

Boyd Watterson Asset Management

All ETF Ultra Enhanced Core Fixed Income

Product Type: Multi-Product Portfolio
Geography Focus: Domestic
Type of Portfolio: Fixed Income
Avg. Capitalization:
Management Style:

Headquarters: Cleveland, OH
Year Founded: 1928
Total AUM: \$5,629 million
Inception of Style: 2011
Assets in Style: \$20 million

Total Staff: 44
Investment Professionals: 8
Avg. Years with Firm: 12
Avg. Years Industry Experience: 23

Ownership: Titanium Asset Management Corp
Research Method: Three Step Approach
Investment Emphasis: Active Duration

Investment Philosophy

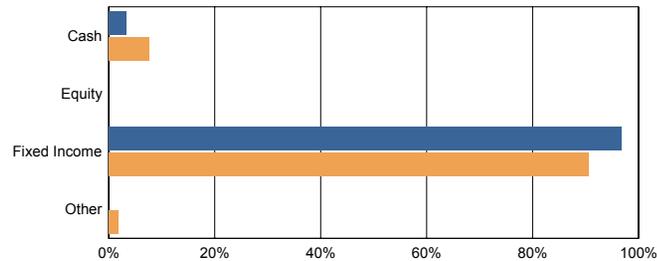
Boyd Watterson believes alpha can be achieved through duration management (+/-25% of the benchmark), exploiting changes in spread relationships, and identifying undervalued sectors and securities while maintaining a high-quality, liquid portfolio. The target duration is based on analysis of the direction of interest rates. Their duration management and credit research are imperative as part of the sector allocation process. Under normal conditions, exposure to any sector will not exceed 3x the benchmark weight. Additionally, high yield and foreign exposures combined will not exceed 30% of the portfolio. When replicating the SMA portfolio with ETFs, the ETF model utilizes 10-15 ETFs consisting of these ETFs: iShares Barclays 1-3 Yr Treasury Bond (SHY), iShares Barclays 7-10 Yr Treasury Bond (IEF), iShares Barclays 20+ Yr Treasury Bond (TLT), iShares Barclays 1-3 Yr Credit Bond (CSJ), iShares Barclays Intermediate Credit Bond (CIU), iShares 10+ Yr Credit Bond (CLY), iShares iBoxx \$ High Yield Corporate Bond (HYG), and iShares JPMorgan USD Emerging Markets Bond (EMB). The goal is to get the model to look like the SMA portfolio by replicating sector allocations and overlaying with maturity buckets to achieve portfolio duration as close to the SMA portfolio as possible.

Portfolio Manager Profile

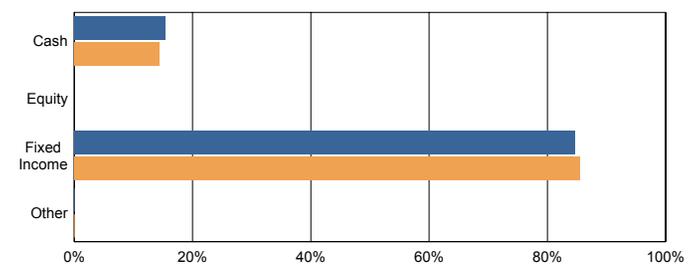
The Fixed Income Strategy Committee consists of seven voting members who share a total of 165 years of industry experience. Members of the strategy team include: Brian Gevry, CEO, CIO, Jim Shirak, deputy CIO, Greg Cobb, lead fixed income strategist, Michael Bee, senior executive vice president, David Dirk, senior vice president, Deborah Kidd, senior vice president, and Justin Waggoner, portfolio manager.

Jim Sharik has 45 years of industry experience and holds a M.B.A. degree and the CFA charter. He has been working on the SMA strategy since its inception in 2000 along with most of his team.

Manager's Portfolio Allocation



Benchmark's¹ Portfolio Allocation



¹Benchmark: Barclays Aggregate Bond.

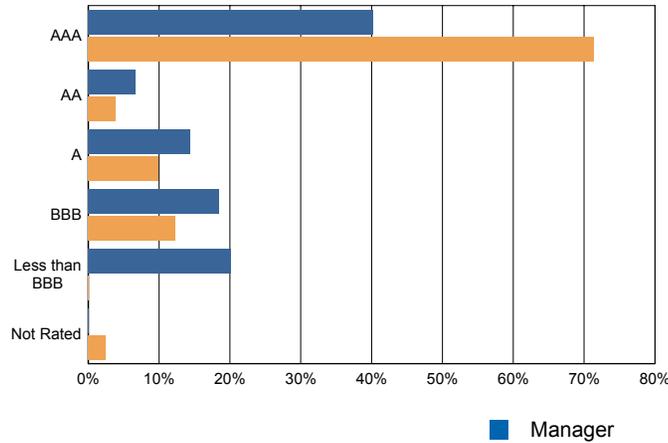
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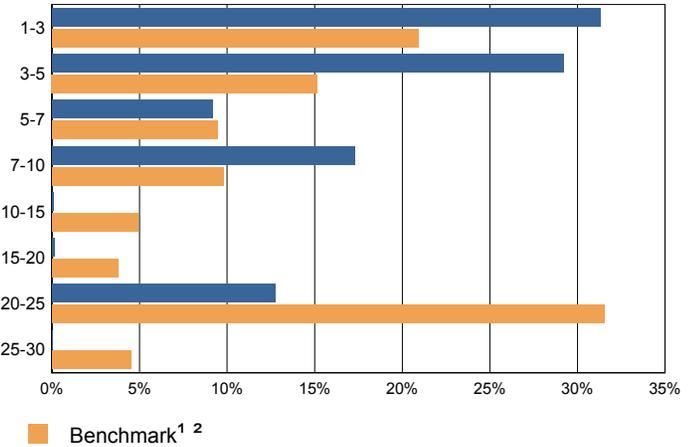
Portfolio Characteristics

(09/30/2014)	Manager	Benchmark ^{1 2}
Avg. Annual Turnover:	41.00%	180.00%
Portfolio Yield:	2.51%	2.19%
Max. Cash Holding:	N/A	100.00%
Current # of Holdings:	11	2796
Avg. Bond Duration:	5.3 years	5.3 years
Avg. Bond Maturity:	6.1 years	7.3 years
Avg. Bond Quality:	A	A
Avg. Bond Coupon:	3.67%	3.55%
% in US Market:	3%	0%
% in Emerging Markets:	0%	N/A

Credit Quality Allocation (09/30/2014)



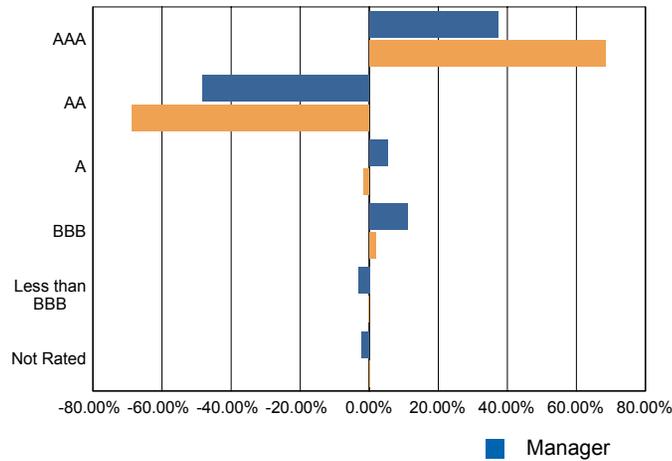
Maturity Allocation (09/30/2014)



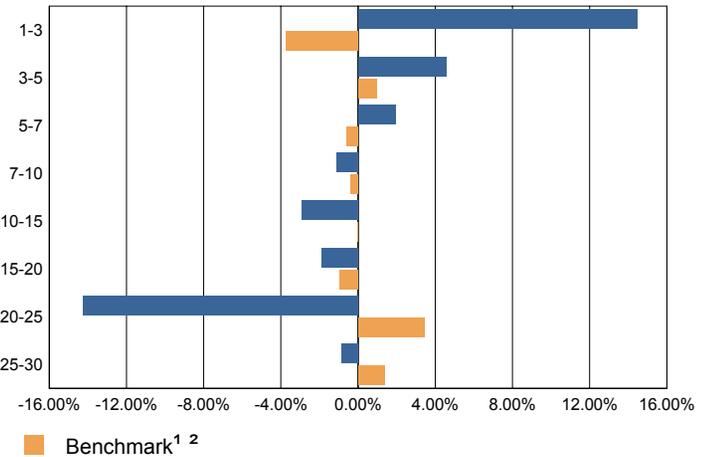
Top Ten Holdings (09/30/2014)

Top Ten Holdings (09/30/2014)	% of Portfolio
MBB iShares MBS Bond	20.45%
SJNK SPDR BarCap ST High Yield Bond ETF	17.92%
CIU iShares Intermediate Credit Bnd	16.92%
TLT iShares 20+ Year Treas Bond	10.63%
IEF iShares 7-10 Year Treas. Bond Idx	10.31%
SHY iShares 1-3 Year Treasury Bond	5.28%
FLOT iShares Floating Rate Note	5.10%
IEI iShares 3-7 Year Treasury Bond	4.11%
BKLN Senior Loan Portfolio	2.91%
VCLT Vanguard Long-Term Corp Bond Idx ETF	2.20%
Total	95.83%

Credit Quality Allocation Change (09/30/2014 vs. 06/30/2014)



Maturity Allocation Change (09/30/2014 vs. 06/30/2014)

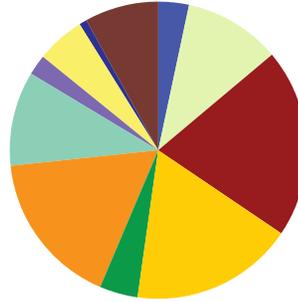


¹Benchmark: Barclays Aggregate Bond

²ETF proxy utilized for comparative data.

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Fixed Income

<u>Manager Name</u>	<u>Product Name</u>	<u>Symbol</u>	<u>Weight</u>	<u>Avg. Ann Turnover</u>	<u>Avg. Quality</u>	<u>Avg. Bond Duration</u>	<u>Avg. Coupon</u>	<u>Asset Class</u>	
BlackRock	iShares MBS Bond	MBB	20.45%	560%	A	4.51	3.86	FI - Domestic Mortgage Backed Securities	
SSgA	SPDR BarCap ST High Yield Bond E	SJNK	17.92%	44%	B	2.49	7.25	FI - High Yield Bonds	
BlackRock	iShares Intermediate Credit Bnd	CIU	16.92%	9%	BBB	4.24	3.76	FI - Intermediate Govt/Corp Bonds	
BlackRock	iShares 20+ Year Treas Bond	TLT	10.63%	33%	AA	16.88	3.66	Domestic Fixed Income Long Government	
BlackRock	iShares 7-10 Year Treas. Bond Idx	IEF	10.31%	116%	AA	7.58	2.12	FI - Intermediate Long Govt Bonds	
BlackRock	iShares 1-3 Year Treasury Bond	SHY	5.28%	136%	AA	1.97	1.30	FI - Short Govt	
iShares	iShares Floating Rate Note	FLOT	5.10%	4%	A	0.16	0.93	Specialty - Alternative Investments	
BlackRock	iShares 3-7 Year Treasury Bond	IEI	4.11%	57%	AA	4.56	1.63	FI - Intermediate Govt	
FDX CASH	FDX CASH	FXCASH	3.32%	1%	AA	0.17	0.00	Cash Equivalents	
PowerShares	Senior Loan Portfolio	BKLN	2.91%	47%	B	N/A	4.48	Specialty - Alternative Investments	
Vanguard Group	Vanguard Long-Term Corp Bond Idx	VCLT	2.20%	57%	A	13.76	5.89	FI - Long Govt/Corp Bonds	
BlackRock	iShares 1-3 Year Credit Bond	CSJ	0.85%	10%	BBB	1.92	2.68	FI - Short Govt/Corp	
			100.00%						

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Current Year Quarterly Returns

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Manager	2.07%	2.04%	-0.08%	N/A
Benchmark ¹	1.84%	2.04%	0.17%	N/A

Calendar Returns

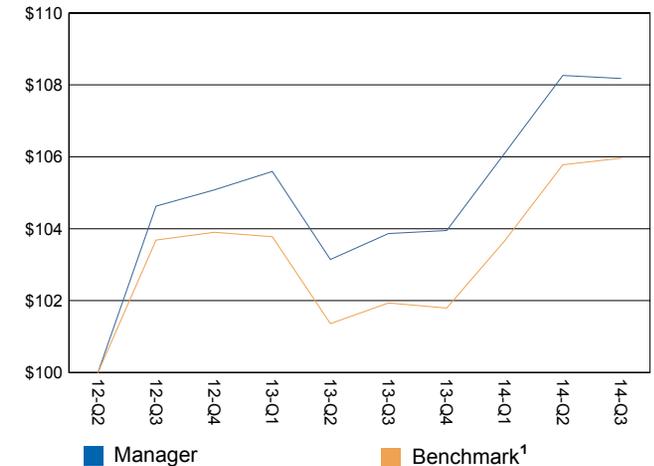
2014	2013	2012	2011	2010
N/A	-1.08%	N/A	N/A	N/A
N/A	-2.03%	4.21%	7.84%	6.54%

Trailing Returns (09/30/2014)

1 Year	3 Year	5 Year	7 Year	10 Year
4.15%	N/A	N/A	N/A	N/A
3.95%	2.43%	4.12%	4.95%	4.62%

Rolling 3 Year Annualized Excess Return vs. Benchmark¹

Growth of \$100 (Up to 20 Quarters)



¹Benchmark: Barclays Aggregate Bond

Disclosure

The investment descriptions and other information contained in this manager profile are based on data received from that manager and other sources as of the date indicated at the bottom of this report. The information is believed to be accurate, but has not been independently verified. All performance results are shown gross of fees and do not reflect the deduction of investment advisory fees and any other expenses incurred in the management of the investment advisory account. Your actual performance will vary and may be affected by the timing of delivery of investment recommendations from the Alpha Provider to the time of implementation by your client service agent. Trades placed by your client service agent may be more or less favorable than the prices obtained by the Alpha Provider for their client accounts. The delayed release of investment recommendations may, in certain instances, reduce or eliminate the information's usefulness. Investment advisory fees are described in Part II of Form ADV or other similar document provided by your client service agent. Actual performance results will be reduced by fees including, but not limited to, investment management fees and other costs, such as custodial, reporting, and evaluation services (Portfolio Fees). The net compounded impact of the deduction of such fees over time will be affected by the amount of the fees, the time period, and investment performance. For example, an account with a 1% annualized investment management fee, deducted quarterly, with 5 year annualized performance of 10% before fees, will have a net annualized performance of 8.93%. Compounding will similarly affect the account's performance on a cumulative basis. Specific calculations of net of fees performance for a given fee structure and gross of fees performance can be provided upon request. This is not a sales solicitation, but rather a research profile on a specific investment manager. Please contact your client service agent to determine its registration requirements in your state. Your client service agent and not the manager described herein will act as adviser and fiduciary to and on behalf of your account. Your client service agent provides individualized investment advice and portfolio management services.

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Risk Analysis (12 Quarters)

Manager Benchmark¹

Reward Measures

Annualized Return	N/A	2.43%	N/A	4.12%
Excess Return	N/A	N/A	N/A	N/A
Risk Adjusted Alpha	N/A	0.00%	N/A	0.00%

Risk Measures

Standard Deviation	N/A	2.49%	N/A	3.04%
Beta	N/A	1.00	N/A	1.00
Tracking Error	N/A	0.00%	N/A	0.00%

Risk vs. Reward

Sharpe Ratio	N/A	0.95	N/A	1.32
Treynor Ratio	N/A	2.36	N/A	4.02
Information Ratio	N/A	0.00	N/A	0.00

Experience Measures

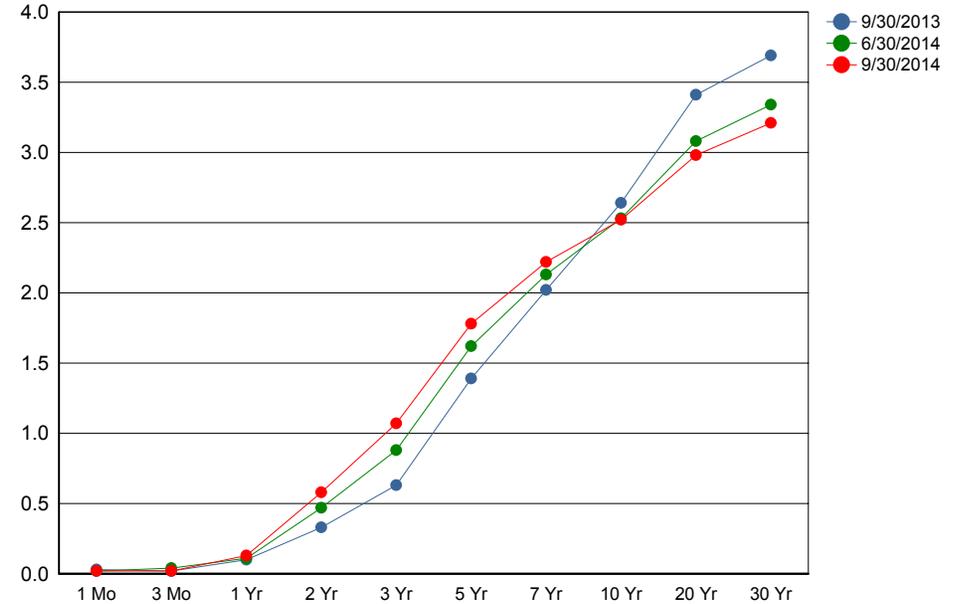
Upside Capture	N/A	100.00%	N/A	100.00%
Downside Capture	N/A	100.00%	N/A	100.00%
Best Quarter	N/A	2.06%	N/A	3.82%
Worst Quarter	N/A	-2.33%	N/A	-2.33%
# Negative Quarters	N/A	3	N/A	4

R-Squared

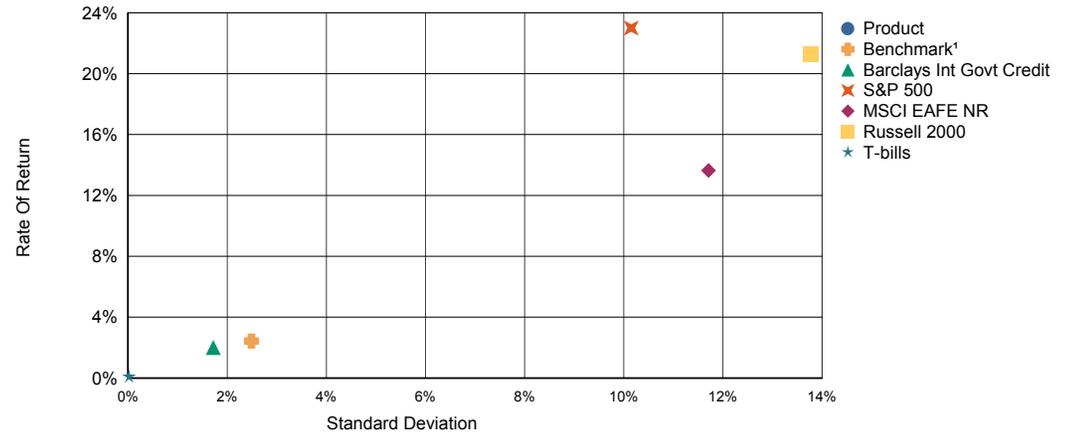
N/A	1.00	N/A	1.00
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Data as of 09/30/2014.

Treasury Yield Curve



Risk / Return (12 Quarters) (09/30/2014)



¹Benchmark: Barclays Aggregate Bond

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Research Status

Status Date: 09/23/2011

Current Status: Approved

Client Service

Research Analyst: Matt Lukawski

Phone Number: 888-526-6300

Important Notes

Performance results and related statistics are preliminary and are subject to change.

Average maturity is based on a comparable managed account portfolio.

At the time of this product's approval, there were no live accounts in the ETF Model. Performance dispersion between the back-tested ETF model's simulated results and the SMA portfolio live composite returns is relatively low. One-year annualized return for SMA was 7.59%, compared to 7.87% simulated return for the ETF model. The tracking error between the ETF model and SMA composite was 27 bps annualized, meaning 67% of the time the annual return would be within +/- 27 bps and 90% of the time the annual return would be within +/- 54 bps. Additionally, the standard deviation between the ETF model's duration and SMA portfolio's duration was minimal at 28 bps.

Your designated adviser will act as adviser to and on behalf of your account. The manager described herein and the other service providers involved with the program do not act as adviser or fiduciary to and on behalf of your account. The managers and other service providers involved with the program do not provide individualized discretionary advice. Your designated adviser provides individualized investment advice and portfolio manager services using non-discretionary investment recommendations (model portfolio) furnished by the manager to your designated adviser. The performance information shown for the manager is for a composite of accounts managed on a discretionary basis by the manager. Your designated adviser's model composition requirements and implementation practices may result in program accounts having different holdings and investment performance than manager's discretionary client accounts. Administrative and/or technological requirements of your designated adviser, and/or other factors, such as varying trade rotation practices of managers, affect the timing of delivery of such non-discretionary investment recommendations and may delay the review and implementation thereof by your designated adviser with respect to your account. Such delay may adversely impact the management of your account and the performance of your account relative to the manager's discretionary client account and other accounts managed using manager's non-discretionary investment recommendations. Prices obtained for trades that are placed by your designated adviser may be more or less favorable than the prices obtained by the manager for its client accounts. Additionally, the delayed release and implementation of investment recommendations may, in certain circumstances, reduce or eliminate the information's usefulness. Please also note, FDX Advisors, Inc. serves as a research provider. Accordingly, FDX does not have any initial or ongoing responsibility to determine whether this manager, or any other investment, is suitable for your portfolio. The suitability determination remains the obligation of your designated adviser.

Comments

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Glossary - Risk Characteristics Key Terms

Portfolio statistical measurements designed to analyze a manager's success in delivering performance relative to the risk the manager takes in trying to obtain better returns. The following statistical tools are derived from Modern Portfolio Theory (MPT).

Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the historical movement of a portfolio's performance not explained by movements of the market, or a portfolio's non-systematic risk. A positive alpha indicates the portfolio has performed better than its beta would predict. A negative alpha indicates a portfolio has underperformed, given the expectations established by the fund's beta. Alpha may be useful in analyzing a manager's specific contribution or value added to a portfolio's performance.

Beta - A measure of the sensitivity of a portfolio to movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk. The beta of a benchmark is 1. Portfolios are thought of as more risky than the market if their Beta is larger than 1 or less risky if their beta is smaller than 1. Beta is a statistical estimate of the average change in rate of return corresponding to a 1% change in the market.

Consistency - The percentage of quarters (or months) that a portfolio achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value-added a manager has contributed to the portfolio's performance.

Capital Market Line - A line used to illustrate the relationship between risk and return of investments. The slope of the line indicates the market's risk premium. It is a useful tool in determining whether an investment offers a reasonable return for its level of risk. A plot above the line would indicate an above market expected return for the risk.

Downside Capture Ratio - A measure of a portfolio's performance during a benchmark's period of negative performance. A lower downside capture ratio is desired when comparing multiple managers, as it indicates that the manager lost less than the market, when the market was down. This measure illustrates how a manager protected the portfolio during a market decline. A down market is one in which the market's quarterly return is less than zero. A negative downside capture ratio indicates that a manager's returns rose while the market declined. For example, if the market fell 10% while the manager's returns rose 4%, the downside capture ratio would be -40%.

Downside Risk - A similar measure to standard deviation, but focuses only the negative movements of the return series. Calculated by taking the standard deviation of the negative quarterly (or monthly) set of returns. The higher the downside risk, the riskier the portfolio.

Information Ratio - A similar measure to Sharpe Ratio, but focuses on the relative rate of return per one relative unit of risk (where Sharpe Ratio focuses on the absolute). Measured by dividing the excess rate of return with the tracking error. The higher the information ratio, the more value-added a manager has contributed to the portfolio's performance.

Index - Investors cannot invest directly in indexes. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing.

Manager - Manager refers to the Fund Manager or Third Party Manager listed at the top of the profile/tear sheet.

Popular Index Portfolio Opportunity Distributions (PIPODs or PODs) -

Scientifically-designed peer groups that comprise all of the portfolios that could have been held by an investment manager adhering to a specified mandate, such as the S&P 500. For instance, if a manager holds 50 stocks in their portfolio and manages to the S&P 500, the POD will illustrate the range of returns for 10,000 randomly created 50-stock portfolios using only stocks in the S&P 500. Thus, the manager is compared against the range of possibilities given his approach and benchmark. This offers an advantage over traditional peer groups because it corrects for survivorship, classification, and composition issues. It also determines statistical significance. For more information go to www.pcca-inc.com.

R-squared - The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. The higher the R-Squared, the closer the correlation of the portfolio's performance pattern to that of the appropriate benchmark.

Sharpe Ratio - A risk-adjusted measure calculated using standard deviation and excess return (portfolio return minus the T-Bill return) to determine reward per unit of risk. The higher the ratio, the better the portfolio's historical risk-adjusted performance.

Rate of Return - The gain or loss generated from an investment over a specified period of time. Rate of return is also referred to as total return and it includes the change in the value of a security plus all Interest, Dividends and capital gains distributions generated by holding that security.

Sortino Ratio - A risk-adjusted measure calculated using downside risk and excess return (portfolio return minus the T-Bill return or other minimal accepted return) to determine reward per downside unit of risk. The higher the Sortino Ratio, the better the portfolio's historical risk-adjusted performance. This measure is closely related to the Sharpe Ratio.

Standard Deviation - A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period. Approximately 68% of the time, returns of a portfolio are expected to differ from its mean return by no more than plus or minus the standard deviation figure.

Tracking Error - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.

Treynor Ratio - Similar to Sharpe Ratio, but focuses on Beta rather than overall risk (standard deviation).

Upside Capture Ratio - A measure of a portfolio's performance during a benchmark's period of positive performance. A higher upside capture ratio is desired when comparing multiple managers. This measure illustrates how a manager capitalized on a rising market. An up market is one in which the market's quarterly return is greater than or equal to zero. A negative upside capture ratio indicates that a manager's return fell while the market rose. For example, if the market gained 10% while a manager's returns fell 4%, the upside capture ratio would be -40%.