

Life + Liberty Emerging Markets Index

Index Symbol: FRDM

All data as of 01/31/2017

Index Description

The Life and Liberty Emerging Markets Index is an EM equity index that factors in human and economic freedom conditions to determine country weights and inclusion using quantitative metrics of the rights to life, liberty, and property. Countries with favorable freedom scores are over-weighted as they experience higher efficiency in capital utilization and development, leading to faster growth and innovation. Countries with less favorable freedom conditions are under-weighted or excluded as they experience the under-utilization, destruction and flight of capital. In addition to freedom weightings, the methodology also factors in valuations, yield, and liquidity in country and security selection.

FREEDOM

Universe of EM countries are weighted according to a human and market freedom analysis encompassing the rights to life, liberty, and property.

VALUATIONS

Country weights are adjusted to favor undervalued countries.

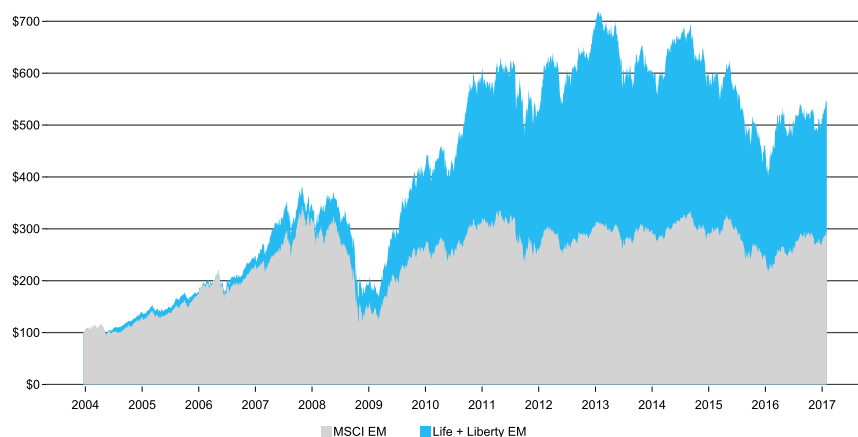
YIELD

Components are screened to capture yield and liquidity.

Index Risk and Return Characteristics

	Annualized Std. Dev.			Annualized Sharpe Ratio			Maximum Drawdown	Time to Recovery
	3 YR	5 YR	10 YR	3 YR	5 YR	10 YR		
FRDM TR	16.57%	16.02%	21.84%	-0.07	-0.10	0.29	-56.27%	11 mos. (10/27/08-9/23/09)
MSCI EM	14.77%	14.33%	21.33%	0.10	0.02	0.06	-65.25%	Not Recovered

Hypothetical Growth of \$100 - FRDM Index vs. MSCI EM



Back Test Performance History

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD
FRDM TR	39.76%	-44.32%	118.27%	43.04%	-12.48%	31.59%	-12.30%	-1.42%	-24.42%	13.39%	6.11%
MSCI EM	39.42%	-53.33%	78.51%	18.88%	-18.42%	18.22%	-2.60%	-2.19%	-14.92%	11.19%	5.47%

Key Benefits

- + Transparent and unbiased factor based methodology with third-party think tank objectivity
- + Emerging markets diversification across 5 continents and 10 sectors
- + Resilience and sustainability of returns due to higher levels of human capital optimization
- + Significant alpha add with high correlation to benchmark index
- + High dividends relative to benchmark index

Index Metrics¹

Alpha	6.00%
Beta	0.85
Correlation	0.83
R-Squared	0.68
Number of Components	111
Avg Mkt Cap	14.3B
Avg P/E	20.82
Avg P/BV	3.67
Avg ROE	18.54
2015 Dividend Yield	4.12%

¹Time period for calculation: 10 years.

Performance

	FRDM	50/50	MSCI EM
Absolute Returns			
1Y	23.33%	24.05%	25.41%
3Y	-3.87%	-1.14%	4.37%
5Y	-7.94%	-5.02%	0.93%
10Y	112.16%	72.52%	27.92%

Annualized Returns

1Y	23.14%	23.85%	25.20%
3Y	-1.31%	-0.38%	1.44%
5Y	-1.64%	-1.03%	0.19%
10Y	7.81%	5.60%	2.49%

Top 10 Components

BANK HANDLOWY W WARSZAWIE	4.70%
BANCO SANTANDER-CHILE-ADR	4.49%
BANCO DE CHILE	3.44%
POWSZECHNY ZAKLAD	3.35%
QUIMICA Y MINERA CHIL-SP ADR	3.17%
VALE (VALE DO RIO DOCE) SA ORD	2.96%
TURKCELL ILETISIM HIZMETLERI AS	2.85%
TELEFONICA BRASIL SA	2.42%
BANCO SANTANDER BRASIL-ADS	2.40%
KGHM POLSKA MIEDZ SA	2.26%

Industry Group Breakdown

Basic Materials	13.73%
Consumer Goods	5.51%
Consumer Services	5.34%
Financials	43.37%
Healthcare	0.31%
Industrials	1.73%
Oil and Gas	7.52%
Technology	0.72%
Telecommunications	15.01%
Utilities	6.75%

Out of 111 components

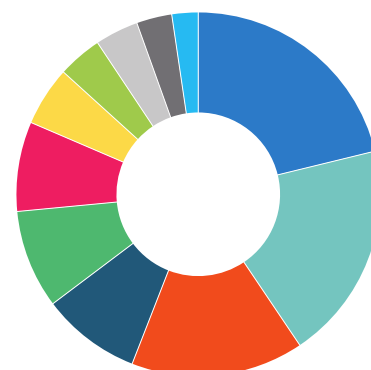
Year Over Year Performance FRDM vs. MSCI EM



NOTES & DISCLOSURES

The Life and Liberty Emerging Markets Index back test is a blend of the actual index using third party human freedom data set scores, from Dec 20, 2013 and a hypothetical back tested application of this strategy from Dec 19, 2003 through Dec 19, 2013 using TRM HRQ freedom scoring criteria. Universe of EM countries as defined by S&P ex Taiwan. See methodology for details. Index began calculating July 7, 2014. Avg P/E, P/BV and ROE last updated February 5, 2016. Past results, including hypothetical, back tested results, are not predictive nor any guarantee of future results. Index performance does not represent actual fund or portfolio performance. A fund or portfolio may differ significantly from the securities included in the Index. Index performance assumes reinvestment of dividends, but does not reflect any management fees, transaction costs or other expenses that would be incurred by a portfolio or fund, or brokerage commissions on transactions in Fund shares. Such fees, expenses and commissions could reduce returns. This document is for the information and use of professional advisers only. The information in this document does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. The information contained in this document have been obtained from sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Tolle Research and Management, the owner of Life and Liberty Indexes, its affiliates and their independent providers are not liable for any informational errors, incompleteness, omissions, or delays, or for any actions taken in reliance on information contained herein.

Country Diversification



Chile	21.19%
Poland	19.38%
Brazil	15.35%
South Africa	8.81%
Indonesia	8.76%
Turkey	7.96%
Colombia	5.27%
Philippines	3.94%
Mexico	3.86%
India	3.14%
Thailand	2.33%

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