



How Agile Is Your Portfolio?

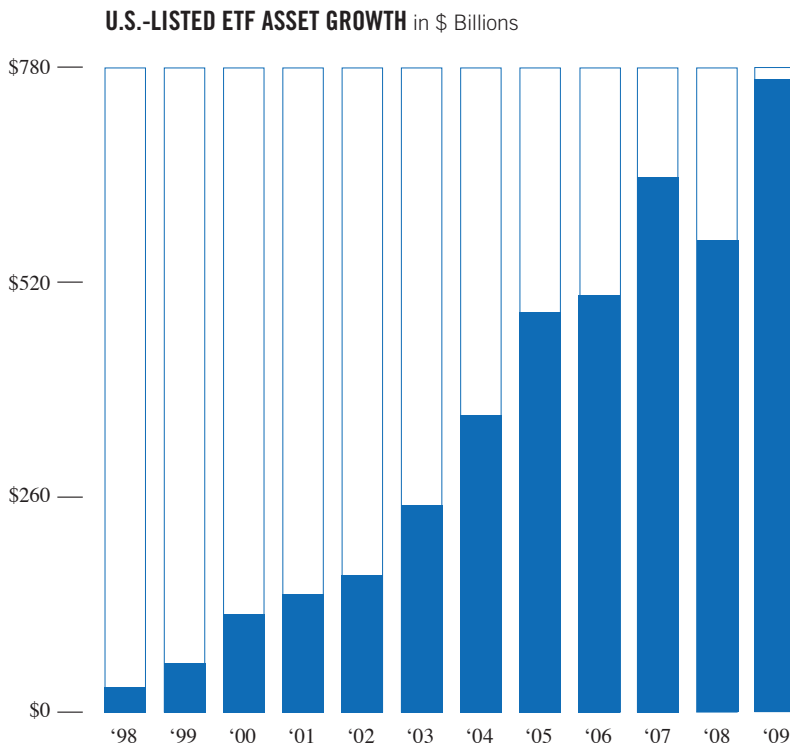


Agile Investments is a registered investment advisor that manages diversified portfolios on behalf of our clients. We construct portfolios principally with exchange-traded funds (ETFs), which are low-cost, tax-efficient investments that track the performance of specific market indexes. ETFs are ideal vehicles for implementing our tactical asset allocation strategies.

Agile Investments is targeted to investors seeking to:

- Emphasize asset allocation — the key factor in portfolio performance
- Diversify across a broader range of asset classes
- Tactically adjust exposure based on the risk/return profile of each asset class
- Defend capital during bear markets
- Minimize investment costs and taxes
- Remove emotion from the decision making process

Why Are ETF Assets Growing So Rapidly?



ETFs are among the fastest growing investment vehicles because they provide a compelling combination of low-costs, performance, diversification and tax-efficiency. ETFs allow investors to gain exposure to an entire asset class with a single security.

Using exchange-traded funds, Agile Investments constructs institutional-caliber portfolios that are both highly streamlined, with respect to the number of portfolio components, and broadly diversified, given the large number of securities underlying individual ETFs.

SELECTED PORTFOLIO COMPONENTS

Asset Class	Representative ETF (Symbol)	Fund Holdings	Expense Ratio
U.S. Stocks	Vanguard Total Stock Market (VTI)	3410	0.09%
Foreign Stocks	Vanguard FTSE All-World Ex-U.S. (VEU)	2156	0.25%
Taxable Bonds	Vanguard Total Bond Market (BND)	3362	0.14%
Tax Exempt Bonds	iShares S&P National Municipal (MUB)	592	0.25%
Real Estate Stocks	SPDR Dow Jones Global Real Estate (RWO)	213	0.50%
Gold	SPDR Gold Shares (GLD)	n/a	0.40%

“All of the research undertaken by active managers keeps prices closer to values, enabling indexed investors to catch a free ride without paying the costs.”

- William F. Sharpe, Nobel Prize Laureate

ETFs are Ideal Asset Allocation Tools

Experienced investors understand that asset allocation – how a portfolio is divided among various asset classes – is the paramount investment decision and the key factor in performance. Consequently, asset allocation is where Agile Investments focuses its investment management efforts. We believe we are much more likely to add value by concentrating on asset allocation and minimizing expenses and taxes, than by attempting to outperform indexes through the active management of individual stocks or bonds.

The empirical evidence has shown that the majority of active fund managers fail to outperform their benchmark indexes, due principally to the various costs (e.g. compensation, marketing, trading) of their activities.

ETFs greatly facilitate the processes of portfolio construction, portfolio rebalancing, and tactical re-allocation because: (1) an ETF-based portfolio has a relatively small number of components and therefore fewer moving parts; and (2) the ETFs used by Agile Investments are easily bought and sold with liquid trading markets and no redemption penalties.

Moreover, ETFs are among the most tax-efficient securities due their low internal portfolio turnover and their unique method of creating and redeeming shares, which allows the fund manager to continuously purge the lowest-basis tax lots from the portfolio. As a result of these factors, ETFs are able to minimize, and in most cases avoid altogether, the taxable gain distributions that have created unwanted tax liabilities for investors in actively-managed mutual funds. A 2003 study by Lipper Research estimated that taxable shareholders in actively managed mutual funds lost over 15% of their returns to taxes over the prior decade.

PERCENTAGE OF MUTUAL FUNDS THAT UNDERPERFORMED THEIR BENCHMARKS

- Five Years Ended December 2008

Fund Category	Comparison Index	% of Funds Underperforming Index
U.S. Large Cap Stocks	S&P 500	71.9%
U.S. Mid Cap Stocks	S&P MidCap 400	79.1%
U.S. Small Cap Stocks	S&P MidCap 600	85.5%
International Stocks	S&P 700	83.5%
Emerging Markets Stocks	S&P/IFCI Composite	89.8%
Investment Grade Bonds	Barclays Interm Govt/Credit	90.2%
Municipal Bonds	S&P National Municipal	95.9%

Source: Standard and Poor's

“I own last year's top performing funds. Unfortunately, I bought them this year.”

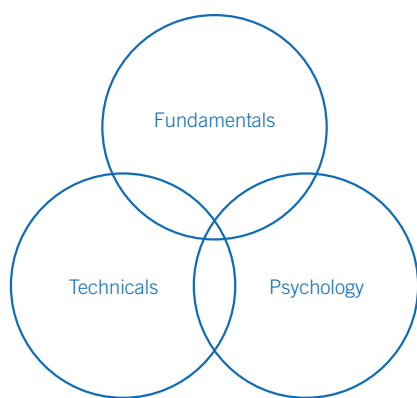
—Anonymous

Agile's Investment Management Approach

Unlike institutions, individual investors typically do not think of their portfolios in terms of asset allocation. There is often no systematic approach to their investments, and the result is a haphazardly assembled portfolio that is not sufficiently diversified because it is not exposed to enough asset classes.

Agile Investments believes (1) investors should maintain exposure to a diverse group of asset classes at all times, and (2) risk is most effectively reduced by combining uncorrelated asset classes in a balanced portfolio. We take an active rather than a passive approach to managing the asset mix in client portfolios by varying the level of exposure as the risk/return profiles of particular investments change. A policy of fixed investment weightings fails to account for the fact that risk is rewarded much better in some market climates than others, and that individual asset classes can become over or under valued. We believe a disciplined tactical asset allocation strategy over the longer-term can be employed to generate superior returns compared to a buy and hold strategy. Our definition of long-term investment success is not just making money during bull markets but protecting gains and defending capital during bear markets.

Agile Investments' process for making tactical asset allocation decisions encompasses an analysis of the fundamentals as well as the technical and psychological condition of the markets:



FUNDAMENTALS: Our fundamental analysis focuses on asset class valuations, monetary trends, and the economic outlook. Valuation at the time of purchasing an asset goes a long way towards determining future returns. Simply put, there are times when assets are priced to deliver attractive returns and other times when they are not. Our analysis of monetary trends includes the overall level and trend of interest rates, the rate of money supply and credit growth, and the posture of the Federal Reserve and other global central banks. Finally, our analysis of the economic environment focuses on *leading* economic indicators rather than current economic conditions.

TECHNICALS: Because market prices discount the future and are a leading indicator of known fundamentals, technical analysis, which is the study of market action itself, is a valuable complement to an analysis of the fundamental backdrop. Technical analysis keeps us in sync with the primary underlying trends in asset prices and allows us to identify important support and resistance levels, which provide valuable aids when investing new funds and making tactical rebalancing and reallocation decisions.

PSYCHOLOGY: Because markets are a reflection of mass psychology, an analysis of investor sentiment is of critical importance in understanding and anticipating market movements. Sentiment analysis, which measures the degree of bullishness or bearishness of investors, is a contrarian technique that is an invaluable tool at critical market turning points. It is based on the premise that the "crowd," by definition, is on the wrong side of the market at extremes. Whenever investors become significantly one-sided in their expectations about the direction of an asset price, the market will typically move in the direction opposite to that anticipated by the masses.

"The action of the stock market is nothing more nor less than a manifestation of mass crowd psychology in action"

– Edson Gould

A Simple Way to Increase Returns

“Never have so many been paid so much for so little.”
– Christopher Davis

The investment management industry is notorious for its high fees and the questionable value provided by many practitioners. Too often, investment management is viewed primarily as a revenue maximizing business rather than a professional service with high fiduciary standards. Agile Investments firmly believes that because investment costs and advisory fees come directly out of client returns, controlling expenses is a critical factor in investment performance. We minimize the expenses our clients incur by using low-cost ETFs and delivering our portfolio management services as economically as possible:

AGILE INVESTMENTS FEE SCHEDULE

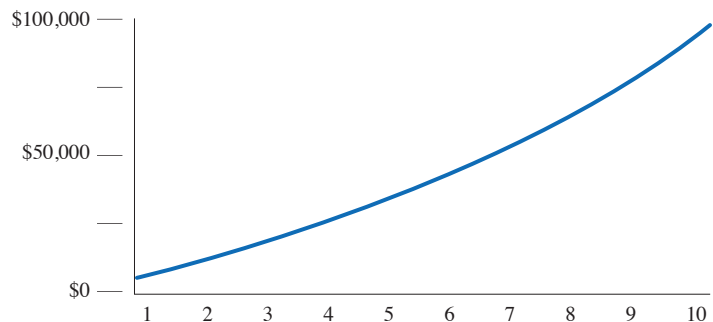
Account Value	Annual Fee
Up to \$1,000,000 ⁽¹⁾	0.40%
Above \$1,000,000	\$4,000, plus 0.25% of assets over \$1,000,000

(1) Subject to a minimum fee of \$750 per quarter

The combination of Agile’s low fees and the low expenses of ETFs can result in substantial overall savings relative to other strategies involving professional portfolio management. This cost advantage, which is often a full percentage point or more, is magnified over time as a result of compounding:

CUMULATIVE EFFECT OF 1% COST SAVINGS

On A \$500k Portfolio Invested Over 10 Years



Frequently Asked Questions

WHO IS RESPONSIBLE FOR THE MANAGEMENT OF MY PORTFOLIO?



J.D. Steinhilber is the Founder and President of Agile Investments, and is responsible for the management of all client portfolios. J.D. is a recognized authority on ETFs and ETF portfolio strategies. His articles and comments have appeared in Forbes, the New York Times, the Wall Street Journal, MarketWatch, and Investors Business Daily. He has also been a speaker at several ETF conferences and a guest on CNBC.

J.D. is a graduate of the University of Virginia and has 17 years of experience in the securities industry. J.D. serves on the Board and is the Treasurer of Ten Thousand Villages – Nashville, a non-profit retailer of fairly traded merchandise produced by artisans in developing countries.

WHAT SERVICES ARE PROVIDED TO PORTFOLIO MANAGEMENT CLIENTS?

Agile Investments provides portfolio management services to clients in accordance with the investment objectives stated by the client and confirmed by us. In providing these services, we exercise discretion with respect to the purchase and sale of investment securities. We manage client portfolios on an individualized basis. Client portfolios vary based upon a variety of factors, including the client's investment objectives, risk tolerance, time horizon, net worth, tax situation, and other factors.

As a registered investment advisor, Agile serves clients in a *fiduciary* capacity, which entails: putting clients' best interests first; avoiding any conflicts of interest; providing thorough due diligence on the financial markets and the investments purchased for clients; and delivering services as economically as possible in order to maximize net returns.

WHICH CUSTODIAN WILL BE USED TO HOLD MY ACCOUNTS?

Client accounts are held in custody and brokerage services will be provided by Fidelity Investments. Alternative custodial arrangements may be used subject to approval by Agile Investments. We are not affiliated with any brokerage firm or fund company and are not compensated in any way by those firms. Clients have continuous access to their account information through a secure website provided by the custodian. Clients are responsible for trading commissions charged by the custodian, which range from \$8.00 to \$12.95 for ETF orders depending on the size of the account. The number of trades per year in our portfolios will vary based upon market conditions, but clients should expect approximately 20 transactions (buys and sells) in a typical year, excluding transactions in connection with the initial investment of an account.

WHO HAS ACCESS TO MY MONEY?

The only person or persons who have access are those whose names are listed as owner(s) of the account. Agile Investments has limited power of attorney to buy and sell securities in client accounts.

WHAT TYPE OF REPORTING WILL I RECEIVE?

In addition to regular monthly statements from the custodian, clients receive quarterly portfolio reports from Agile Investments, which include a detailed review of the performance and asset allocation of client accounts under management.

DOES AGILE INVESTMENTS CHARGE FOR AN INITIAL CONSULTATION?

There is no charge for an initial consultation. We recognize the importance of earning your trust, and offer our insight and expertise without obligation.