
Morningstar ETF Managed Portfolios Landscape Report

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Executive Summary

ETF managed portfolios are investment strategies that typically have more than 50% of portfolio assets invested in exchange-traded funds. Primarily available as separate accounts, these portfolios represent one of the fastest-growing segments of the managed-account universe. Professional money managers are packaging portfolios of ETFs into investment strategies to meet a wide array of investor and advisor demands.

Morningstar's proprietary classification system for ETF managed portfolios consists of four main attributes: Universe, Asset Breadth, Portfolio Implementation, and Primary ETF Exposure Type. This system relies on our analysis of the investment strategy and disclosed portfolios and aids key decision-makers in better understanding the philosophies underlying this growing crop of investment strategies. Growth in assets from advisor demand is being driven by multiple factors. The fiduciary standard continues to move forward as the baseline philosophy for managing client portfolios, and, as a result, growth in the fee-based model is tilting portfolios toward lower-cost, broad-based investments for a larger part of client portfolios, with a focus on asset allocation.

Key Takeaways

- ▶ Morningstar was tracking 881 strategies from 162 firms with total assets of \$86.7 billion through December 2016.
- ▶ Total assets in these strategies as reported to Morningstar increased 2.2% in the fourth quarter of 2016.
- ▶ This marks the fourth consecutive quarter of growth in this space. Approximately \$95 million of the \$1.9 billion in quarter-over-quarter growth was driven by the addition of new strategies to our database.
- ▶ Three of the five strategies with the largest quarter-on-quarter increases in assets were vanilla 60/40 stock/bond strategic asset-allocation portfolios. This punctuates a dramatic shift in investor preferences in this space that was spurred by the implosion of a handful of high-flying tactical strategies just a few years ago.

Landscape Highlights

Assets in exchange-traded-fund managed portfolios increased in the fourth quarter of 2016. At the end of 2016, strategies in Morningstar's database had collective assets under management and assets under advisement of \$86.7 billion. The negative effects of ongoing outflows from strategies managed by some of the largest operators in the space were more than offset by their peers' gains as well as by the addition of new strategies to our database. Most notably, assets in strategies managed by Vanguard increased nearly \$943 million on a quarter-over-quarter basis.

Three of the five strategies with the largest quarter-on-quarter increases in assets were vanilla 60/40 stock/bond strategic asset-allocation portfolios. This punctuates a dramatic shift in investor preferences in this space that was spurred by the implosion of a handful of high-flying tactical strategies just a few years ago.

Last year was a difficult one for many managers of Global All-Asset and Global Balanced strategies. These two groupings account for more than half of all assets in ETF managed portfolios. In both cases, the median strategy significantly lagged its blended benchmark through the end of the third quarter. While Global Balanced strategies regained ground in the fourth quarter and the median strategy in the category wound up beating its bogy, the median Global All-Asset strategy lagged its blended benchmark for the full year.

WisdomTree, Northern Trust, and Cambria made their debuts in the landscape this quarter. The firms are the latest ETF providers to report their strategies to Morningstar, joining BlackRock, Charles Schwab, State Street Global Advisors, and Vanguard.

Exhibit 5 Attribute Groupings (Ranked by 5-Year Return) and Selected Risk Statistics, 31 December 2016 (Continued)

Name	Inception Date	Portfolio Implementation	Primary ETF Exposure Type	Return %				Assets (\$Mil)	Risk Statistics vs. Selected Benchmark			
				1-Year	3-Year	5-Year	10-Year		Alpha	Beta	R-Squared	Down Capture
Confluence Income and Growth	12/1/08	Tactical	All-Inclusive	9.97	7.27	7.94	—	8.90	1.56	0.78	61.42	63.55
BCM Diversified Equity (Monthly)	8/3/09	Tactical	All-Inclusive	5.01	2.62	7.47	—	6.77	-2.22	1.23	87.16	143.75
BCM Diversified Equity	8/7/09	Tactical	All-Inclusive	6.54	3.17	7.14	—	90.50	-2.39	1.21	86.08	139.99
BCM AlphaDEX Diversified Equity	9/1/11	Tactical	All-Inclusive	6.66	1.63	6.48	—	5.56	-3.90	1.33	83.46	157.96
Navellier Dynamic Libertas 30	7/1/13	Tactical	All-Inclusive	11.27	4.36	—	—	28.08	—	—	—	—
Keystone Wealth Glb Income AlphaRotation	11/1/13	Tactical	All-Inclusive	3.94	1.11	—	—	0.12	—	—	—	—
Quartz Spectrum	3/2/15	Tactical	All-Inclusive	0.29	—	—	—	28.52	—	—	—	—
Toroso Sector Opportunity	7/1/13	Tactical	Sector	8.25	7.72	—	—	NR	—	—	—	—
Weatherstone Tactical Mkt Index- SRI	1/1/16	Tactical	All-Inclusive	5.28	—	—	—	0.05	—	—	—	—
Weatherstone Tactical Mkt Index-Mod	4/1/15	Tactical	All-Inclusive	10.26	—	—	—	5.30	—	—	—	—
Good Harbor Tactical Core US II	4/30/14	Tactical	All-Inclusive	19.81	—	—	—	0.12	—	—	—	—
United States All-Asset Median				7.45	4.36	7.94	11.43					
United States All Asset Blended Benchmark				9.16	4.56	8.10	6.03					
United States Alternative												
Newfound Dynamic Alternatives Cmpst	11/27/13	Hybrid	Broad Market	2.84	0.54	—	—	0.08	—	—	—	—
Beacon Vantage 3.0 Alternative	8/1/16	Hybrid	All-Inclusive	—	—	—	—	0.03	—	—	—	—
Kaizen Alpha Seeker	10/3/11	Tactical	All-Inclusive	12.71	6.25	23.51	—	0.45	11.90	0.82	14.07	64.76
Astor Dynamic Allocation	1/3/05	Tactical	All-Inclusive	8.24	5.34	6.45	6.32	1,345.80	-2.49	0.63	83.49	72.12
Green Inv Mgt Guardian Alternatives	9/1/09	Tactical	All-Inclusive	7.61	-2.81	-5.36	—	0.70	-6.92	0.11	2.58	52.01
CLS Macro Inflation	4/1/14	Tactical	All-Inclusive	2.01	—	—	—	1.71	—	—	—	—
TAMP US Tactical ETF L/S - PULSE	1/2/13	Tactical	Broad Market	1.64	7.67	—	—	0.08	—	—	—	—
FFCM Dynamic Core Absolute Return	12/31/14	Tactical	All-Inclusive	4.25	—	—	—	5.95	—	—	—	—
Efficient Market Dynamic Volatility	1/1/16	Tactical	All-Inclusive	21.65	—	—	—	0.10	—	—	—	—
United States Alternative Median				5.93	5.34	6.45	6.32		-2.49	0.63	14.07	64.76
United States Balanced												
Clark Navigator MultiStrategy 75-25(SAI)	9/1/06	Hybrid	All-Inclusive	19.86	9.37	12.90	8.21	178.83	0.32	1.29	77.94	123.93
Clark Navigator MultiStrategy 50-50(SAI)	11/1/06	Hybrid	All-Inclusive	18.98	8.06	10.75	8.80	349.06	1.03	0.99	79.62	95.13
Efficient Market 11-19 Years Aggressive	2/1/05	Hybrid	All-Inclusive	10.46	4.18	9.34	5.46	42.00	-3.20	1.32	92.82	151.83
Efficient Market 11-19 Years Moderate	6/1/05	Hybrid	All-Inclusive	10.69	4.10	9.00	5.85	134.40	-2.96	1.26	92.56	144.82
Efficient Market 11-19 Years Conservt	4/3/06	Hybrid	All-Inclusive	10.23	3.73	8.10	6.17	57.90	-2.88	1.15	91.90	133.88
Efficient Market 6-10 Years Aggressive	9/1/05	Hybrid	All-Inclusive	9.20	3.64	7.92	5.88	81.30	-2.60	1.10	92.29	127.19
Efficient Market 6-10 Years Moderate	11/1/04	Hybrid	All-Inclusive	9.12	3.59	7.67	5.36	177.90	-2.44	1.06	91.72	121.41
SignalPoint Balanced Point	3/31/09	Hybrid	All-Inclusive	8.36	3.61	7.39	—	56.60	-1.69	0.95	91.52	106.04
iSectors Post-MPT Moderate Allocation	3/3/08	Hybrid	Sector	7.07	4.97	7.18	—	35.90	-1.11	0.88	49.89	103.94
Morningstar ETF Moderate Growth*	12/30/10	Hybrid	All-Inclusive	8.32	3.99	7.16	—	278.98	-2.60	1.02	93.15	117.85
Efficient Market 2-5 Years Aggressive	4/1/05	Hybrid	All-Inclusive	7.89	2.96	7.06	5.02	25.30	-2.31	0.98	90.40	112.83
Efficient Market 6-10 Years Conservative	7/1/05	Hybrid	All-Inclusive	9.06	3.46	6.61	5.52	77.00	-2.49	0.96	90.91	111.64
Efficient Market 2-5 Years Moderate	1/3/06	Hybrid	All-Inclusive	7.61	2.85	6.27	5.61	98.80	-2.41	0.91	90.57	107.62
Appleton Group-Conservative	7/1/11	Hybrid	Broad Market	4.57	2.56	5.83	—	14.50	-1.78	0.80	81.15	97.15
Efficient Market 2-5 Years Conservative	4/3/06	Hybrid	All-Inclusive	7.63	2.61	5.39	5.16	38.20	-1.88	0.76	87.40	89.63
BCM Moderate Growth (Monthly)	9/1/09	Hybrid	All-Inclusive	4.31	2.21	5.26	—	28.96	-2.76	0.84	90.02	107.95
Morningstar ETF Income & Growth*	12/30/10	Hybrid	All-Inclusive	6.70	3.29	5.21	—	235.46	-1.64	0.72	86.62	82.23
BCM Moderate Growth	9/1/09	Hybrid	All-Inclusive	5.11	2.45	5.15	—	46.62	-2.85	0.84	89.79	105.59
BCM AlphaDEX Moderate Growth	9/1/11	Hybrid	All-Inclusive	5.14	1.49	4.59	—	2.19	-3.96	0.91	86.56	116.18
BCM DynamicBelay Balanced Growth (QDIA)	12/2/14	Hybrid	All-Inclusive	7.20	—	—	—	0.05	—	—	—	—

Source: Morningstar Inc.

NR = Not reported to Morningstar
Incl. = Assets counted in related strategy

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Exhibit 5 Attribute Groupings (Ranked by 5-Year Return) and Selected Risk Statistics, 31 December 2016 (Continued)

Name	Inception Date	Portfolio Implementation	Primary ETF Exposure Type	Return %				Assets (\$Mil)	Risk Statistics vs. Selected Benchmark			
				1-Year	3-Year	5-Year	10-Year		Alpha	Beta	R-Squared	Down Capture
BCM DynamicBelay Conservative Gro(QDIA)	12/2/14	Hybrid	All-Inclusive	8.44	—	—	—	1.45	—	—	—	—
Beacon Vantage 3.0 Balanced	8/1/16	Hybrid	Sector	—	—	—	—	49.78	—	—	—	—
Beacon Vantage 3.0 Aggressive	8/1/16	Hybrid	Sector	—	—	—	—	26.34	—	—	—	—
Beacon Vantage 3.0 Conservative	8/1/16	Hybrid	Sector	—	—	—	—	5.00	—	—	—	—
Cumberland Total Return Balanced Port	12/31/08	Strategic	All-Inclusive	17.50	8.68	11.32	—	42.37	0.93	1.06	81.69	105.36
Clark Navigator Strategist Core	5/1/09	Strategic	Broad Market	11.50	6.10	7.89	—	3.67	0.19	0.79	73.37	71.12
Foy SELECTOR Conservative Growth	5/1/08	Strategic	All-Inclusive	9.99	5.38	7.89	—	11.24	-3.97	1.26	85.46	154.48
Madison ETF Moderate Growth	1/1/10	Strategic	All-Inclusive	6.63	4.42	7.48	—	111.33	-1.36	0.92	96.93	101.95
Morningstar ETF Strategic Mod Gr & Inc*	4/29/05	Strategic	Broad Market	8.55	4.24	7.42	4.83	948.33	-2.70	1.06	92.80	120.26
Members Trust Balanced ETF	1/3/06	Strategic	Broad Market	8.76	4.67	7.34	5.73	389.00	-0.77	0.84	95.44	88.34
DT Moderate Growth & Income	9/19/08	Strategic	All-Inclusive	8.08	4.08	7.05	—	106.00	-2.29	0.98	95.81	112.32
DT Conservative Growth & Income	9/30/08	Strategic	All-Inclusive	7.55	4.12	6.55	—	149.00	-1.61	0.85	95.20	95.48
First Trust Morningstar 40/60*	5/1/09	Strategic	Broad Market	5.32	3.91	6.48	—	16.64	-1.02	0.78	89.10	85.43
Members Trust Conservative ETF	5/1/06	Strategic	Broad Market	7.68	4.17	6.29	5.68	682.00	-0.27	0.68	94.61	69.65
Transamerica I-Series Portfolio III	6/18/07	Strategic	All-Inclusive	7.15	3.78	6.24	—	51.70	-2.04	0.87	91.68	99.23
Madison ETF Moderate	1/1/10	Strategic	All-Inclusive	5.41	3.78	6.05	—	129.04	-0.65	0.69	93.19	75.33
Tandem Conservative Portfolio	5/2/11	Strategic	All-Inclusive	5.44	4.22	5.99	—	0.50	0.45	0.57	87.84	52.52
Lockwood Asset Allocation Portfolios II	10/1/03	Strategic	Broad Market	7.44	3.54	5.52	4.38	92.90	-1.21	0.70	89.88	79.69
Foy SELECTOR Balanced Growth	2/1/08	Strategic	All-Inclusive	7.98	3.90	5.48	—	5.36	-4.91	1.11	82.81	140.43
EAM Asset Allocation Moderate Conservati	2/1/11	Strategic	All-Inclusive	7.70	2.84	5.42	—	1.01	-1.97	0.77	82.93	87.27
Morningstar ETF Strategic Cons Gr & Inc*	4/29/05	Strategic	Broad Market	6.93	3.25	5.31	4.40	334.65	-1.34	0.69	83.91	80.50
Foy SELECTOR Income & Growth	2/1/11	Strategic	All-Inclusive	8.93	3.11	4.71	—	3.33	-3.60	0.88	73.79	110.00
Transamerica I-Series Portfolio II	6/18/07	Strategic	All-Inclusive	5.51	3.16	4.54	—	24.90	-1.16	0.59	87.13	66.30
EAM Asset Allocation Conservative	2/1/11	Strategic	All-Inclusive	5.30	1.62	3.36	—	5.85	-1.91	0.55	70.76	66.62
Alpha Dynamics ODS Stable Growth	10/3/11	Strategic	All-Inclusive	—	—	—	—	1.02	—	—	—	—
Clark Navigator Style Preferred Inc&Gro	10/1/04	Tactical	Broad Market	14.42	7.51	9.48	6.64	4.26	-0.08	0.99	77.24	89.72
SSI Flexible Allocation Strategy	5/1/09	Tactical	All-Inclusive	7.06	4.65	7.81	—	116.68	-1.16	0.93	89.63	102.50
Stadion Growth Strategy (QDIA Eligible)	4/2/07	Tactical	Broad Market	9.62	2.45	7.64	—	377.52	-3.40	1.17	88.23	142.13
Stadion Moderate Strategy (QDIA)	4/2/07	Tactical	Broad Market	9.00	1.34	5.71	—	429.48	-3.61	0.99	80.86	128.43
Trademark Tactical Risk Strategy	10/1/07	Tactical	All-Inclusive	0.84	0.88	5.12	—	30.50	-2.00	0.75	55.98	98.49
Stadion Balanced Strategy(QDIA Eligible)	4/2/07	Tactical	Broad Market	8.02	1.26	4.59	—	192.73	-3.01	0.80	75.82	106.90
Stadion Conservative Strategy (QDIA)	4/2/07	Tactical	Broad Market	6.60	0.67	2.85	—	84.86	-2.26	0.54	60.68	75.75
TTM Moderate	6/2/14	Tactical	All-Inclusive	2.43	—	—	—	3.97	—	—	—	—
BCM Decathlon Moderate Aspect(Profile3)	4/10/14	Tactical	All-Inclusive	9.39	—	—	—	586.20	—	—	—	—
United States Balanced Median				7.80	3.69	6.52	5.61					
Hybrid Median				8.32	3.59	7.16	5.61					
Strategic Median				7.61	4.00	6.27	4.83					
Tactical Median				8.02	1.34	5.71	6.64					
United States Balanced Blended Benchmark				8.61	6.53	9.74	6.50					
United States Equity												
Efficient Market 20 Plus Yrs Aggressive	11/1/04	Hybrid	All-Inclusive	10.85	4.66	10.78	5.99	45.90	-1.92	0.89	93.72	98.55
Efficient Market 20 Plus Years Moderate	1/3/05	Hybrid	All-Inclusive	10.85	4.58	10.35	6.01	60.70	-1.96	0.86	93.61	96.28
Green Inv Mgt Guardian Mosaic	7/3/00	Hybrid	All-Inclusive	10.93	5.36	9.88	4.59	0.30	-3.16	0.92	95.33	105.08
Efficient Market 20 Plus Years Conservt	5/1/06	Hybrid	All-Inclusive	10.71	4.39	9.58	5.28	30.60	-1.95	0.81	92.41	90.65
SignalPoint Signal 10	3/31/09	Hybrid	Sector	10.00	2.91	9.21	—	18.40	-2.28	0.81	89.32	86.35

Source: Morningstar Inc. NR = Not reported to Morningstar Incl. = Assets counted in related strategy * An investment advisory subsidiary of Morningstar, Inc., manages this portfolio or receives fees for providing investment consulting services to this portfolio's advisor. These fees are mainly based on portfolio assets under management. This portfolio is not sponsored, issued, marketed, or sold by Morningstar, Inc. Morningstar, Inc., does not make any representation regarding the advisability of investing in this portfolio.

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Exhibit 5 Attribute Groupings (Ranked by 5-Year Return) and Selected Risk Statistics, 31 December 2016 (Continued)

Name	Inception Date	Portfolio Implementation	Primary ETF Exposure Type	Return %				Assets (\$Mil)	Risk Statistics vs. Selected Benchmark			
				1-Year	3-Year	5-Year	10-Year		Alpha	Beta	R-Squared	Down Capture
Salient Tactical Growth	8/3/09	Hybrid	Broad Market	5.06	3.03	6.67	—	547.88	-1.17	0.55	82.23	62.00
BCM Growth (Monthly)	11/2/09	Hybrid	All-Inclusive	4.61	2.37	6.19	—	31.73	-2.45	0.61	88.59	77.29
BCM Growth	11/2/09	Hybrid	All-Inclusive	5.67	2.73	5.90	—	42.00	-2.70	0.61	87.07	74.43
Appleton Group-Moderate	4/1/11	Hybrid	Broad Market	5.01	2.36	5.82	—	18.60	-0.96	0.47	68.68	60.56
BCM AlphaDEX Growth	1/31/14	Hybrid	All-Inclusive	5.53	—	—	—	1.64	—	—	—	—
WestEnd Advisors US Sector	12/31/12	Hybrid	Sector	3.88	9.01	—	—	25.00	—	—	—	—
PCM Dynamic Risk Hedged U.S. Growth	4/1/16	Hybrid	All-Inclusive	—	—	—	—	NR	—	—	—	—
Hillswick S&P 500 Sector Selection	9/30/08	Strategic	Sector	10.93	9.86	15.21	—	168.00	1.57	0.92	97.12	87.95
Churchill ETF Sector Rotation	10/1/07	Strategic	Sector	9.45	8.45	14.66	—	278.41	0.85	0.94	95.74	92.11
Raylor Strategic US Equity SMA	1/3/06	Strategic	All-Inclusive	12.31	8.12	13.78	7.27	0.50	0.44	0.91	97.76	88.83
iSectors Domestic Equity Allocation	7/1/10	Strategic	Broad Market	13.81	8.97	13.61	—	32.00	0.52	0.89	93.96	87.86
IRON S&P 500 Equity Plus	5/2/11	Strategic	Broad Market	7.54	8.80	11.95	—	2.56	1.61	0.70	82.15	57.18
Madison ETF Aggressive	1/1/10	Strategic	All-Inclusive	8.72	5.35	10.32	—	5.64	-1.78	0.84	97.55	93.29
SSWM Strategic Allocation Model 75/25	8/29/03	Strategic	Broad Market	10.94	5.50	9.77	5.44	15.67	-1.31	0.77	94.19	84.39
Madison ETF Growth	1/1/10	Strategic	All-Inclusive	7.69	4.94	9.04	—	54.33	-0.91	0.69	96.01	75.41
Swan Defined Risk Strategy	7/1/97	Strategic	Broad Market	10.11	4.75	7.78	7.33	572.95	1.13	0.45	80.09	45.42
Swan Defined Risk Strategy All Accounts	7/1/97	Strategic	Broad Market	9.55	4.78	7.73	7.12	572.95	1.03	0.46	83.07	46.28
Winterset Active/Edge Diversified Growth	2/1/13	Strategic	All-Inclusive	1.59	0.79	—	—	NR	—	—	—	—
Nav Tactical US Equity Sector Plus	2/1/13	Strategic	Sector	15.54	9.15	—	—	65.50	—	—	—	—
Nav Tactical US Equity Sector PI ft ADEX	2/1/13	Strategic	Sector	20.04	10.31	—	—	53.35	—	—	—	—
Stadion Master Domestic Equity	12/31/15	Strategic	Broad Market	14.51	—	—	—	425.98	—	—	—	—
Invesco Smart Beta U.S. Equity SMA Wrap	8/1/16	Strategic	Broad Market	—	—	—	—	0.02	—	—	—	—
Niemann Dynamic	2/20/97	Tactical	Sector	8.80	5.50	14.88	6.75	65.62	1.80	0.92	48.18	76.40
Main Management Active - US Large Cap	9/30/02	Tactical	Sector	10.79	9.14	14.66	8.77	205.80	-0.01	1.01	94.21	100.00
Clark Navigator U.S. Style Opportunity	1/3/05	Tactical	Broad Market	20.17	10.34	14.62	7.70	84.71	0.49	0.97	81.30	88.84
Clark Navigator U.S. Style Opp (SAI)	1/3/05	Tactical	Broad Market	20.17	10.34	14.62	7.70	84.71	0.49	0.97	81.30	88.84
Cumberland - US Equity ETF	12/31/99	Tactical	All-Inclusive	21.69	9.44	14.05	6.82	63.63	-0.11	0.97	88.49	96.75
Braver Tactical Equity Sector Rotation	7/1/96	Tactical	Sector	13.33	5.46	13.64	6.55	30.92	0.80	0.90	60.29	96.88
Green Inv Mgt Guardian Sector	7/1/93	Tactical	Sector	14.62	9.04	13.59	5.85	0.80	-0.10	0.94	94.35	93.99
Clark Navigator Sector Opportunity	1/3/07	Tactical	Sector	16.28	9.43	13.57	6.62	32.35	-0.41	0.97	82.87	91.94
Niemann Risk Managed	9/30/96	Tactical	Sector	8.73	6.70	13.46	6.17	80.86	2.41	0.77	48.73	68.39
Clark Navigator Style Preferred Core	9/1/04	Tactical	Broad Market	17.78	9.20	12.39	6.90	2.64	0.76	0.80	79.81	69.31
RevenueShares Strategic Allocation	7/1/11	Tactical	Broad Market	17.44	5.95	11.69	—	0.03	-1.71	0.94	84.29	99.98
TTM Growth	6/1/09	Tactical	All-Inclusive	6.91	7.47	11.43	—	5.77	1.59	0.68	58.96	77.58
BCM U.S. Sector Rotation	2/1/11	Tactical	Sector	9.53	5.48	11.29	—	262.61	-0.68	0.83	87.87	88.69
Confluence Aggressive Growth	8/1/08	Tactical	All-Inclusive	16.07	7.57	11.20	—	5.70	-3.17	1.01	89.50	115.67
BCM U.S. Sector Rotation (Monthly)	7/1/10	Tactical	Sector	6.83	3.99	10.93	—	35.32	-1.31	0.85	88.54	98.53
Niemann Dynamic Sector	2/20/08	Tactical	Sector	3.39	0.73	10.69	—	3.36	-1.26	0.87	45.41	84.97
MRM Dynamic Overlay Strategy	1/2/08	Tactical	All-Inclusive	1.36	2.10	10.57	—	51.26	-2.60	0.93	87.32	113.80
Astor Sector Allocation	1/3/05	Tactical	All-Inclusive	7.97	4.30	10.21	6.60	355.60	-2.85	0.92	90.13	103.48
BCM AlphaDEX U.S. Sector Rotation	9/1/11	Tactical	Sector	9.48	3.09	10.08	—	71.12	-3.04	0.93	85.70	101.93
iSectors Post-MPT Growth Allocation	2/1/05	Tactical	Sector	10.39	6.92	9.95	7.56	77.20	-1.32	0.80	60.29	96.80
Stadion Tactical Growth Strategy	5/3/04	Tactical	All-Inclusive	10.78	5.67	9.53	6.62	344.50	-2.37	0.84	86.18	92.05
RPg Tactical US Equity	11/1/11	Tactical	Sector	9.05	1.36	9.28	—	20.03	-1.70	0.77	75.46	96.33
Niemann Risk Managed Sector	1/24/96	Tactical	Sector	3.40	2.53	8.80	4.95	165.14	-1.24	0.72	46.10	80.52
PVG Dynamic Core ETF	10/1/01	Tactical	All-Inclusive	10.79	3.24	6.26	3.48	24.80	-0.40	0.47	56.21	56.61
Robinson Market Opportunity	12/31/03	Tactical	Broad Market	-4.68	1.27	6.01	4.77	2.91	1.62	0.34	9.41	38.87
Churchill Premier Wealth Tactical	10/1/96	Tactical	All-Inclusive	-0.90	0.17	5.38	5.23	786.25	-3.52	0.64	58.70	78.64
Braver Tactical Balanced	12/31/03	Tactical	Broad Market	3.43	1.80	5.36	4.60	44.13	-0.97	0.44	79.85	52.49
Innealta ETF Sector Rotation Core	12/31/09	Tactical	Sector	13.54	5.20	4.54	—	281.34	1.21	0.23	26.99	20.75

Source: Morningstar Inc. NR = Not reported to Morningstar Incl. = Assets counted in related strategy * An investment advisory subsidiary of Morningstar, Inc., manages this portfolio or receives fees for providing investment consulting services to this portfolio's advisor. These fees are mainly based on portfolio assets under management. This portfolio is not sponsored, issued, marketed, or sold by Morningstar, Inc. Morningstar, Inc., does not make any representation regarding the advisability of investing in this portfolio.

Exhibit 5 Attribute Groupings (Ranked by 5-Year Return) and Selected Risk Statistics, 31 December 2016 (Continued)

Name	Inception Date	Portfolio Implementation	Primary ETF Exposure Type	Return %				Assets (\$Mil)	Risk Statistics vs. Selected Benchmark			
				1-Year	3-Year	5-Year	10-Year		Alpha	Beta	R-Squared	Down Capture
Braver Tactical Opportunity	12/31/85	Tactical	All-Inclusive	18.02	2.43	4.50	4.21	41.70	-2.02	0.46	54.00	54.39
Good Harbor Tactical Core US	4/30/03	Tactical	Broad Market	14.21	-5.05	3.26	9.24	79.77	-4.28	0.56	33.98	93.63
RPg Tactical US Equity FT	3/1/12	Tactical	Sector	11.36	0.09	—	—	1.19	—	—	—	—
Longview Capital Dynamic Large Cap SMA	7/12/12	Tactical	All-Inclusive	14.30	—	—	—	NR	—	—	—	—
Julex Dynamic Sector Strategy	11/1/12	Tactical	All-Inclusive	10.18	5.20	—	—	191.50	—	—	—	—
WSTCM Sector Select Risk-Managed	12/31/12	Tactical	Sector	-1.48	2.40	—	—	209.71	—	—	—	—
Optimus Global Rotation	6/3/13	Tactical	Broad Market	5.64	1.69	—	—	0.31	—	—	—	—
Hays Advisory Domestic Equity ETF	4/2/12	Tactical	Sector	4.29	3.07	—	—	25.91	—	—	—	—
BCM Advantage U.S. Sector Rotation	1/31/14	Tactical	Sector	9.56	—	—	—	99.65	—	—	—	—
BCM U.S. Small Cap Sector Rotation	3/10/14	Tactical	Sector	17.05	—	—	—	0.41	—	—	—	—
Newfound Risk Mgd Small-Cap Sec Cmpst	11/27/13	Tactical	Sector	19.54	5.86	—	—	4.96	—	—	—	—
FCCM Dynamic All Cap Sector Rotation	4/1/14	Tactical	Sector	10.76	—	—	—	71.13	—	—	—	—
FCCM Dynamic Large Cap Sector Rotation	4/1/14	Tactical	Sector	6.65	—	—	—	349.61	—	—	—	—
FCCM Dynamic Global Equity	4/1/14	Tactical	All-Inclusive	7.08	—	—	—	15.65	—	—	—	—
Newfound Risk Managed U.S. Sectors Idx	2/3/14	Tactical	Sector	7.55	—	—	—	134.87	—	—	—	—
Quartz Equity	3/2/15	Tactical	All-Inclusive	0.58	—	—	—	1.50	—	—	—	—
Newfound U.S. Factor Defensive Eqty Cmp	12/30/14	Tactical	Broad Market	5.89	—	—	—	19.19	—	—	—	—
Stadion Maximum Growth Strategy	6/1/15	Tactical	All-Inclusive	9.69	—	—	—	88.35	—	—	—	—
Optimus Dynamic Equity	1/1/16	Tactical	Sector	16.55	—	—	—	2.16	—	—	—	—
Optimus Equity Rotation	1/1/16	Tactical	All-Inclusive	16.19	—	—	—	0.01	—	—	—	—
Optimus Hedged Equity	1/1/16	Tactical	Sector	14.50	—	—	—	9.94	—	—	—	—
Stadion Sharpe Sector Rotation	12/31/15	Tactical	All-Inclusive	16.30	—	—	—	0.01	—	—	—	—
BCM Paradigm Tactical Factor Selection	6/1/15	Tactical	All-Inclusive	12.59	—	—	—	0.35	—	—	—	—
QID U.S. Eq Sector Strategy	8/3/15	Tactical	Sector	7.73	—	—	—	2.70	—	—	—	—
United States Equity Median				10.11	5.20	10.32	6.57					
Hybrid Median				5.67	3.71	9.21	5.64					
Strategic Median				10.52	8.12	11.14	7.20					
Tactical Median				10.28	5.20	10.81	6.61					
Morningstar US Market TR USD				12.44	8.51	14.61	7.23					
United States Fixed Income												
Efficient Market Taking Income-Aggr	1/3/06	Hybrid	All-Inclusive	6.85	2.63	5.04	4.86	17.10	4.37	0.24	2.24	9.01
Efficient Market Taking Income-Moderate	6/1/05	Hybrid	All-Inclusive	7.16	2.65	4.82	4.86	53.20	4.15	0.23	2.73	5.77
Wela Own Your Age (OYA)- 70	11/1/10	Hybrid	All-Inclusive	8.27	3.36	4.63	—	3.60	2.61	0.82	30.15	102.62
Efficient Market Taking Income-Consvt	4/3/06	Hybrid	All-Inclusive	6.88	2.52	4.14	4.50	27.00	3.44	0.25	4.06	10.04
SignalPoint Moderate Income Point	10/31/08	Hybrid	All-Inclusive	6.76	3.59	4.08	—	7.40	1.63	1.02	50.30	102.55
Morningstar ETF Momentum Conservative*	12/29/10	Hybrid	Broad Market	5.27	2.63	3.85	—	14.17	2.12	0.70	27.59	79.37
Wela Own Your Age (OYA)- 80	6/1/09	Hybrid	All-Inclusive	7.05	3.03	3.69	—	9.50	1.50	0.90	48.85	113.12
SignalPoint CU Income Plus	6/30/09	Hybrid	All-Inclusive	3.68	4.24	3.41	—	0.55	0.29	1.32	84.61	148.05
Morningstar ETF Conservative*	12/30/10	Hybrid	All-Inclusive	5.03	2.36	3.27	—	55.49	1.67	0.64	32.75	68.64
SignalPoint Stable Income Point	10/31/08	Hybrid	All-Inclusive	4.04	3.97	3.18	—	102.40	-0.11	1.40	85.48	164.97
Green Inv Mgt Guardian Tax Free	10/31/01	Hybrid	Sector	-0.03	3.09	2.24	3.26	0.30	-0.08	0.98	62.40	97.92
Charles Schwab SMP-ETFs Blend -Cnsv Inc	12/31/09	Hybrid	All-Inclusive	4.08	2.49	2.10	—	40.46	0.13	0.82	73.34	97.38
Charles Schwab SMP-ETFs Thd-Pty-Csrv Inc	12/31/09	Hybrid	All-Inclusive	4.07	2.44	2.08	—	50.27	0.13	0.80	73.03	95.99
Voya GPMM Income ETF	1/2/13	Hybrid	Broad Market	6.35	2.87	—	—	0.36	—	—	—	—
Beacon Vantage 3.0 Bond	8/1/16	Hybrid	Sector	—	—	—	—	0.48	—	—	—	—

Exhibit 5 Attribute Groupings (Ranked by 5-Year Return) and Selected Risk Statistics, 31 December 2016 (Continued)

Name	Inception Date	Portfolio Implementation	Primary ETF Exposure Type	Return %				Assets (\$Mil)	Risk Statistics vs. Selected Benchmark			
				1-Year	3-Year	5-Year	10-Year		Alpha	Beta	R-Squared	Down Capture
Madison ETF Conservative	1/1/10	Strategic	Broad Market	4.61	3.25	4.56	—	65.66	3.15	0.55	23.22	43.49
First Trust Morningstar 20/80*	5/1/09	Strategic	Broad Market	4.22	3.07	4.54	—	1.80	2.93	0.64	25.78	54.10
Members Trust Income ETF	1/3/06	Strategic	Broad Market	4.66	3.31	4.52	4.73	260.00	3.50	0.37	14.92	15.58
DT Ultra-Conservative Growth & Income	3/31/09	Strategic	All-Inclusive	4.84	3.20	4.50	—	14.30	-2.67	0.49	1.79	-61.34
Foy SELECTOR Income	2/1/08	Strategic	All-Inclusive	10.09	3.32	4.34	—	4.35	1.16	1.40	34.21	169.51
Lockwood Asset Allocation Portfolios I	12/31/03	Strategic	Broad Market	6.50	3.23	3.92	4.14	32.70	2.50	0.56	24.83	50.20
Astor Active Income Composite	2/28/11	Strategic	All-Inclusive	6.31	3.05	3.25	—	22.10	1.72	0.62	32.89	63.28
Morningstar ETF Strategic Mod Income*	4/29/05	Strategic	Broad Market	5.12	2.37	3.22	3.76	129.06	1.79	0.58	24.10	65.21
Caprin Tactical Opportunity ETF	9/30/10	Strategic	All-Inclusive	0.98	3.57	3.06	—	36.20	0.36	1.13	78.56	110.72
Caprin Tactical Muni ETF	9/30/10	Strategic	Sector	-0.33	3.62	3.06	—	18.90	0.33	1.16	61.33	113.30
Madison ETF Capital Preservation	1/1/10	Strategic	Broad Market	3.41	2.60	2.98	—	6.49	1.25	0.70	65.93	68.61
Transamerica I-Series Portfolio I	1/6/10	Strategic	All-Inclusive	4.07	2.62	2.80	—	19.72	1.29	0.60	46.16	62.23
DT Intermediate Fixed Income	9/30/08	Strategic	Broad Market	3.60	2.59	2.79	—	29.00	0.95	0.74	75.86	63.41
NewSquare ETF Tax Exempt Bond	1/4/10	Strategic	Sector	0.52	3.17	2.38	—	8.80	0.10	0.96	66.49	93.12
Madison ETF Income Advantage	1/1/10	Strategic	Broad Market	2.97	2.42	2.27	—	2.36	0.27	0.82	91.45	80.93
Caprin Core Plus ETF	9/30/10	Strategic	All-Inclusive	2.27	2.59	2.19	—	8.50	-0.34	1.06	94.81	110.15
iSectors Domestic Fixed Income	4/1/09	Strategic	Sector	3.62	1.68	2.06	—	0.30	0.80	0.50	60.45	50.66
iSectors Capital Preservation Allocation	1/1/10	Strategic	All-Inclusive	3.18	0.65	1.84	—	39.30	1.35	0.16	9.44	6.41
SEI Tax-Managed ETF Conservative	1/2/14	Strategic	All-Inclusive	2.41	2.93	—	—	63.74	—	—	—	—
3D Targeted Fixed Income 2021	2/1/16	Strategic	All-Inclusive	—	—	—	—	0.39	—	—	—	—
Stadion Master Long Duration Fix Inc	12/31/15	Strategic	Sector	5.46	—	—	—	92.25	—	—	—	—
Invesco Smart Beta Income SMA WRAP	8/1/16	Strategic	Sector	—	—	—	—	0.02	—	—	—	—
Clark Navigator Fixed Income TR	12/31/04	Tactical	All-Inclusive	18.10	5.96	6.55	9.81	2,872.34	4.78	0.68	18.16	26.68
WSTCM Credit Select Risk-Managed	3/31/06	Tactical	Sector	11.31	4.30	6.14	9.29	80.20	5.21	0.31	6.28	-28.46
Braver Tactical High Income	10/1/96	Tactical	Sector	12.66	3.76	5.97	9.40	110.36	4.88	0.39	7.56	-12.37
Optimus High Yield Bull/Bear	3/1/11	Tactical	Sector	11.41	5.54	5.91	—	0.00	5.25	0.22	1.74	-58.48
Palladium Diversified Income Model	1/2/12	Tactical	All-Inclusive	6.40	3.37	4.41	—	5.75	2.34	0.85	36.00	77.75
Green Inv Mgt Guardian Fix-Inc	7/1/91	Tactical	All-Inclusive	6.05	2.20	3.66	4.12	14.00	1.73	0.78	48.41	62.27
Stadion Capital Preservation Strategy	4/2/07	Tactical	Broad Market	5.47	1.23	2.52	—	43.68	2.31	0.06	0.21	-5.64
Laffer Investments Fixed Income ETF	10/2/06	Tactical	All-Inclusive	3.67	2.26	2.48	4.34	0.28	0.61	0.76	74.39	76.81
QA Tactical Bond	1/1/10	Tactical	All-Inclusive	1.50	2.02	2.10	—	8.85	-0.38	1.05	78.33	117.86
Longview Capital Fixed Income	9/30/11	Tactical	All-Inclusive	2.80	—	—	—	NR	—	—	—	—
Optimus Tactical High Yield	11/1/13	Tactical	Sector	9.46	5.92	—	—	21.29	—	—	—	—
Stadion Tactical Income	10/1/12	Tactical	All-Inclusive	4.11	2.49	—	—	0.05	—	—	—	—
Hays Advisory Strategic Income	3/6/14	Tactical	Sector	3.25	—	—	—	29.49	—	—	—	—
QID FI Strategy	5/27/15	Tactical	Sector	7.42	—	—	—	0.99	—	—	—	—
United States Fixed-Income Median				4.75	2.98	3.34	4.61					
Hybrid Median				5.81	2.76	3.69	4.68					
Strategic Median				3.85	3.05	3.06	4.14					
Tactical Median				6.22	3.37	4.41	9.29					
Morningstar US Core Bd TR USD				2.64	3.21	2.40	4.56					

Source: Morningstar Inc.

Exhibit 11 ETF Managed Portfolio Assets by Firm, 31 December 2016

Name	Strategy Assets (\$Mil)	Quarter-Over-Quarter Growth (\$Mil)	# Strategies Reported
Windhaven Investment Management	8,962.4	-1,272.2	3
RiverFront Investment Group, LLC	5,528.8	54.7	16
Vanguard Advisers Inc	5,226.9	942.9	44
State Street Global Advisors	4,271.1	-198.6	4
BlackRock Inc	4,206.6	-485.2	22
Charles Schwab Investment Advisory Inc	4,032.4	-90.2	12
Clark Capital Management Group Inc	3,841.7	650.5	17
Morningstar*	3,596.0	350.0	31
Stadion Money Management, LLC	3,208.6	-158.4	26
Churchill Management Group	2,637.9	-25.4	3
SEI Trust Company	2,598.1	470.9	14
Sage Advisory Services Ltd Co	2,578.6	-99.9	12
Lazard Asset Management LLC	2,292.2	-53.9	9
Beaumont Capital Management	2,237.0	-170.4	35
New Frontier Advisors, LLC.	1,885.9	25.2	12
Astor Investment Management LLC	1,723.5	-13.3	3
Members Trust Company	1,595.0	29.0	5
Cougar Global Investments Limited	1,517.3	-29.2	4
Richard Bernstein Advisors LLC	1,294.7	199.6	4
Swan Global Investments, LLC	1,145.9	99.9	2
Efficient Market Advisors, LLC	967.4	51.2	16
WestEnd Advisors, LLC	950.0	62.0	3
UBS Asset Management	936.8	-80.9	4
Nottingham Advisors Inc	898.9	-16.2	5
GLOBALT Investments	803.7	16.3	4

Source: Morningstar Inc.

*Morningstar assets include assets of the following: Morningstar Investment Management LLC and Morningstar Investment Services LLC

Exhibit 12 Return Comparison, 31 December 2016

Name	Return %			
	1-Year	3-Year	5-Year	10-Year
Global All-Asset Median	6.58	2.80	5.59	4.86
Hybrid Median	6.66	2.90	6.36	4.62
Strategic Median	7.41	3.15	4.83	4.86
Tactical Median	5.35	2.56	5.48	5.07
Global All-Asset Blended Benchmark	7.15	1.07	5.08	4.19
Global Balanced Median	6.72	3.43	6.10	4.60
Hybrid Median	6.91	3.42	6.01	4.26
Strategic Median	6.83	3.68	6.26	4.87
Tactical Median	5.61	3.00	6.02	6.25
Global Balanced Blended Benchmark	6.39	2.57	6.42	4.66
Global-Equity Median	8.34	3.89	8.63	4.35
Hybrid Median	7.83	3.63	8.33	4.30
Strategic Median	9.11	4.50	9.25	4.69
Tactical Median	6.53	3.15	8.48	4.39
Morningstar Gbl Mkts NR USD	8.22	3.31	9.64	3.98
Global Fixed-Income Median	4.19	2.71	3.51	4.82
Hybrid Median	4.21	2.64	3.43	—
Strategic Median	4.19	3.36	3.85	4.82
Tactical Median	4.01	1.71	2.42	4.87
Global Fixed Income Benchmark	2.17	0.37	0.56	3.57
International-Equity Median	2.61	-1.99	3.83	2.30
Hybrid Median	—	—	—	—
Strategic Median	2.84	-1.47	3.87	1.33
Tactical Median	2.20	-2.26	3.47	3.02
Morningstar Gbl Mkts NR USD	8.22	3.31	9.64	3.98
United States All-Asset Median	7.45	4.36	7.94	11.43
United States All Asset Blended Benchmark	9.16	4.56	8.10	6.03
United States Balanced Median	7.80	3.69	6.52	5.61
Hybrid Median	8.32	3.59	7.16	5.61
Strategic Median	7.61	4.00	6.27	4.83
Tactical Median	8.02	1.34	5.71	6.64
United States Balanced Blended Benchmark	8.61	6.53	9.74	6.50
United States Equity Median	10.11	5.20	10.32	6.57
Hybrid Median	5.67	3.71	9.21	5.64
Strategic Median	10.52	8.12	11.14	7.20
Tactical Median	10.28	5.20	10.81	6.61
Morningstar US Market TR USD	12.44	8.51	14.61	7.23
United States Fixed-Income Median	4.75	2.98	3.34	4.61
Hybrid Median	5.81	2.76	3.69	4.68
Strategic Median	3.85	3.05	3.06	4.14
Tactical Median	6.22	3.37	4.41	9.29
Morningstar US Core Bd TR USD	2.64	3.21	2.40	4.56

Source: Morningstar Inc.



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