

## About FormulaFolios

RWA (Retirement Wealth Advisors) Income 30 FormulaFolio is a quantitatively managed portfolio of income based exchange traded funds and cash equivalents. RWA Inc's proprietary step-by-step mechanical approach to selecting positions eliminates emotional trading and is designed to only select above average positions based on both fundamental and technical indicators.

A quantitative engine seeks to determine whether or not certain income investment categories should be invested in or moved to cash powers 70% of the portfolio. These categories are: US Investment Grade Corporate, US High Yield Corporate, Intermediate Treasury Bonds, and the Aggregate of US Bonds. A second and unique quantitative engine calculates the daily probability of US Treasury Bond rate direction and selects an appropriate exchange traded fund to capitalize on the statistical probability. The ultimate goal of the RWA Income FormulaFolio is to decrease traditional bond market risk and increase portfolio returns.

Due to risk management processes contained within the quantitative models, the portfolio may not be fully invested at all times.

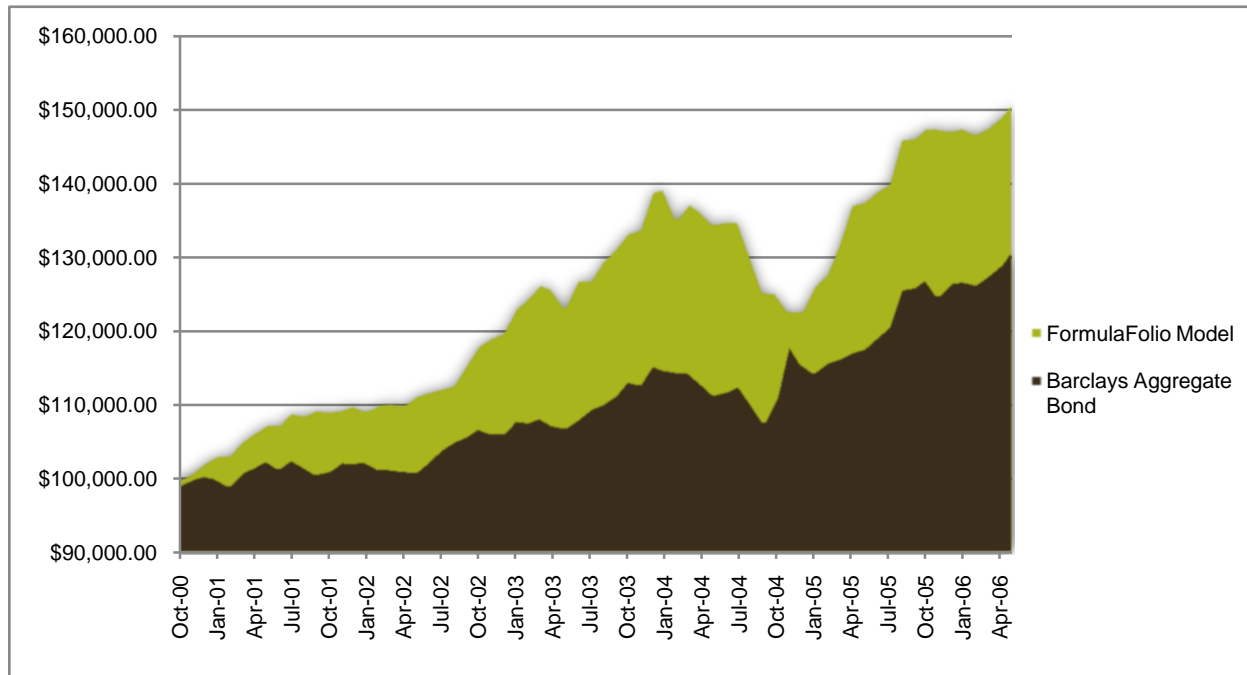
## Total Return Income 30 FormulaFolio Model Performance

RWA Income 30 FormulaFolio	2004	2005	2006	2007	2008	2009	2010
January		1.4%	0.6%	0.6%	3.8%	-0.1%	-0.2%
February		0.9%	-0.7%	2.7%	0.3%	2.8%	0.3%
March		0.1%	0.7%	1.2%	-2.9%	1.3%	-0.5%
April		1.8%	0.2%	1.5%	1.6%	3.2%	0.6%
May		1.1%	-0.2%	-0.5%	-0.9%	4.0%	1.0%
June		1.0%	1.1%	-1.9%	-1.2%	0.3%	1.4%
July		0.0%	0.5%	2.9%	0.2%	1.1%	
August		1.6%	0.4%	-0.1%	0.0%	0.7%	
September		-0.4%	0.4%	2.1%	-3.5%	4.3%	
October		0.7%	2.4%	1.3%	-3.7%	0.1%	
November	0.0%	-0.2%	2.3%	1.6%	-0.1%	1.0%	
December	0.9%	0.2%	0.9%	0.4%	-1.9%	-0.1%	
Total Return	1.0%	8.5%	8.7%	12.4%	-8.8%	20.2%	2.7%

## Risk/Reward Metrics

	Average Annual Return	Standard Deviation	Sharpe Ratio (risk/reward)	Average/High/Low Monthly Return		
RWA Income FormulaFolio	7.47%	6.54	0.53	0.74%	4.3%	-3.7%
Barclays Aggregate Bond Index (benchmark)	4.38%	5.76	0.07	0.40%	6.7%	-2.3%

## Hypothetical Growth of \$100,000



## FormulaFolios Management

FormulaFolios are managed by Retirement Wealth Advisors, Inc - an SEC Registered Investment Advisor located in Jenison, Michigan. The investment process is 100% objective, with multiple quantitative models developed by the firm's investment committee and under the direction of the firm's President, Jason Wenk.

Jason Wenk is the firm's Chief Investment Strategist, President, and the creator of FormulaFolios. Mr. Wenk has been a professional money manager since 2000. In 2007 and 2008 he was selected by Reuters as one of the Top Advisors in the United States, and in 2008 was also selected as one of the Top Advisors Under Age 40 in the United States. Mr. Wenk authors a weekly market commentary on quantitative portfolio management that is subscribed to by over 500 investment advisors from the United States, Canada and Austria.

## Disclosures

The performance information disclosed in this report is model performance. Model results do not reflect actual trading. Published model returns assume a minimum account size of \$100,000, maximum account fees, and are net of a 2.5% annual investment advisory fee. Model returns are calculated using the most recent month-end closing price for each security within the quantitative model. Actual performance for your FormulaFolios account is available online and can be accessed 24 hours a day, seven days a week. Client fees vary based upon the size of a client account and actual advisory fees may be less than highest fee from FormulaFolios.

Please note that FormulaFolios utilizes back-testing. These means that back-tested performance results DO NOT represent the results of actual trading using client assets but were achieved by means of the retroactive application of a financial model to historical data. All of the back-testing from FormulaFolios are calculated using the model-return method referenced above. It is possible that some components of FormulaFolio Investment Models did not exist during a given time period and published results were derived from back-testing. Past performance figures are hypothetical and are not indicative of future results. This report should not be construed as a recommendation to invest in accordance with a particular FormulaFolio Investment Strategy or to purchase or sell any particular securities. Market conditions can vary widely over time and can result in loss of portfolio value.

Benchmarks or indexes are used to track current and historical market performance by specific market segment (large/small capitalization) or investment style (growth/value). For the purpose of this report, we used the S&P 500 and Barclays Aggregate Bond Indices because they are well-known, prevalent indices. The S&P 500 and Barclays Aggregate Bond Indices are not publicly available investment vehicles and are not available for purchase. FormulaFolios are simply attempting to use a formulaic approach to choose holdings that meet certain qualification criteria in an effort to meet a particular FormulaFolio investment strategy. The S&P 500 and Barclays Aggregate Bond Indices have not endorsed FormulaFolio Investing in any way.

Due to market volatility, current performance may be higher or lower than the performance shown. FormulaFolio return data provided represents total return, including the reinvestment of dividends; interest received and realized capital gains.

It is important to note that any strategy may underperform and may produce negative results. Purchases and sales of securities may be made without regard to how long you have owned the securities. Any tax ramifications are not taken into consideration. The ongoing trading and turnover of holdings may create significant short term capital gains and/or long term capital gains in addition to interest and dividends creating income tax liability. Your attorney and accountant should be consulted regarding legal and tax implications.

## Intelligent Income with the RWA Income FormulaFolio

If taking distributions from income investments, many investors mistakenly believe yield will dictate income. In reality, the only two factors that influence the reliability of an income stream from an investment portfolio are the return and the deviation of returns. A simple, but often-overlooked strategy for taking income, is a split income concept. This strategy is illustrated below:

Balance After:	Total Return Income Model – \$426,100	Short Term Treasury – \$73,900	Income
Year 1	\$455,927	\$49,511	\$25,000
Year 2	\$487,842	24,879	\$25,000
Year 3	\$521,991	\$0.00	\$25,000

Assuming Total Return Income Model growth of 7% and Short Term Treasury growth of 1%

## Why Take Income This Way?

Bond markets are not efficient; therefore, it is nearly impossible to take predictable income from traditionally managed income portfolios. This concept is demonstrated in the table below. On the other hand, the risk adjusted returns from a globally diversified income portfolio never produce a desirable Sharpe ratio. Sharpe ratio is when you take the risk-free return (the return of a Treasury Bill) from an investment return and divide the balance by the standard deviation. If the number is negative, then there is no reward for the risk taken. In this illustration we assume the risk-free return has averaged 3.5% annually.

	Average Annual Return	Standard Deviation	Sharpe Ratio
10 Years (1998-2008)	4.06%	2.40	0.23
81 Years (1928-2008)	5.17%	4.18	0.40

Source: DFA Funds, Inc.

## Disclaimer

This illustration is hypothetical and meant only as an illustration of an income strategy not an actual investment portfolio. Regardless of investment strategy, all investments have risks, including the risk of losing invested principal. Carefully consider your investment objectives and risk tolerance prior to implementing any investment strategy.