY	0.27	251.2	0.72	0.77	0.68
PIMCO Enh Short Maturity Strategy	MINT	0.35	2,755.3	0.39	1.48	-
SPDR Blackstone / GSO Senior Loan	SRLN	0.90	155.3	-	-	-
<b>INTERNATIONAL FIXED INCOME: BLENDED DEVELOPMENT</b>						
Preferred Securities ex Financials	PPFX	0.40	163.5	2.62	-	-
WisdomTree Asia Local Debt	ALD	0.55	554.7	1.33	-	-
SPDR DB Intl Govt Infr-Protected Bond	WIP	0.50	1,636.3	0.61	8.18	3.96
<b>INTERNATIONAL FIXED INCOME: DEVELOPED</b>						
iShares S&P International Preferred Stock	IPFF	0.55	152.1	0.53	-	-
iShares S&P/Citi Intl Treasury Bond	IGOV	0.35	443.8	-0.73	3.81	-
SPDR Barclays Intl Treasury Bond	BWX	0.50	1,878.4	-1.09	5.10	3.25
SPDR Barclays Sh-Term Intl Treasury Bond	BWZ	0.35	204.0	-2.28	1.80	-
iShares S&P/Citi 1-3 Yr Intl Treasury Bond	ISHG	0.35	184.4	-2.44	0.69	-
<b>INTERNATIONAL FIXED INCOME: EMERGING</b>						
SPDR Barclays Emrg Mkts Local Bond	EBND	0.50	164.9	3.22	-	-
iShares Emerging Markets Local Currency Bond	LEMB	0.60	645.6	1.93	-	-
Market Vectors EM Lcl Currency Bond	EMLC	0.47	1,505.1	1.92	-	-
WisdomTree Emrg Mkts Local Debt	ELD	0.55	1,976.6	1.68	-	-
Market Vectors Emerging Markets High Yield Bond	HYEM	0.40	247.1	1.33	-	-
iShares Emerging Markets High Yield Bond	EMHY	0.65	257.8	0.71	-	-
PowerShares Emrg Mkts Sov Debt	PCY	0.50	2,603.1	0.03	11.40	9.94
iShares JPM USD Emrg Mkts Bond	EMB	0.60	5,921.7	-0.06	10.28	9.13
<b>COMMODITIES: BROAD MARKET</b>						
GreenHaven Continuous Commodity	GCC	0.85	464.6	-4.02	2.37	-3.77
ELEMENTS Rogers Intl Commodity ETN	RJI	0.75	652.5	-4.06	1.84	-7.57
iPath DJ-UBS Commodity ETN	DJP	0.75	1,768.3	-4.55	-0.95	-9.25
iShares S&P GSCI Commodity	GSG	0.75	1,066.9	-4.57	-0.89	-12.95
United States Commodity	USCI	1.07	497.2	-5.13	-	-
GS Connect S&P GSCI Enh ETN	GSC	1.25	237.2	-5.25	0.02	-9.64
PowerShares DB Commodity Tracking	DBC	0.85	6,532.1	-5.44	2.44	-6.78
<b>COMMODITIES: AGRICULTURE</b>						
ELEMENTS RICI Agricultural ETN	RJA	0.75	349.7	-1.99	6.41	-4.52
PowerShares DB Agriculture	DBA	0.85	1,680.0	-6.19	1.74	-6.16
<b>COMMODITIES: ENERGY</b>						
United States Natural Gas	UNG	0.85	930.8	24.18	-24.66	-43.79
PowerShares DB Oil	DBO	0.75	451.0	-0.54	-4.40	-9.36
iPath S&P GSCI Crude Oil ETN	OIL	0.75	373.5	-0.55	-7.40	-20.61
United States Oil	USO	0.65	932.6	-0.63	-7.08	-18.55
PowerShares DB Energy	DBE	0.75	233.9	-0.93	0.54	-8.19
<b>COMMODITIES: INDUSTRIAL METALS</b>						
PowerShares DB Base Metals	DBB	0.75	317.7	-12.60	-7.72	-7.30
<b>COMMODITIES: PRECIOUS METALS</b>						
ETFs Physical Palladium	PALL	0.60	558.5	-1.08	7.71	-
ETFs Physical Platinum	PPLT	0.60	827.3	-2.56	-5.28	-
iShares Gold Trust	IAU	0.25	9,234.2	-11.85	7.53	10.66
SPDR Gold	GLD	0.40	50,915.4	-11.88	7.36	10.47
ETFs Physical Swiss Gold	SGOL	0.39	1,651.0	-11.92	7.35	-
PowerShares DB Gold	DGL	0.75	190.3	-12.47	6.07	9.15
ETFs Physical Precious Metal Basket	GLTR	0.60	203.8	-13.86	-	-
PowerShares DB Precious Metals	DBP	0.75	273.9	-14.24	6.52	8.70
ETFs Physical Silver	SIVR	0.30	463.6	-20.03	8.89	-
iShares Silver	SLV	0.50	8,202.9	-20.12	8.71	7.04
<b>CURRENCY: DEVELOPED</b>						
CurrencyShares Australian Dollar	FXA	0.40	556.3	0.45	7.40	5.47
CurrencyShares Euro	FXE	0.40	274.4	-0.33	-0.49	-3.02
CurrencyShares Canadian Dollar	FXC	0.40	444.9	-1.38	0.36	0.21
CurrencyShares Swiss Franc	FXF	0.40	290.8	-1.70	4.56	1.95
<b>CURRENCY: EMERGING</b>						
WisdomTree Dreyfus Chinese Yuan	CYB	0.45	212.9	1.57	2.15	-
WisdomTree Dreyfus Emrg Currency	CEW	0.55	313.1	1.10	1.43	-

FUND NAME	TICKER	EXP RATIO %	AUM (\$M)	YTD %	3YR %	5YR %
<b>ASSET ALLOCATION</b>						
First Trust Multi-Asset Diversified Income	MDIV	0.62	344.9	12.75	-	-
PowerShares CEF Income Composite	PCEF	1.73	487.8	7.82	8.77	-
iShares S&P Growth Allocation	AOR	0.31	186.4	7.03	8.77	-
SPDR SSGA Income Allocation	INKM	0.70	161.1	5.92	-	-
iShares S&P Moderate Allocation	AOM	0.31	187.6	5.10	7.00	-
<b>ALTERNATIVES: ABSOLUTE RETURN</b>						
PowerShares S&P 500 BuyWrite	PBP	0.75	209.4	6.10	6.55	0.24
PowerShares DB G10 Currency Harvest	DBV	0.75	356.5	4.89	4.38	0.78
IQ Hedge Multi-Strategy Tracker	QAI	1.03	383.5	2.27	2.92	-
<b>ALTERNATIVES: TACTICAL TOOLS</b>						
iPath S&P Dynamic VIX ETN	XVZ	0.95	165.4	-15.57	-	-
ProShares VIX Short-Term	VIXY	0.83	192.3	-39.92	-	-
iPath S&P 500 VIX Short-Term Futures ETN	VXX	0.89	1,174.6	-40.36	-61.76	-
<b>LEVERAGED</b>						
Direxion Daily Financial Bull 3x	FAS	1.00	1,051.2	47.22	1.62	-
ETRACS 2X Monthly Lev MLP Infrastr ETN	MLPL	0.85	177.5	40.99	-	-
Direxion Daily Large Cap Bull 3x	SPXL	0.99	219.3	40.13	25.38	-
ProShares UltraPro S&P 500	UPRO	0.95	346.0	39.92	27.26	-
Direxion Daily Small Cap Bull 3x	TNA	1.02	456.7	36.53	11.23	-
ProShares Ultra Real Estate	URE	0.95	421.3	30.46	26.65	-11.33
ProShares Ultra Financials	UYG	0.95	752.1	30.16	8.34	-22.60
ProShares Ultra Dow30	DDM	0.95	266.4	29.64	23.48	4.19
Direxion Daily Energy Bull 3x	ERX	0.99	185.7	29.56	12.64	-
ProShares UltraPro QQQ	TQQQ	0.95	202.2	25.93	30.25	-
ProShares Ultra S&P 500	SSO	0.91	2,439.7	25.66	21.37	1.84
ProShares Ultra Russell 2000	UWM	0.98	1,134.5	24.45	15.14	2.21
UBS AG FI Enhanced Big Cap Growth ETN	FBG	1.20	214.4	22.56	-	-
ProShares Ultra Oil/Gas	DIG	0.95	159.0	19.01	13.80	-12.50
ProShares Ultra GSCI	QLD	0.95	477.4	17.48	23.66	9.80
ProShares Ultra DJ-UBS Crude Oil	UCO	0.99	371.0	-2.49	-20.10	-
Direxion Daily Emrg Mkts Bull 3x	EDC	1.14	290.3	-9.19	-13.94	-
PowerShares DB Gold Dbl Long ETN	DGP	0.75	281.6	-23.64	9.46	13.93
ProShares Ultra Gold	UGL	1.85	237.8	-24.02	8.56	-
ProShares Ultra Silver	AGQ	2.58	589.0	-39.41	-6.29	-
ProShares Ultra VIX Short-Term Futures	UVXY	1.56	293.6	-69.86	-	-
VelocityShares Daily 2X VIX Sh-Term ETN	TVIX	1.65	156.1	-70.02	-	-
Direxion Daily Gold Miners Bull 2X	NUGT	1.14	331.0	-76.41	-	-
<b>INVERSE</b>						
VelocityShares Daily Inv VIX Sh-Term ETN	XIV	1.35	656.1	38.01	-	-
ProShares UltraShort Yen	YCS	0.93	508.0	23.52	-1.01	-
PowerShares DB US Dollar Bullish	UUP	0.75	670.9	1.79	-2.51	-0.24
ProShares Short MSCI Emrg Mkts	EUM	0.95	253.5	1.31	-10.26	-16.12
ProShares UltraShort Euro	EUO	0.93	502.4	-0.47	-3.96	-
ProShares Short 20+ Yr Treasury	TBF	0.95	979.7	-3.06	-16.05	-
ProShares UltraShort 7-10 Yr Treasury	PST	0.95	288.1	-3.99	-18.86	-17.57
ProShares UltraShort 20+ Yr Treasury	TBT	0.92	3,373.2	-5.86	-30.87	-26.33
Active Bear	HDBG	1.93	260.7	-6.66	-	-
ProShares Short MSCI EAFE	EFZ	0.95	172.9	-9.01	-13.39	-9.62
ProShares Short QQQ	PSQ	0.95	221.6	-9.07	-16.62	-15.40
Direxion Daily 30-Yr Treasury Bear 3x	TMV	0.98	372.6	-9.49	-45.03	-
ProShares Short Russell 2000	RWM	0.95	401.6	-11.80	-17.22	-17.41
ProShares Short S&P 500	SH	0.89	1,864.7	-11.90	-14.90	-11.33
ProShares Short Dow30	DOG	0.95	276.9	-12.73	-14.95	-11.05
ProShares UltraShort QQQ	QID	0.95	426.9	-17.47	-32.57	-33.03
ProShares UltraShort S&P 500	SDS	0.89	2,024.2	-22.16	-29.36	-26.06
ProShares UltraShort Russell 2000	TWM	0.95	396.6	-22.84	-35.51	-38.38
ProShares UltraShort Dow 30	DXD	0.95	289.0	-23.80	-29.07	-24.91
ProShares UltraPro Short QQQ	SQQQ	0.95	203.9	-25.50	-47.52	-
ProShares UltraPro Short S&P 500	SPXU	0.93	559.6	-31.76	-43.37	-
Direxion Daily Large Cap Bear 3x	SPXS	0.98	212.6	-32.11	-44.01	-
Direxion Daily Small Cap Bear 3x	TZA	1.01	904.3	-32.69	-53.23	-
Direxion Daily Financial Bear 3x	FAZ	1.01	543.1	-36.57	-46.10	-







# DBC

DBC

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