

ETFG Quant: Model Performance

2/1/13

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 an 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 12-31-12)			
	1 Month Average Returns				2 Month Average Returns				3 Month Average Returns							
	125 rolling periods				104 rolling periods				83 rolling periods							
Selection Group	ETFG	S&P	Diff	Vs. S&P	ETFG	S&P	Diff	Vs. S&P	ETFG	S&P	Diff	Vs. S&P				
Quant Daily 10	2.80%	1.48%	1.32%	89.12%	4.28%	2.09%	2.20%	105.10%	4.02%	1.74%	2.28%	130.87%				
Quant Daily 25	2.33%	1.48%	0.85%	57.22%	3.61%	2.09%	1.52%	72.78%	3.57%	1.74%	1.82%	104.72%				
Quant Daily 50	2.15%	1.48%	0.67%	45.20%	3.45%	2.09%	1.36%	65.02%	3.50%	1.74%	1.75%	100.60%				
Quant Daily 100	2.14%	1.48%	0.66%	44.23%	3.43%	2.09%	1.34%	64.04%	3.55%	1.74%	1.81%	103.81%				

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 **1,248** data sets in the above table. Of those, the ETFG Selection Group outperformed the index **1,105** times or **88.54%** of the time.

The data above cover the July 2, 2012 inception date through selections made on December 31, 2012, the latest date for which one month performance is available, as of January 31, 2012.

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