

ETFG Quant Model: Performance

3/1/13

The goal of the ETF Global Quant model is to provide investors a consistent structure to compare and research the growing ETF universe. ETFG Quant levers academic, industry and proprietary research to gauge how likely a specific equity ETF will outperform the market in the foreseeable future.

The quantitative model measures dozens of daily data points and is the cornerstone of our research platform and engine behind the ETFG Diamond Risk & Reward Ratings. At ETF Global, we stand behind the effectiveness of our ratings and monitor closely the performance of the model that drives them. Below please find the most recent performance of the ETFG Quant Model which generates the ETFG Quant Daily Scores and Rankings and provides the foundation for the ETFG Red & Green Diamond Ratings:

ETFG QUANT PERFORMANCE													(7-2-12 thru 1-29-13)	
	1 Month Average Returns				2 Month Average Returns				3 Month Average Returns					
	144 rolling periods				123 rolling periods				102 rolling periods					
	ETFG	S&P	Diff	Vs. S&P	ETFG	S&P	Diff	Vs. S&P	ETFG	S&P	Diff	Vs. S&P		
Quant Daily 10	2.63%	1.59%	1.04%	65.28%	4.46%	2.74%	1.72%	62.82%	4.91%	3.03%	1.89%	62.23%		
Quant Daily 25	2.28%	1.59%	0.69%	43.35%	3.86%	2.74%	1.12%	40.99%	4.53%	3.03%	1.50%	49.42%		
Quant Daily 50	2.14%	1.59%	0.55%	34.48%	3.76%	2.74%	1.02%	37.16%	4.44%	3.03%	1.41%	46.41%		
Quant Daily 100	2.11%	1.59%	0.52%	32.50%	3.77%	2.74%	1.03%	37.60%	4.56%	3.03%	1.54%	50.69%		

7/2/12 inception, rolling average returns, assumes fully invested at all times without transaction costs

Methodology: We assess ETFG Quant through a rigorous and comprehensive review. The performances of the daily, top-ranked funds are individually measured on a closing price basis over the stated time periods. Those measurements are averaged among each Selection Group and compared to the S&P 500 for each stated rolling period, producing **1,476** data sets in the above table. Of those, the ETFG Selection Group outperformed the index **1,180** times or **79.95%** of the time.

The data above cover the July 2, 2012 inception date through selections made on January 29, 2013, the latest date for which one month performance is available, as of February 28, 2013.

The information contained in this electronic message is confidential and does not constitute investment advice or an offer to sell or the solicitation of an offer to purchase any security or investment product. We do not, and will not, effect or attempt to effect transactions in securities, or render personalized investment advice for compensation, through this email. All materials within this email have been provided to you for information purposes only and may not be relied upon by you in evaluating the merits of investing in any securities, strategies, analysis or research referenced herein. Any review, retransmission, dissemination, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. As a model portfolio or hypothetical selection group, the Exchange-Traded-Products (ETP) shown throughout this website do not represent the trading strategies, holdings or performance of actual accounts. Readers should be aware that these portfolios have some intrinsic limitations and should not be used as the sole basis in forming any given investor's investment decision or strategy. The ETP hypothetical portfolios are not designed with a view to accommodating any specific needs, financial circumstances or investment objectives. The individual stock or mutual fund selections or the general strategies used in managing the portfolios shown throughout this web site may not be suitable for any given investor. Because trades in the portfolios shown throughout this web site do not represent actual trading, they do not reflect the impact of significant market and economic factors such as lack of liquidity or significant corporate announcements. The performance of the portfolios shown throughout this web site and their ability to spread risk across a number of investments is, in large measure, a function of the assumed asset size of the portfolios. Actual accounts with smaller assets may not be able to achieve both diversification and performance comparable to that attained by the portfolios shown throughout this website. The performances of the hypothetical portfolios shown throughout this website are shown without any deduction of transaction or advisory fees. The performances of the portfolios shown throughout this web site are based upon no *commissions* per trade. Commissions paid by each investor may vary widely, and an investor paying a higher commission will not be able to achieve performance comparable to that attained by the portfolios shown throughout this web site. The past and present performance of the portfolios shown throughout this web site is not an indication of future performance.