

4 T H A N N U A L

Innovative **ALTERNATIVE** **INVESTMENT STRATEGIES**

Trend Following Strategies

MODERATOR

Tom Dorsey

President & CEO

Dorsey, Wright & Associates

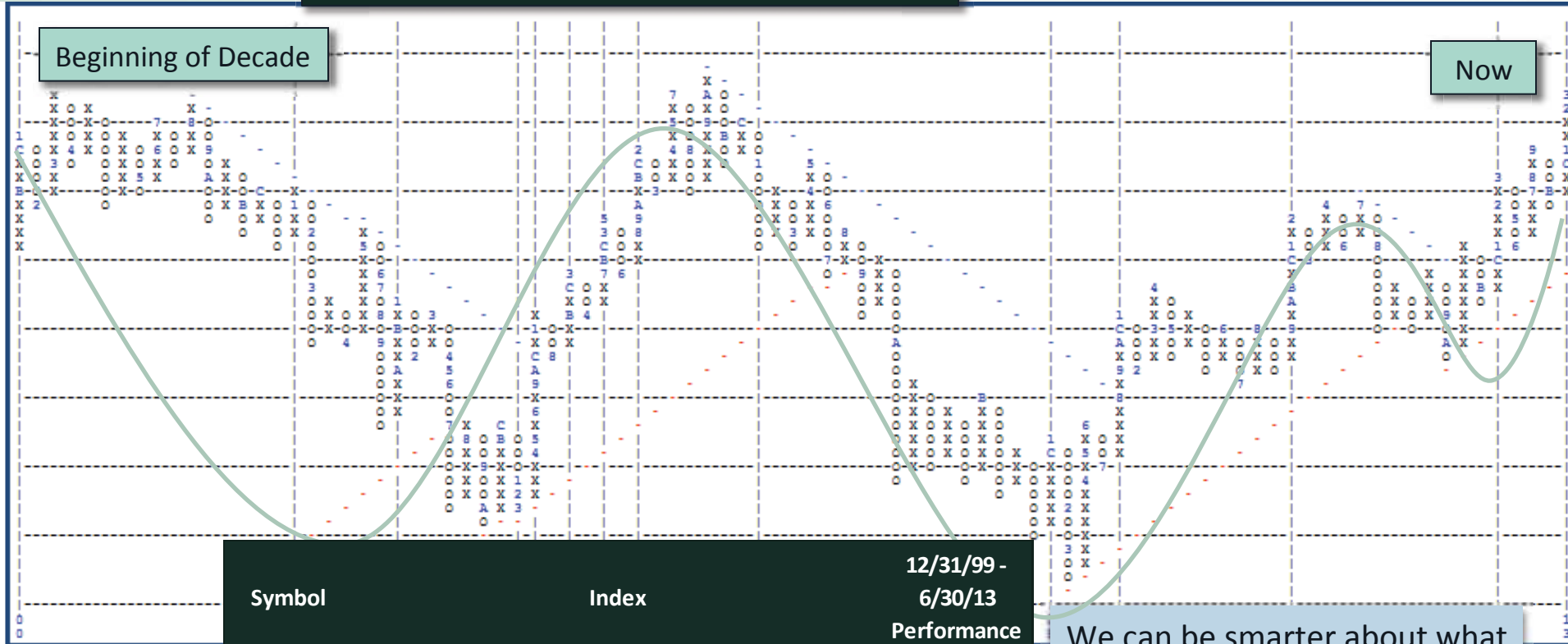




Point & Figure Chart S&P 500 Index (SPX)

Beginning of Decade

Now



Symbol	Index	12/31/99 - 6/30/13 Performance
SPY	SPDR S&P 500 Index	9.33%
MNYMKT	DWA Money Market Proxy - 13 Week T-Bill	30.56%
GCC	GreenHaven Continuous Commodity Index	87.42%
IPATHCOM	DWA iShares Commodity Model	689.54%
SML	S&P Small Cap 600	178.33%
RSP	Guggenheim S&P 500 Equal Weight ETF	113.88%
EEM	iShares MSCI Emerging Markets ETF	114.84%
PDP	PowerShares DWA Technical Leaders	65.14%
PIE	PowerShares DWA Emerging Mkt Tech Leaders	216.99%
PIZ	PowerShares DWA Developed Mkt Tech Leaders	38.73%

We can be smarter about what we buy and how we buy it by embracing **Alternative:**

- **Asset Classes**
- **Types of Indexing**
- **Ways of Analyzing the Market**

The performance numbers are pure price returns, not inclusive of dividends, fees, or other expenses. Past performance not indicative of future results. Potential for profits accompanied by possibility of loss

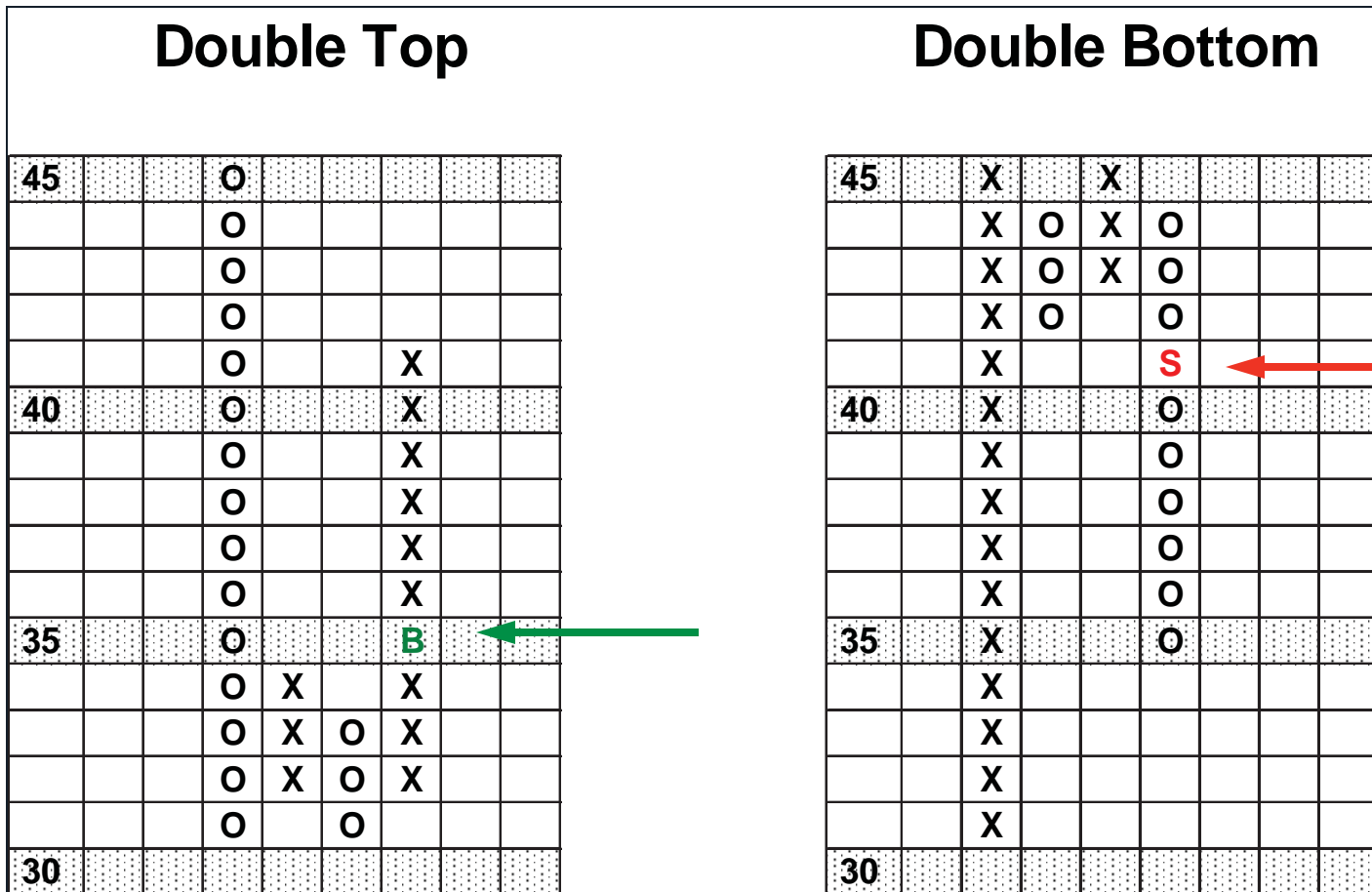
Supply & Demand

- We all understand the basic forces of supply and demand.
- The same forces that affect prices in the supermarket also affect prices in the stock market.
- Stocks, sectors, and asset classes move in and out of favor just like produce in the supermarket.



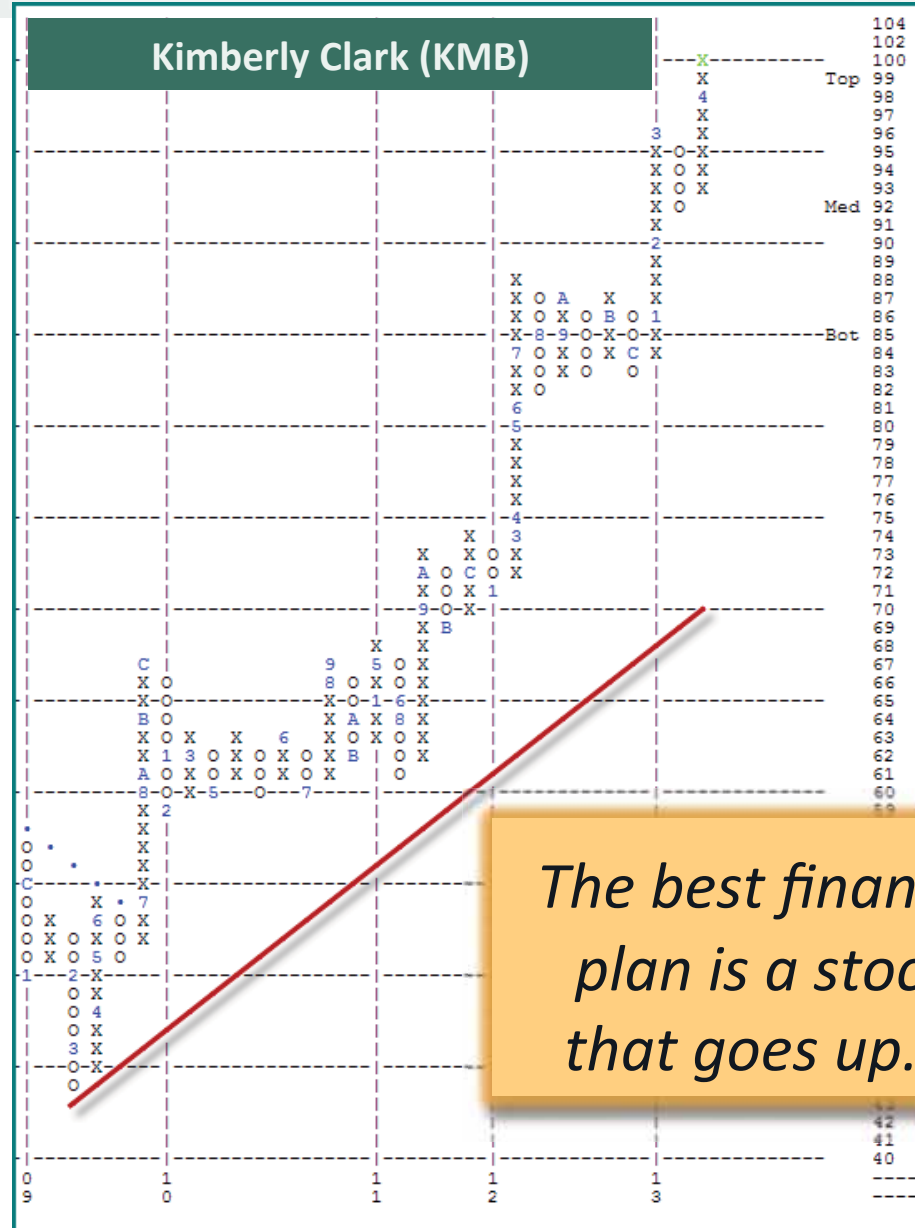
The 2 Most Basic Patterns

Understand these two patterns and you understand how to read any stock, mutual fund, ETF, relative strength or indicator chart DWA creates.



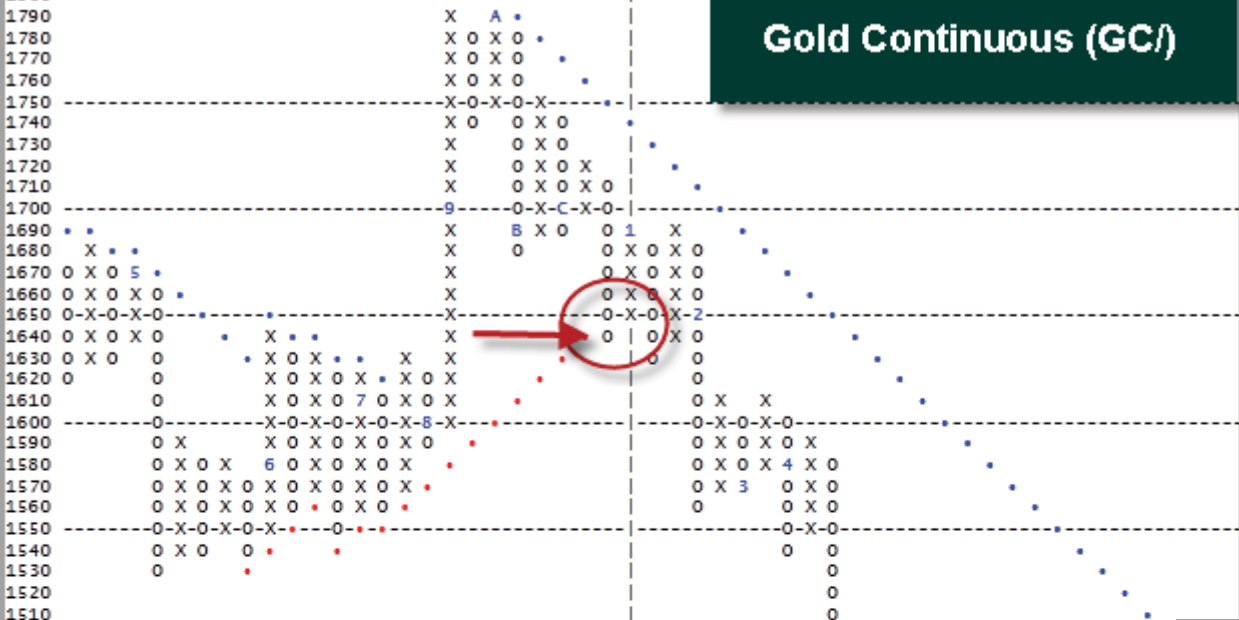
Point & Figure Basics

- X's = Price is rising
- O's = Price is falling
- Alternate columns of X's and O's
- Minimum of 3 X's or O's in a column
- Time = First action in month use number (1 for January, etc.)
- Use daily high & low for charting price action

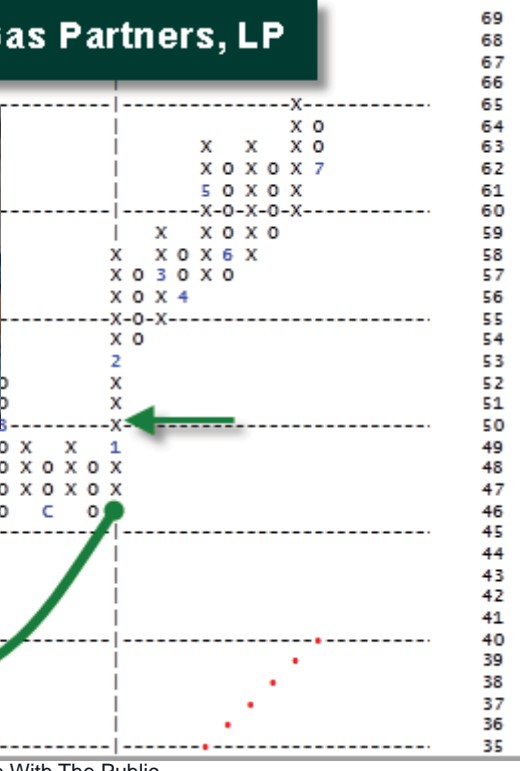


The best financial plan is a stock that goes up....

Gold Continuous (GC/)



Western Gas Partners, LP



SPDR Gold Trust (GLD)

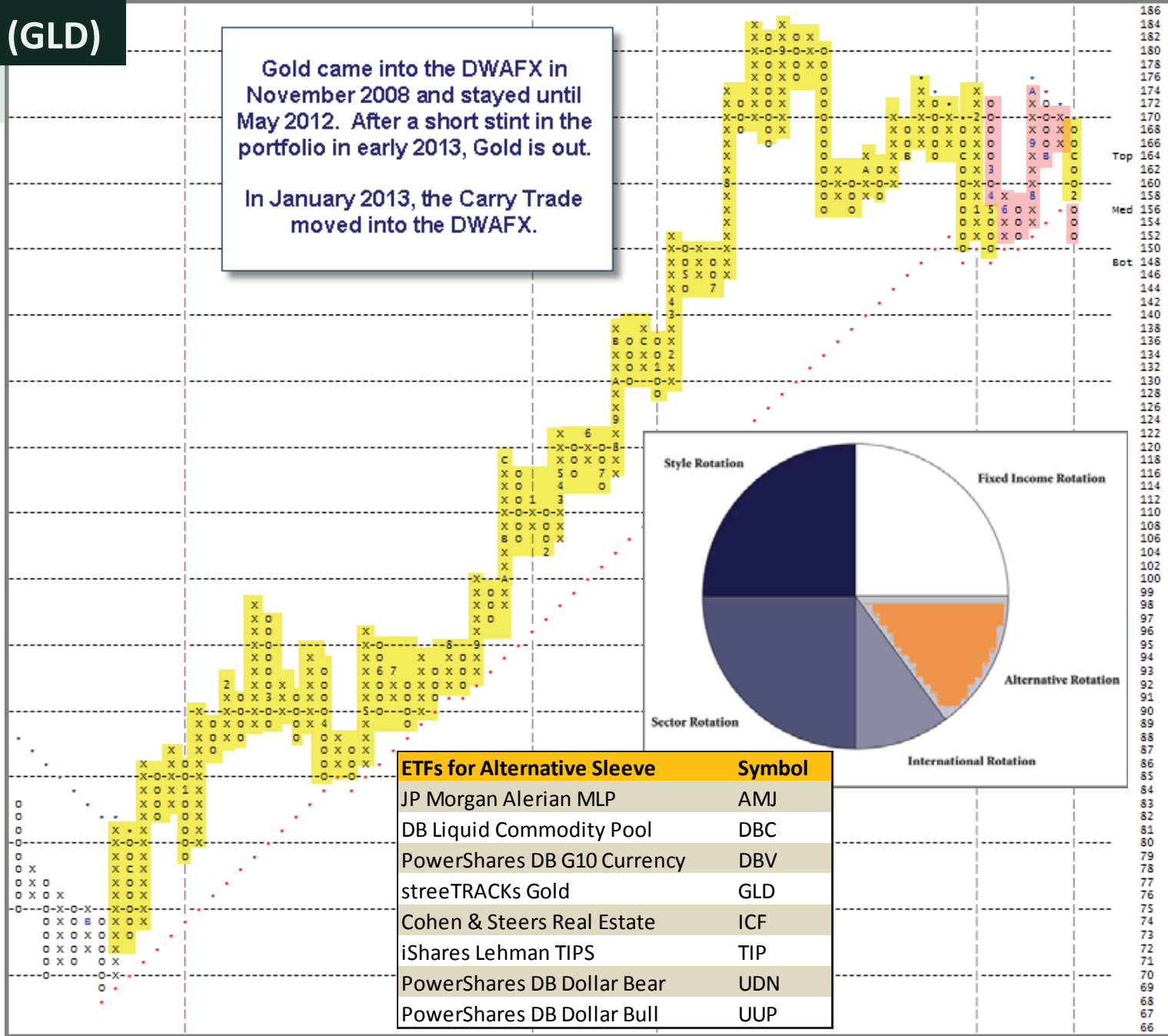
Case Study:

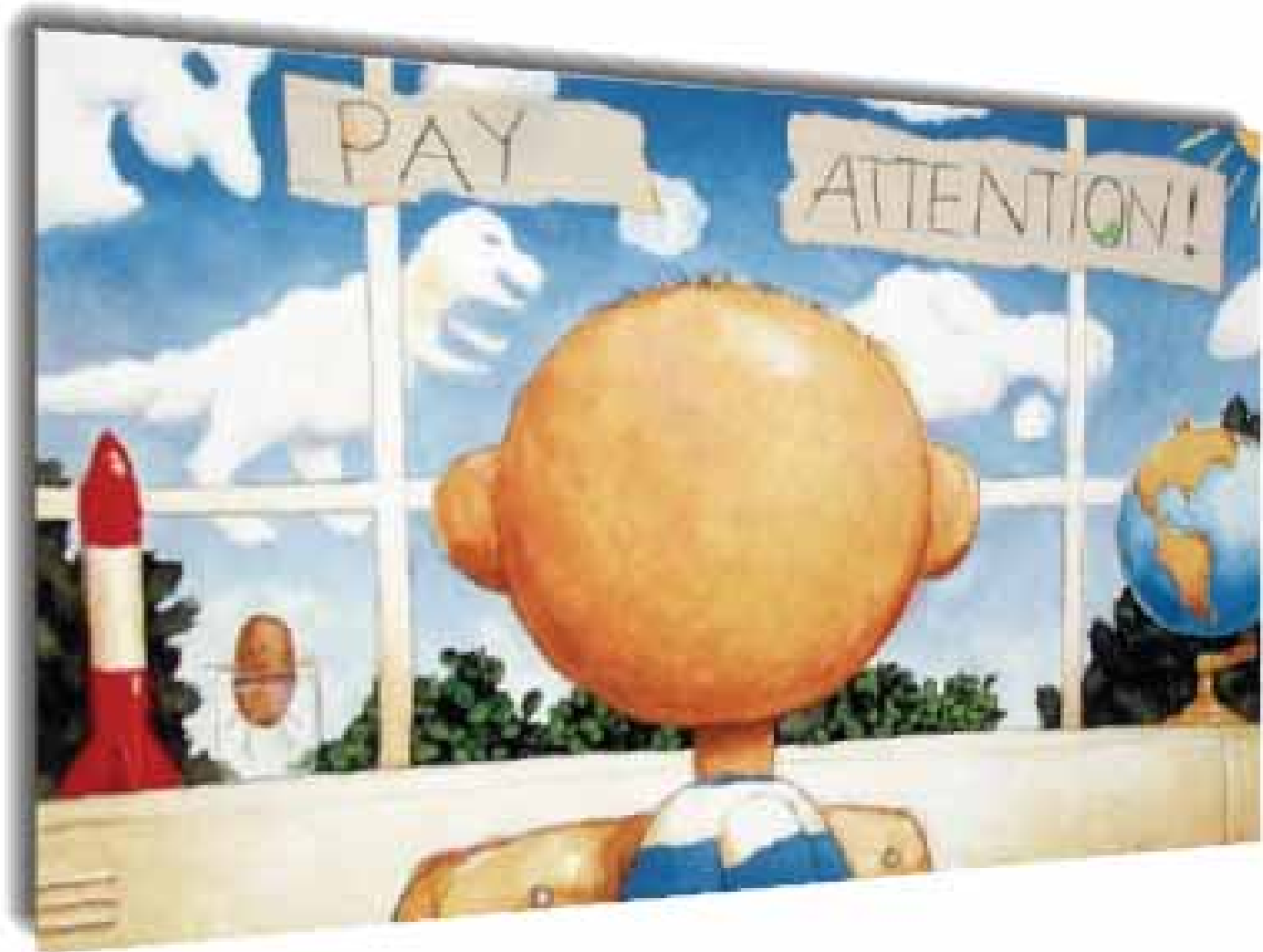
Arrow DWA Balance Fund (DWAFX)

 Owns Gold
 Not Invested In Gold

Gold came into the DWAFX in November 2008 and stayed until May 2012. After a short stint in the portfolio in early 2013, Gold is out.

In January 2013, the Carry Trade moved into the DWAFX.





Relative Strength Calculation

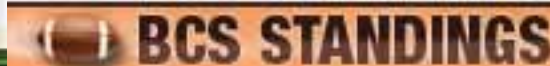
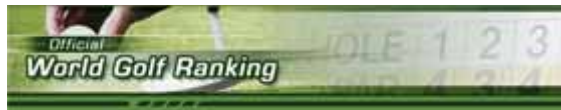


- All major sports have a ranking system. The Point & Figure Relative Strength tool is the ranking system we use for Stocks, ETF's.
- Daily Calculation:

$$\frac{\text{Stock or ETF}}{\text{Index}} \times 100 = \text{Relative Strength Reading}$$

- This reading is plotted on a Point & Figure chart which then tells us whether we can expect that stock or ETF to outperform or underperform the base index.

		BCS	
RK	TEAM	AVG	PVS
1	LSU	1.0000	1
2	Alabama	.9419	2
3	Oklahoma State	.9333	3
4	Stanford	.8476	4
5	Oregon	.7901	9
6	Arkansas	.7687	8
7	Boise State	.7408	7
8	Kansas State	.6827	11
9	South Carolina	.6553	12
10	Wisconsin	.6374	15



DWA Relative Strength Process

Relative Strength Chart of Ruth Chris (RUTH) vs. Yum! Brands (YUM)

				18.9621			
			X	18.3652			
			7	17.7871			
	X		X	17.2272			
	X	O	X	16.6850			
	X	O	X	16.1598			
	X	6		15.6511			
	5			15.1585			
	4			14.6813			
	X			14.2192			
	X			13.7716			
	X			13.3381			
	2			12.9183			
	X			12.5117			
	1			12.1178			
	X			11.7364			
	C			11.3670			
	X			11.0092			
	X		X	10.6626			
	0	7	O	X	X	10.3270	
	0	6	O	X	O	B	10.0019
	4	X	O	X	O	X	9.6871
	5	X	O	X	B	X	9.3822
	0	O		A			9.0869
							8.8008
							8.5238
							8.2555
							7.9957

RUTH Favored
(11/30/12 -6/30/13)

RUTH: 60.93 %

YUM: 3.62 %

Relative Strength Calculation:

$$\frac{\text{Stock}}{\text{Stock}} \times 100 = \text{RS Reading to Plot on a P\&F Chart}$$



The performance numbers above are pure price returns, not inclusive of dividends, fees, or other expenses. Past performance not indicative of future results. Potential for profits accompanied by possibly of loss.

DWA Restaurant Matrix

Best
Relative
Strength



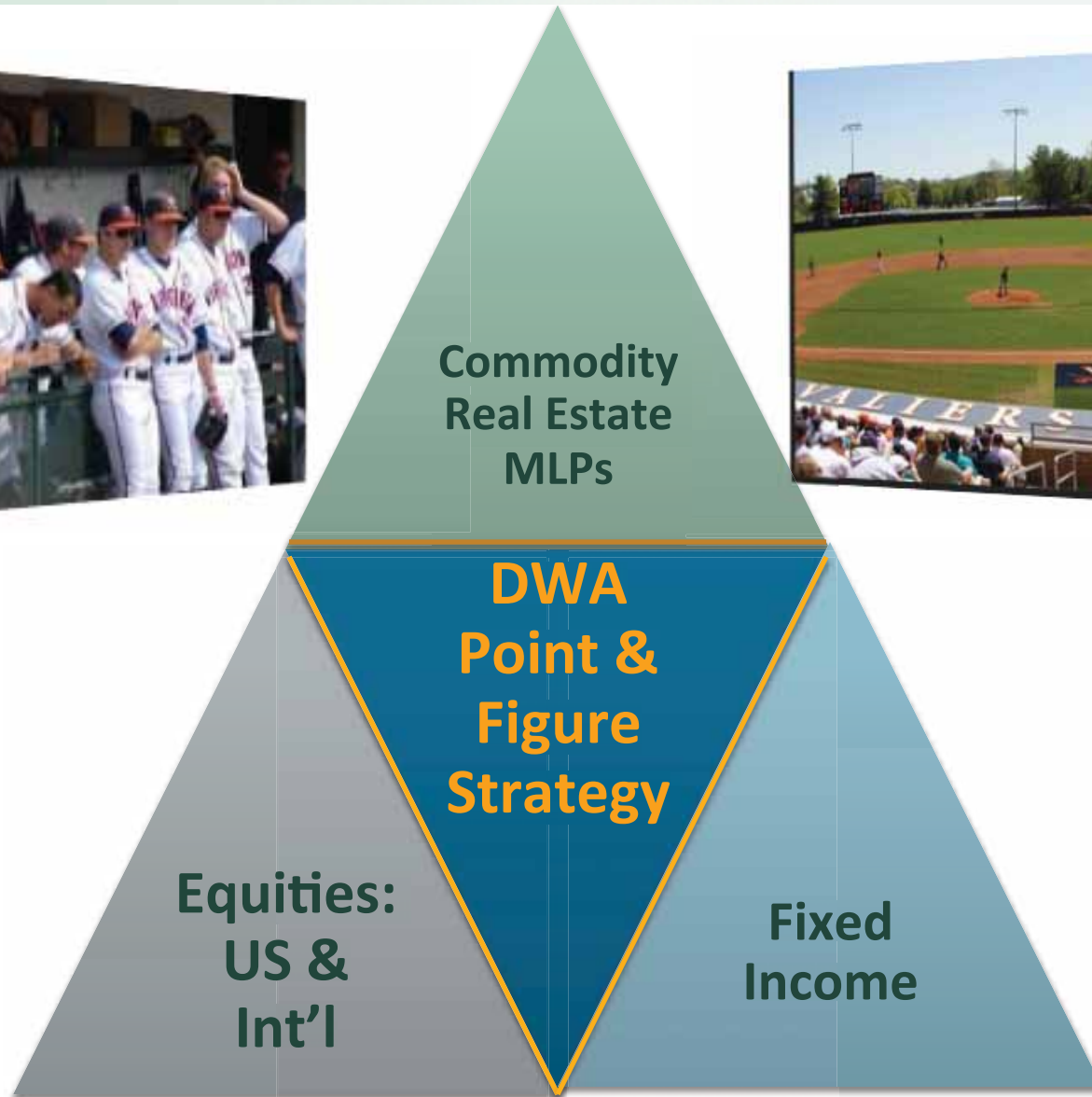
Worst
Relative
Strength

Rank	Ticker	Buys	Xs	Total	Attribute/Score	DRI	THI	YUM	MCD	BJRI	PNRA	BOBE	BWLD	CAKE	RT	CMG	DENN	WEN	CEC	DIN	EAT	SBUX	PZZA	TXRH	JACK	CBRL	SONC	
1	KKD	25	25	47	5.00↑	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX
2	DAVE	25	25	47	5.00↑	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX
3	KKGE	25	22	47	5.00↑	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	
4	RUTH	23	23	46	5.00↑	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	
5	DDT	21	17	38	5.00↑	BX	BX	BX	BX	BO	BX	BX	BX	BX	BX	BX	BX	BX	BO	BX	BX	BX	SX	BO	BX	BO	BO	
6	SONC	19	24	43	4.00↑	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	SX	BX	SX		
7	CBRL	19	20	39	4.00↑	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BO	SX	BX	BX	BX	BX	SX		BO	
8	JACK	19	16	35	4.00↑	BX	BX	BX	BX	BX	BX	BO	BX	BX	BX	BX	BX	BX	BO	SX	BX	BX	BX	BO		BO	SO	
9	TXRH	17	19	36	4.00↑	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	BX	SO	SX	BX	BX	BX		SX	SO	BO	
10	PZZA	15	10	25	3.00↑	BX	BX	BX	BX	BO	BO	BO	BO	BX	BX	BO	BX	SX	BO	SX	BO	SX		SO	SO	SO	SO	
11	SBUX	14	11	25	3.00↓	BX	BX	BX	BX	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO
12	EAT	14	9	23	3.00↓	BX	BX	BX	BX	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO
13	DIN	14	2	16	3.00↓	BO	BO	BX	BX	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO
14	CEC	12	21	33	2.00↑	BX	BX	BX	BX	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO
15	WEN	12	10	22	3.00↑	BX	BX	BX	BX	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO
16	DENN	12	2	14	4.00↑	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO	BO
17	CMG	11	9	20	5.00↑	BX	BX	BO	BX	BO	BO	BO	SX	BO	SX		BX	BO	SO	BX	SX	SO	SX	SO	SO	SO	SO	
18	RT	11	6	17	2.00↑	BX	BX	BX	BX	BO	BO	BO	BO	SO		BO	SX	SO	SO	BX	SO	BO	SO	SO	SO	SO	SO	SO
19	CAKE	10	11	21	2.00↑	BX	BX	BX	BX	BO	BX	SO	BO		BX	SX	SX	BX	BO	SX	SO	SX	SO	SO	SO	SO	SO	
20	BWLD	9	13	22	4.00↑	BX	BX	BX	BX	BO	BX	SO		SX	SX	BO	SX	BX	BO	SX	SX	SX	SX	SO	SO	SO	SO	
21	BOBE	7	15	22	3.00↑	BX	BX	BX	BX	SO	SX		BX	BX	SX	SX	SX	SX	SO	BX	SX	SX	SX	SO	SO	SO	SO	
22	PNRA	7	8	15	4.00↑	BX	BX	BX	BX	BO		BO	SO	SO	SX	SX	SO	SO	SO	SX	BO	SO	SX	SO	SO	SO	SO	
23	BJRI	4	17	21	3.00↑	BX	BX	BX	SX		SX	BX	SX	SX	SX	SX	SX	SX	SO	SX	SX	SX	SX	SO	SO	SO	SO	
24	MCD	3	1	4	2.00↑	BO	SO	BO		BO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	
25	YUM	2	3	5	2.00↑	BO	BO		SX	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	
26	THI	1	5	6	2.00↓	SX		SX	BX	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	
27	DRI	1	4	5	1.00↑		BO	SX	SX	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	SO	

vs.

Matrix Guidelines:
Buy the Top Quartile
Hold as Long as in the Top Half

Flexibility & Adaptability



S&P 500 Index (SPX) vs. Barclays Aggregate Bond Index (AGG)

Asset Class Relative Strength Example

When RS Chart is on a buy signal, it suggests outperformance by the numerator (i.e. SPX).



Start Date	End Date	Signal	SPX	AGG
11/22/00	7/31/03	Sell	- 25.11%	23.16%
7/31/03	7/15/08	Buy	22.68%	1.84%
7/15/08	6/5/09	Sell	- 22.62%	- 0.69%
6/5/09	6/30/13	Buy	70.86%	7.15%

Buy and hold SPX: 21.47%
Buy and Hold AGG: 33.47%
Switching: 156.38%

RS Signal: Buy = Outperformance of SPX to Bonds
Sell = Underperformance of SPX to Bonds

The performance numbers above are pure price returns, based on the applicable index not inclusive of dividends, fees, or other expenses. Past performance not indicative of future results. Potential for profits accompanied by possibility of loss

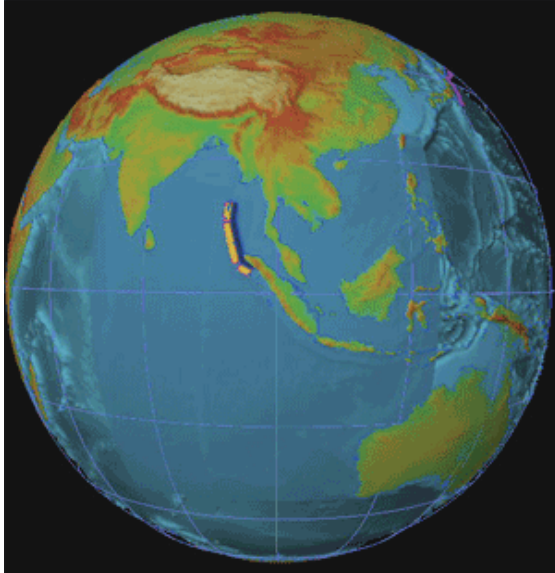
Events Affecting the Financial Markets Since 2000

- 2000: **Bursting of the dot.com, or technology, Bubble**
- 2001: **September 11th Terrorist Attacks**
- 2001: **Enron – Corporate Fraud**
- 2002: **dot.com Bubble Rears Its Head Again**
- 2003: **War on Terror and Iraq and Afghanistan**
- 2005: **Hurricane Katrina**
- 2008: **Sub-prime Housing Bubble
Collapse of Financial Giants Bear Stearns & Lehman Brothers
Bernard Madoff’s Ponzi Scheme**
- 2010: **Greece & European Debt Crisis begins**
- 2011: **“Arab Spring” and the collapse of Egypt, Libya, and Syria.
Euro Crisis**

Will the next crisis be the bursting of the bond bubble? Or Something else?



Seismoscope













CRISIS



The Dynamic Asset Level Investing (DALI) evaluates the supply and demand forces of asset classes, and ranks them from strongest to weakest based on their relative strength score.



Current DALI Overview











As of 07/08/2013	1	2	3	4	5	6
Asset Class Date of last rank change	Domestic Equity 10/24/2011	International Equity 01/25/2013	Fixed Income 01/25/2013	Foreign Currency 12/19/2012	Cash 06/21/2012	Commodity 06/21/2012
Tally # (History) Flex Pct.	345 32.0%	219 20.3%	198 18.4%	132 12.3%	120 11.1%	63 5.8%
Cash Pct. Rank	 0%	 40%	 31%	 75%	N/A -1%	 84%
Trend Factor	 2.156	 1.064	 0.613	 0.190	N/A	 0.284

'Great Rotation' wipes out \$120 billion of bond wealth

Commentary: The exodus from bonds has happened faster than anyone predicted, writes Thomas Kee.

Source: MarketWatch.com, July 8th 2013

Current DALI Overview

As of 07/08/2013	1	2	3	4	5	6
Asset Class Date of last rank change	Domestic Equity 10/24/2011	International Equity 01/25/2013	Fixed Income 01/25/2013	Foreign Currency 12/19/2012	Cash 06/21/2012	Commodity 06/21/2012
Tally # (History) Flex Pct.	345 32.0%	219 20.3%	198 18.4%	132 12.3%	120 11.1%	63 5.8%
Cash Pct. Rank	 0%	 40%	 31%	 75%	N/A -1%	 84%
Trend Factor	 2.156	 1.064	 0.613	 0.190	N/A	 0.284

August – December 2011 Magazine Covers



2 Different S&P 500 Indices

X's = S&P 500 Equal Weight Index (RSP)

O's = S&P 500 Cap Weight (SPY)

40.8552			
39.5692			
38.3237			5
37.1173			9
35.9490			2
34.8174			8
33.7215	1		5
32.6600	6	O	4
31.6320	B	O	X
30.6363	1	A	X
29.6720	8	B	
28.7380	5		
27.8334	O	4	
26.9573	O	3	
26.1088	A	8	
25.2869	8	3	
24.4910	2	X	
23.7201	5	2	
22.9734	6	X	
22.2503	7	C	
21.5499	A	B	
20.8716	C	A	
20.2146	3	5	
19.5783	B	X	
18.9621	2	X	
18.3652	3		
17.7871			
17.2272			
16.6850	9	0	0
16.1598	4	1	8
15.6511	/	/	/
-----	0	0	1
-----	0	6	1
-----	/	/	/
-----	0	0	1
-----	0	6	1

Time Frame	SPY	RSP
January 4th 1994 - May 10th 2000	<u>196.05%</u>	123.29%
May 10th 2000 - October 23rd 2008	-33.62%	<u>-0.79%</u>
October 23rd 2008 - April 16th 2009	<u>-5.66%</u>	1.50%
April 16th 2009 - June 30th 2013	85.46%	<u>116.12%</u>

Time Frame	
S&P 500 Index (SPY)	243.84%
S&P 500 Equal Weighted Index (RSP)	385.94%
Switching Strategy	498.84%



VS.



The performance numbers above are pure price returns, not inclusive of dividends, fees, or other expenses. Past performance not indicative of future results. Potential for profits accompanied by possibly of loss.

The Hole vs. The Drill



"People don't want to buy a quarter-inch drill. They want a quarter-inch hole!"

- Theodore Levitt

VS.



The Technical Leaders Index

Universe of Over 1500
Names

Relative Strength Arm
Wrestling Match



Ranked Strongest to
Weakest

Top 10 Holdings (100 Total)

Ticker	Company Name	% of Fund ▼
PCLN	priceline.com Inc	2.74%
STRZA	Starz	2.64%
GILD	Gilead Sciences Inc	2.59%
AMT	American Tower Corp	2.58%
GGP	General Growth Properties Inc	2.55%
JBHT	JB Hunt Transport Services Inc	2.55%
ARG	Airgas Inc	2.44%
TRW	TRW Automotive Holdings Corp	2.41%
VTR	Ventas Inc	2.37%
PCP	Precision Castparts Corp	1.90%

DWA's 1st ETF was PDP, which launched in March 2007. The Technical Leaders products have proven to meet a market need, with current AUM exceeding \$1.6 Billion.

Technical Leaders ETFs

PowerShares
DWA Technical
Leaders
(PDP)
3/1/07

Small Cap
Technical
Leaders
(DWAS)
7/19/12

Emerging
Markets
Technical
Leaders
(PIE)
12/28/07

Developed
Markets
Technical
Leaders
(PIZ)
12/28/07



The Power of Relative Strength

<i>Return Data thru 6/30/13</i>	Inception Date	YTD 2013	2012	3 Yr Roll
PowerShares DWA Technical Leaders Index (PDP)	3/1/2007	11.86%	17.16%	69.91%
S&P 500 (SPX)		12.63%	13.41%	55.84%

<i>Return Data thru 6/30/13</i>	Inception Date	YTD 2013	7/19/12 - 6/30/13
PowerShares DWA Small Cap Technical Leaders Index (DWAS)	7/19/2012	25.44%	30.10%
iShares S&P Small Cap 600 Index (IJR)		17.43%	22.19%
iShares Russell 2000 Index (IWM)		16.91%	21.33%

<i>Return Data thru 6/30/13</i>	Inception Date	YTD 2013	2012	3 Yr Roll
PowerShares DWA Emerging Markets Technical Leaders Index (PIE)	12/28/2007	-2.37%	16.62%	28.92%
iShares MSCI Emerging Markets Index (EEM)		-12.92%	16.90%	3.16%
Vanguard MSCI Emerging Markets ETF (VWO)		-12.71%	16.54%	2.26%

<i>Return Data thru 6/30/13</i>	Inception Date	YTD 2013	2012	3 Yr Roll
PowerShares DWA Developed Markets Technical Leaders (PIZ)	12/28/2007	6.06%	15.28%	30.57%
iShares MSCI EAFE Index (EFA)		1.72%	14.80%	23.20%
Vanguard MSCI EAFE ETF (VEA)		1.93%	15.02%	22.16%

The performance numbers above are pure price returns, not inclusive of dividends, fees, or other expenses. Past performance not indicative of future results. Potential for profits accompanied by possibly of loss.

Lesson:
Four “trends” can be better than one.

Swimming

800m Freestyle World Record

Zhang Lin

7:32.12 seconds

4x200m Freestyle World Record

Team United States

6:58.55 seconds



Track & Field

400 meter World Record

Michael Johnson

43.18 seconds

4x100 meter World Record

Team Jamaica

36.84 seconds



How Big of a Slice of PIE?



June 30th 2010 - June 30th 2013	
ETF	Return
Vanguard FTSE Emerging Markets (VWO)	2.26%
PowerShares DWA Emerging Markets Technical Leaders (PIE)	28.92%



June 30th 2010 - June 30th 2013

Vanguard FTSE Emerging Markets (VWO)	2.26%	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
PowerShares DWA Emerging Markets Tech Leaders (PIE)	28.92%	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Portfolio Return		2.26%	4.93%	7.59%	10.26%	12.92%	15.59%	18.26%	20.92%	23.59%	26.25%	28.92%

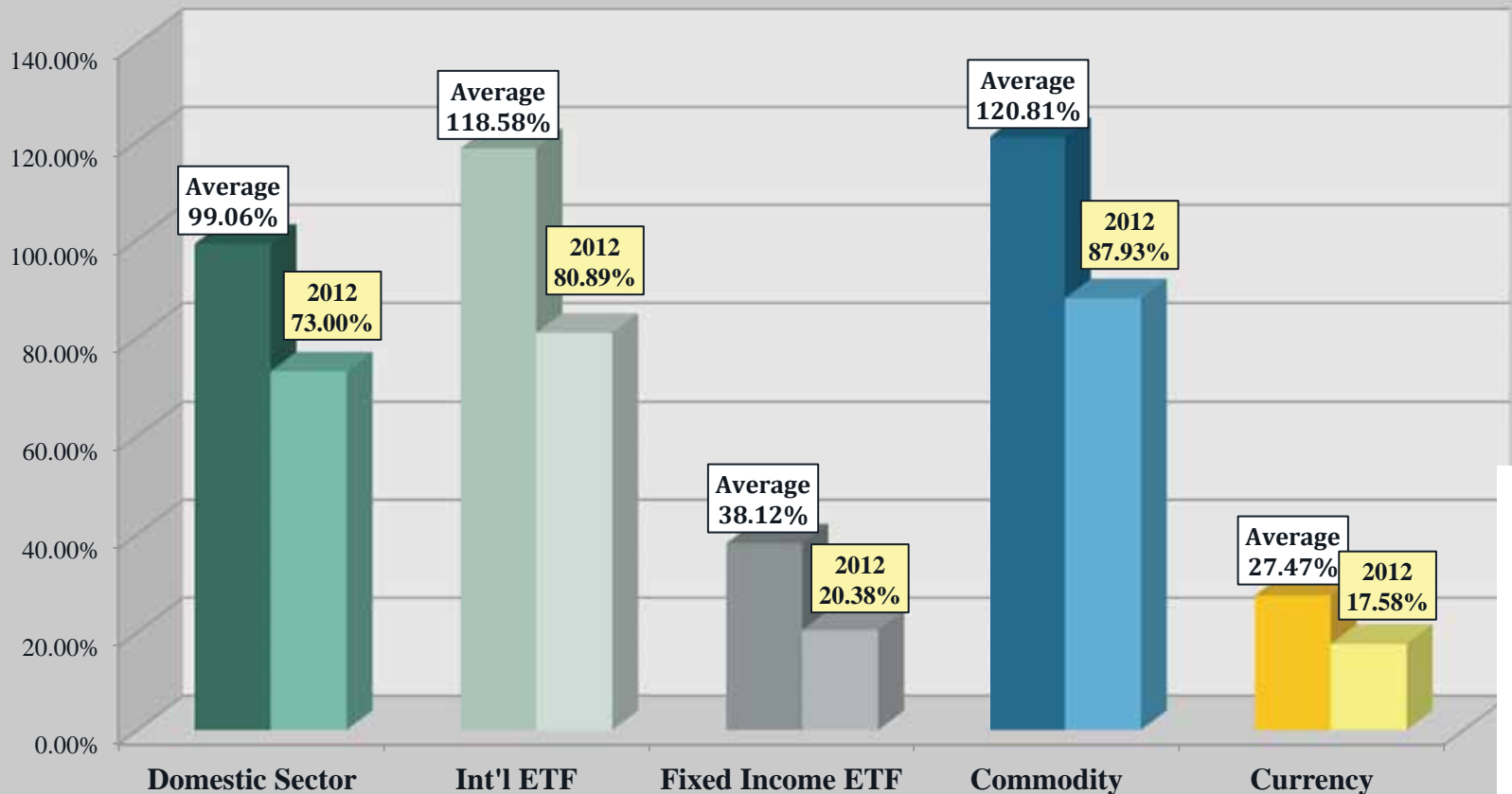
The performance numbers above are pure price returns, not inclusive of dividends, fees, or other expenses. Past performance not indicative of future results. Potential for profits accompanied by possibly of loss.

Characteristics of Relative Strength: Capitalizing on Differentials

Asset Class Return Dispersion

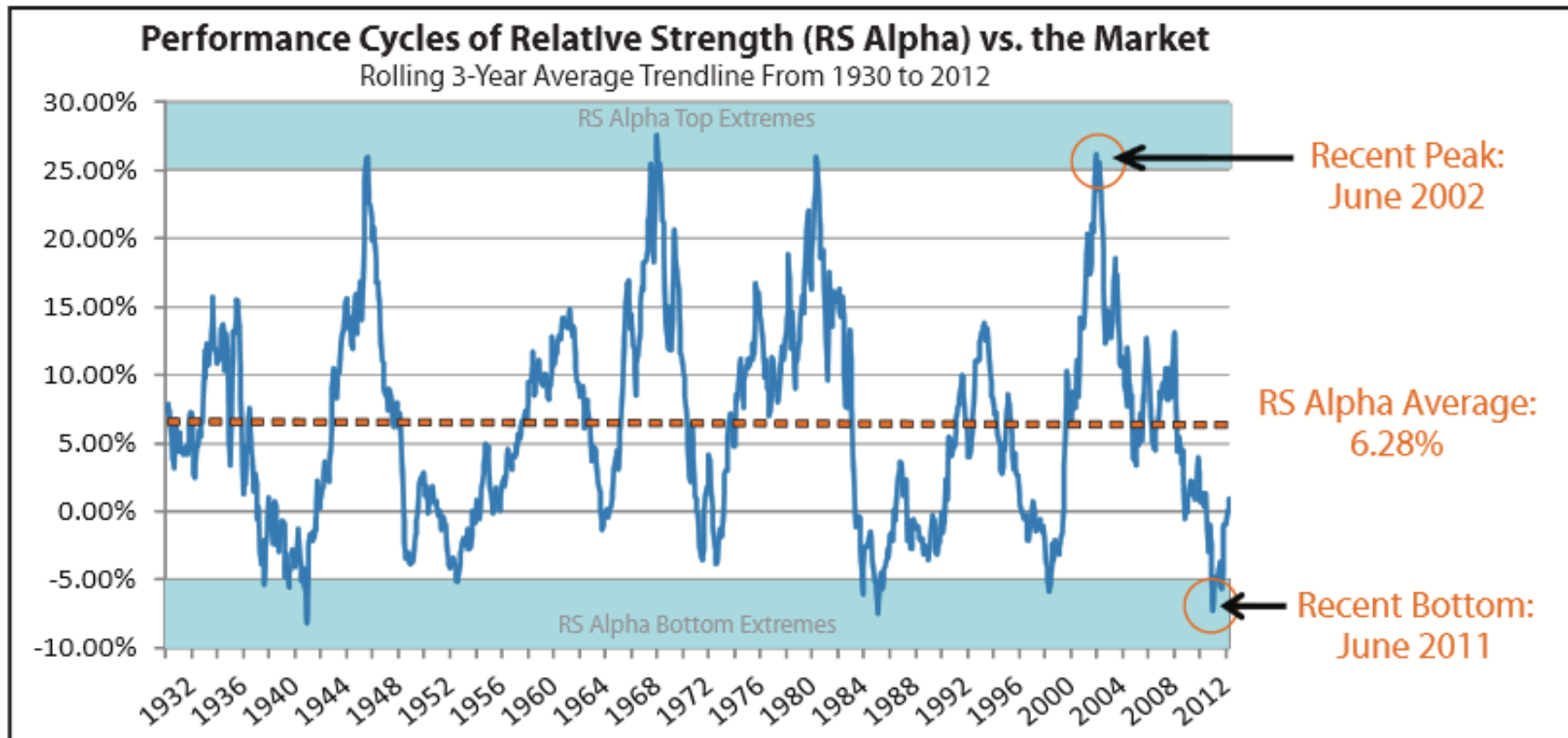
Yearly Average (since 1998) vs 2012

updated 12/31/2012



The performance numbers herein are pure price returns, based upon the applicable index, not inclusive of dividends, fees, or other expenses. Past performance is not indicative of future results.

A Time for RS Strategies



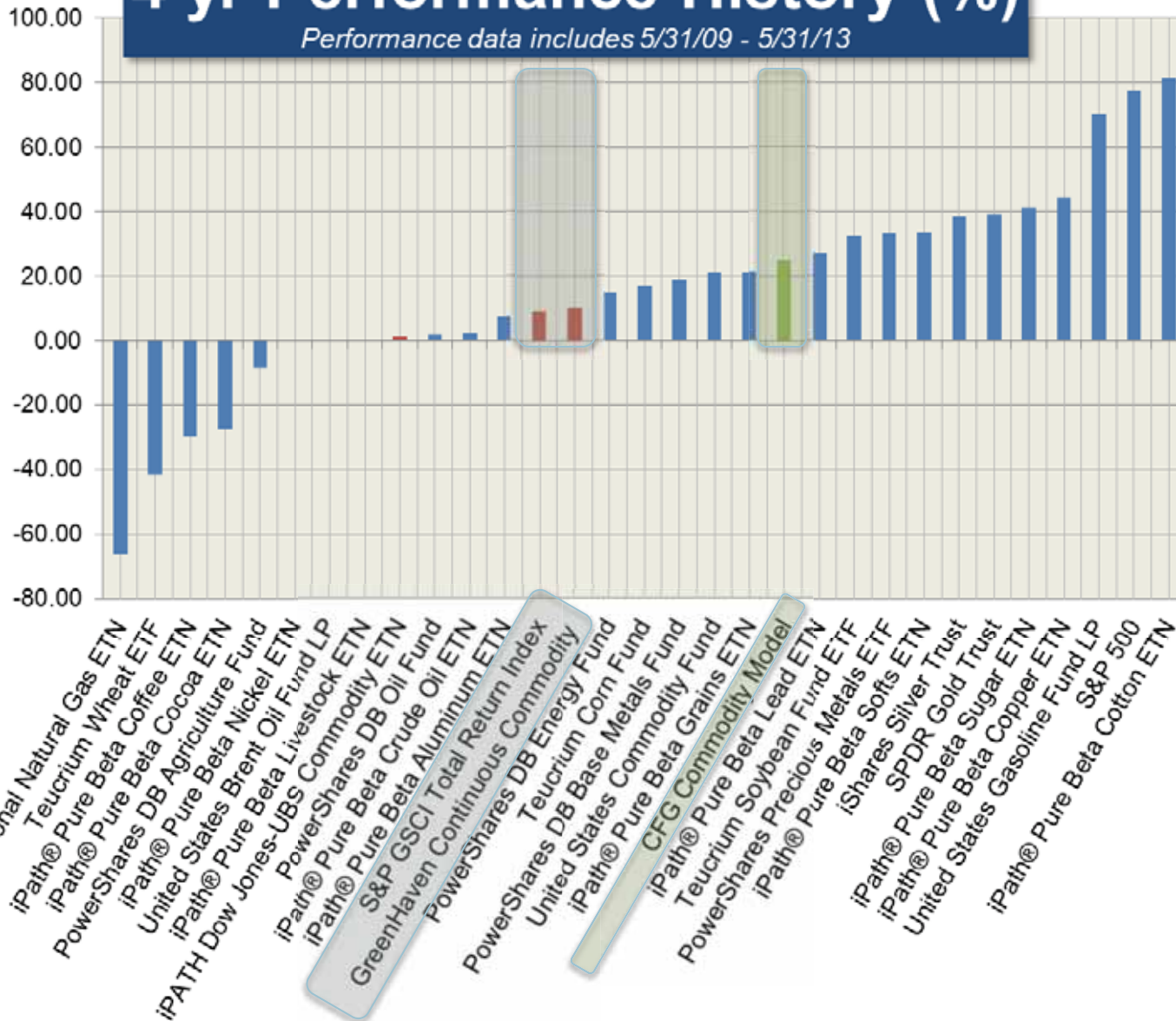
Performance displayed represents past performance, which is no guarantee of future results. Index performance assumes reinvestment of dividend, but does not include fees. Indexes are generally not available for direct investment. Relative Strength (RS Alpha) is represented by the 3-year rolling average performance for a long-term RS model versus the market (S&P 500 Index). Source: Standard & Poor's, calculated by Arrow.

Source: http://www.arrowfunds.com/files/DDF/Arrow_Insights_RS_Turns.pdf

Navigating Multiple Market Cycles

4 yr Performance History (%)

Performance data includes 5/31/09 - 5/31/13



Over time, relative strength-driven portfolios are designed to adapt in a way traditional benchmark indexes don't.

The performance numbers herein are pure price returns, based on the applicable index or fund, not inclusive of dividends, fees, or other expenses. Past performance not indicative of future results. Potential for profits accompanied by possibility of loss. Please see the final slide for important disclosures on hypothetical returns.

Applying Relative Strength to the Commodity World

Soybeans **Gasoline**

Core Commodities

Lead **Gold** **Brent Oil** **Natural Gas**



Model Construction

Begin with a commodity inventory



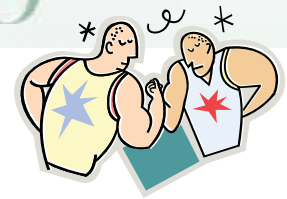
Eliminate market laggards



Systematically construct portfolio of Leaders

How Rotation Takes Place

Sample Commodity Rankings (7/12/13)



Rank	Ticker	Buys	Xs	Tot Combo	Tech Attrib/ Score	SLV	JJP	IAU	JO	JJN	JJC	JJS	JJM	JJ
1	OIL	20	21	41	3.10	BX	BX	BX	BX	BX	BX	BX	BX	BX
2	BAL	19	16	35	2.96	BO	BO	BX	BX	BX	BX	BX	BX	BX
3	JJE	18	18	36	1.10	BX	BX	BX	BX	BX	BX	BX	BX	BX
4	LD	18	8 ↑	26	1.25	BX	BX	BX	BO	BX	BO	SO	BO	BX
5	GSP	16	20	36	1.13	BX	BX	BX	BX	BX	BX	BX	BX	BX
6	COW	15	12 ↓	27	1.68	BO	BO	BO	BX	BO	BX	BX	BX	BX
7	JJG	14 ↑	5 ↑	19	0.38	BO	BO	BO	BO	SX	BO	BO	BO	BX
8	JJA	14 ↓	5 ↓	19	0.27	BO	BO	BO	BO	BX	BO	BX	BO	BX
9	NIB	13	10	23	0.92	BX	BX	BX	BO	SX	BO	BO	BO	BX
10	DWAIPATH	11	12	23	N/A	BX	BX	BX	BX	BO	BX	BX	BO	BX
11	DJP	10	13 ↑	23	0.20	BO	BX	BX	BX	BX	BX	BX	BX	BX
12	JJT	10	6	16	1.36	BO	BO	BX	SX	BO	BO	BO	BO	SO
13	SGG	10	0	10	0.06	BO	BO	BO	BO	BO	BO	SO	BO	SO
14	JJU	9	12	21	0.17	BX	BX	BX	BX	BX	BX	BO	SX	SO
15	JJM	8	12	20	0.20	BX	BX	BX	BX	BX	SO	BO		BX
16	JJS	7	9 ↑	16	0.38	BO	BO	BO	BX	BO	SO		BX	SO
17	JJC	6	11	17	0.18	BX	BX	BX	BX	BO		SO	BX	SO
18	JJN	5	5	10	0.07	BO	BX	BX	SO		SO	SX	SO	SO
19	JO	3	6 ↓	9	0.03	BO	SO	SO		BX	SO	SO	SO	SO
20	IAU	2	8 ↑	10	1.42	BX	SX		BX	SO	SO	SX	SO	SO
21	JJP	2	8 ↑	10	0.36	BX		SO	BX	SO	SO	SX	SO	SO
22	SLV	0	11	11	0.47		SO	SO	SX	SX	SO	SX	SO	SO

Established Market Leaders

Current Tactical Holdings

Established Market Laggards

DWA iPath Model Returns

Time Frame <i>(all returns are thru 6/30/13)</i>	DWA iPath Model	Equal Weighted Index of iPath Commodity ETFs /
Year To Date	-3.56%	-11.14%
1 Year	-9.12%	-11.35%
3 Year	10.80%	-2.78%
5 Year	-13.28%	-33.17%
Returns since 12/31/99	689.54%	110.59%
Returns since 12/31/93	1810.00%	191.46%



The performance numbers herein are pure price returns, based on the applicable index or fund, not inclusive of dividends, fees, or other expenses. Past performance not indicative of future results. Potential for profits accompanied by possibility of loss. Please see the final slide for important disclosures on hypothetical returns.



**Education is not the
filling of a pail, but the
lighting of a fire.**

--William Butler Yeats



The hypothetical returns of strategies discussed use the returns of other indices. The hypothetical returns have been developed and tested by Dorsey, Wright & Associates ("DWA"), but have not been verified by any third party and are unaudited. The performance of the strategy was achieved by means of retroactive application of a model designed with hindsight. For the hypothetical strategy, returns do not present actual trading or reflect the impact that material economic and market factors might have had on the advisor's decision-making under actual circumstances. The volatility of the strategy may be different than the volatility of the S&P 500 index. DWA does not endorse the selections or percentages for the model testing which is at the sole discretion of the advisor.

Actual performance of an account following this strategy may differ from the performance of the hypothetical portfolio for the following reasons: the Account may not be fully invested at all times; not all stocks / ETFs / mutual funds in the Account may be weighted equally at all times due to appreciation or depreciation in value; or in managing the Accounts, and the advisor may make modifications to the Strategy that is outlined in the testing criteria.

The returns of the strategies do not include dividends for stocks or ETFs but do account for distributions in mutual funds. Returns of the strategies do not include any fees or transaction costs. Past performance, hypothetical or actual, does not guarantee future results. In all securities trading there is a potential for loss as well as profit. It should not be assumed that recommendations made in the future will be profitable or will equal the performance as shown. Investors should have long-term financial objectives.

The information contained herein has been prepared without regard to any particular investor's investment objectives, financial situation, and needs. Accordingly, investors should not act on any recommendation (express or implied) or information in this material without obtaining specific advice from their financial advisors and should not rely on information herein as the primary basis for their investment decisions. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources believed to be reliable ("information providers"). However, such information has not been verified by Dorsey, Wright & Associates, LLC (DWA) or the information provider and DWA and the information providers make no representations or warranties or take any responsibility as to the accuracy or completeness of any recommendation or information contained herein. DWA and the information provider accept no liability to the recipient whatsoever whether in contract, in tort, for negligence, or otherwise for any direct, indirect, consequential, or special loss of any kind arising out of the use of this document or its contents or of the recipient relying on any such recommendation or information (except insofar as any statutory liability cannot be excluded). Any statements nonfactual in nature constitute only current opinions, which are subject to change without notice. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation or an offer to buy any securities, commodities or exchange traded products. This document does not purport to be complete description of the securities or commodities, markets or developments to which reference is made.

Past performance is not indicative of future results. Potential for profits is accompanied by possibility of loss. You should consider this strategy's investment objectives, risks, charges and expenses before investing. The examples and information presented do not take into consideration commissions, tax implications, or other transaction costs.

Each investor should carefully consider the investment objectives, risks and expenses of any Exchange-Traded Fund ("ETF") prior to investing. Before investing in an ETF investors should obtain and carefully read the relevant prospectus and documents the issuer has filed with the SEC. ETF's may result in the layering of fees as ETF's impose their own advisory and other fees. To obtain more complete information about the product the documents are publicly available for free via EDGAR on the SEC website (<http://www.sec.gov>).

The Dorsey Wright SmallCap Technical Leaders Index is calculated by Dow Jones, the marketing name and a licensed trademark of CME Group Index Services LLC ("CME Indexes"). "Dow Jones Indexes" is a service mark of Dow Jones Trademark Holdings LLC ("Dow Jones").

Products based on the Dorsey Wright SmallCap Technical Leaders IndexSM, are not sponsored, endorsed, sold or promoted by CME Indexes, Dow Jones and their respective affiliates make no representation regarding the advisability of investing in such product(s).

There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange, rate fluctuations, and limited availability of information on international securities.