



Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of FolioMetrix, LLC. If you have any questions about the contents of this brochure, please contact Julie Koethe at 402-495-0010 or juliekoethe@foliomx.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about FolioMetrix, LLC is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for FolioMetrix, LLC. You may search for information by using the firm's CRD number. The CRD number for FolioMetrix, LLC is **150084**

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

FolioMetrix has made material changes to the following sections of our disclosure brochure specifically:

In Item 4 – Advisory Business we added the following new services provided by the firm:

- Investment Management Outsourcing (IMO)
- Retirement Plan Consulting Services
- FMx Optimized Portfolio Models
- FMx Investment Strategy Models

Changes have also been made to Item 5, Item 7 and Item 8 to update the firms disclosures based on the addition of these new services.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Description of Advisory Firm

FolioMetrix, LLC (“FolioMetrix” or “FMx” or “the firm” or “we”) is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company (“LLC”) formed under the laws of the State of Oregon. FolioMetrix was formed in February, 2009 and has been registered as an investment advisor with the SEC since July, 2009.

FolioMetrix, LLC is a wholly owned operating subsidiary of Uptrade Research Associates, LLC.

Types of Advisory Services

FolioMetrix provides portfolio design, construction and workflow management solutions primarily to investment advisor groups, portfolio modeling services for 401K Plans and Plan Participants, and investment companies. FolioMetrix offers the following advisory services to its clients:

Investment Management Outsourcing (IMO)

Nondiscretionary Services

FolioMetrix serves as an investment management outsourcing company to most of its clients. In this role, FolioMetrix provides research, analysis and makes recommendations to investment advisors; it does not have investment discretion over investment assets.

As an IMO, FolioMetrix generally assists its clients in:

- Developing and reviewing investment policies
- Determining appropriate asset allocations (both strategic and tactical)
- Evaluating and making investment manager recommendations
- Monitoring the performance of designated portfolios

Most of FolioMetrix investment recommendations relate to the retention and termination of investment managers, and investments in “traditional” investments (mutual funds, ETFs and separately managed accounts) and “alternative” investments (limited partnership and limited liability company investment funds, hedge funds and private market funds).

For some of its IMO clients, FolioMetrix provides only subscription services that represents a portion of the IMO services described above (e.g. providing financial advisors solely with regular portfolio research and design recommendations through a monthly publication and regular communications).

For certain clients, FolioMetrix designs, constructs and maintains a full spectrum of privately branded investment portfolios tailored for an array of investment objectives and risk tolerances. These customized portfolios are constructed in accordance with the parameters established through a collaborative process with financial advisory groups. The minimum asset size for a private brand portfolio program generally is \$100 million AUM per group.

Most clients for whom FolioMetrix provides IMO services receive monthly performance analytics and, from time to time, receive FolioMetrix research and white paper publications.

Discretionary Services

Occasionally, FolioMetrix provides financial advisor groups with the services described above, but also has discretion, on behalf of some clients, to retain and terminate investment managers and to invest account assets in, and withdraw assets from, registered funds (e.g., mutual funds, ETFs). FolioMetrix provides these services to clients who are referred to FolioMetrix through investment adviser groups and registered representatives of unaffiliated independent Broker-Dealers and Registered Investment Advisers known as “Solicitors”. A prospective client that becomes a client of FolioMetrix as a direct result of the solicitor is identified as a “Solicited Client.”

Services for the solicited client require the solicitor, through its representatives, to introduce and assist the client in establishing a relationship with FolioMetrix. The services include periodic contacts, being available to answer client inquiries, updating client information, meeting at least annually to determine if there is a change in the client’s financial situation, and assisting the prospective client in understanding the services provided by FolioMetrix.

FolioMetrix’s account management team assists the solicitor’s representative with these services. The prospective client suitability is established through various documents that may include, but are not limited to, the solicitor’s investment adviser representative’s communication, correspondence, various suitability documentation, the distribution of a FolioMetrix provided questionnaire, FolioMetrix’s Investment Policy Statement or Statement of Investment Selection. All forms of suitability are to determine the client’s investment objectives, time horizon, tax considerations, income needs, but most importantly for FolioMetrix’s investment philosophy, the risk tolerance.

Retirement Plan Consulting Services

FolioMetrix provides retirement plan consulting services to companies who sponsor or are interested in sponsoring a retirement plan for their employees. Services may include: assistance with selection and monitoring of the plan investment menu, the development of model portfolios (401K Modeling Services) that can be used for plan participant asset allocation among investment options in the plan, management of the model portfolios on a discretionary basis, providing educational meetings for the plan participants and providing participant level investment advice.

Investment Company Management Services

FolioMetrix, LLC is the advisor of the FMX Funds, a series of the Starboard Investment Trust, an open-end management investment company established under the laws of Delaware and registered with the SEC under the Investment Company Act of 1940 (the “1940 Act”).

Subject to the supervision of the Starboard Investment Trust’s Board of Trustees, FolioMetrix provides a continuous investment program for the FMX Funds on a discretionary basis, including investment research and management with respect to all securities and investments and cash equivalents in the Fund. FolioMetrix determines from time to time what securities and other investments will be purchased, retained or sold by the Fund. FolioMetrix will provide the services in accordance with the Fund’s investment objectives, policies, and restrictions as stated in the Fund’s prospectus. Fund performance is measured against the S&P 500 TR Index with regards to the FMX Growth Allocation Funds, and the

BarCap US Agg Bond TR Index with regards to the FMX Total Return Funds. The Fund's assets are deposited at a qualified custodian as determined and selected by the Fund's Board of Trustees. FolioMetrix is also responsible for the selection of broker-dealers through which the Funds execute portfolio transactions, subject to the brokerage policies established by the Starboard Investment Trust, and it provides certain executive personnel to the funds.

The Investment Advisory Agreement has been executed for an initial term of two years, and may be renewed on an annual basis thereafter, provided that continuance is approved at least annually by the Board of Trustees of the Trust or by vote of the holders of a majority of the outstanding voting securities of the Funds. In either event, it must also be approved by a majority of the Trustees who are neither parties to the agreement nor interested persons as defined in the 1940 Act, at a meeting called for the purpose of voting on such approval. The Investment Advisory Agreement may be terminated at any time without the payment of any penalty by the Board of Trustees or by vote of a majority of the outstanding voting securities of the Funds on not more than 60 days' written notice to Adviser. In the event of its assignment, the Investment Advisory Agreement terminates automatically.

As the Fund's investment advisor, FolioMetrix, LLC, seeks to achieve the Fund's investment objective by investing primarily in no-load, institutional, and exchange-traded funds ("Portfolio Funds"). Although the Fund primarily invests in Portfolio Funds with no sales related expenses or very low sales related expenses, the Fund is not precluded from investing in Portfolio Funds with sales-related expenses, redemption fees, and/or service fees in excess of 0.25%. The Fund will invest primarily in Portfolio Funds that have an investment objective similar to the Fund's or that are otherwise permitted investments under the Fund's investment policies. For the Fund, the Portfolio Funds' investments generally will include, but are not limited to, equity securities.

FolioMetrix uses a proprietary screening process to select Portfolio Funds for investment. The screening process includes analysis of sector and asset allocations, total returns, and risk data. FolioMetrix will seek to construct portfolios that achieve the Fund's investment objective while assuming risk that is no more than 20% greater than the S&P 500 Index. The Advisor will generally sell a Portfolio Fund when a more attractive investment opportunity is identified or the Fund's portfolio needs to be rebalanced. *(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

Specialization

FMx Optimized Portfolio Models

FolioMetrix is client centric, meaning that we believe clients do not want to lose money and we strive to help the investment advisors meet that objective. FolioMetrix understands that most institutions are benchmark centric which is disconnected with the client objective. FolioMetrix delivers a series of de-risked portfolios when market conditions deteriorate while capturing relative upside in normal or bullish conditions.

FMx Progressive Portfolio Theory™ optimization views normal market conditions independently from times of market stress. It assumes that extreme market events can impact the effectiveness of traditional mean-variance optimization (MVO). Progressive Portfolio Theory™ MVO emphasizes managing the estimated downside risk in a portfolio and allocates among asset classes to maximize returns while minimizing the probability of breaching a set loss threshold. Optimization is completed at two levels while building the portfolio. Mean variance optimization is implemented at the strategy level. Then, those

optimized strategies are combined into portfolios that are optimized using a full scale monte-carlo process.

Target risk levels are based upon a threshold for losses. Each Optimized Portfolio Model (OPM) is optimized to avoid breaching this threshold with the highest statistical probability achievable given the underlying Investment Strategy Models (ISMs).

The FMx Progressive Portfolio Theory™ optimization process manages a suite of 18 Optimized Portfolio Models to meet client objectives, risk levels, and investment policy statement constraints. Three client objectives (Accumulation, Income, and Tax-Management) are further divided into six target risk levels that are measured by a threshold for loss within a time horizon.

FMx Focused Accumulation Optimized Portfolio Models

The FMx Focused Accumulation Optimized Portfolio Models have the objective of total return over a long time horizon with differing degrees of portfolio risk. Because we are building portfolios for a range of investors, we use a ten year time horizon which we consider to be an appropriate period for total return. As with any total return objective, we accept negative deviations with the understanding that managed volatility over the long-term has historically helped to increase total returns. However, we recognize that certain amounts of losses can be damaging to a total return strategy. For this reason, we measure risk as the calculated probability of breaching a certain loss threshold based on our expected return, variance, and correlations of assets in the portfolio.

FMx Focused Income Optimized Portfolio Models

The FMx Focused Income Optimized Portfolio Models have the objective of generating sustainable income over a long time horizon with differing degrees of portfolio risk. The level of income and potential for appreciation are directly associated with the amount of measured risk in the OPM. The most aggressive portfolios will incorporate some degree of volatility and potential losses in exchange for higher current income and greater total return potential. To a certain threshold, we accept negative deviations with the understanding that managed volatility over the long-term has historically helped to increase total returns. However, we recognize that certain amounts of losses can be damaging to any strategy, particularly an income producing portfolio. For this reason, we measure risk as the calculated probability of breaching a certain loss threshold based on our expected return, variance, and correlation of assets in the portfolio. Further, the optimization process includes distributions of 5% of the total portfolio value annually.

FMx Tax Managed Optimized Portfolio Models

The FMx Tax Managed Optimized Portfolio Models have the objective of generating tax free income and tax managed appreciation over a long time horizon with differing degrees of portfolio risk. The potential for appreciation is directly associated with the amount of measured risk in the OPM. The most aggressive portfolios will incorporate some degree of volatility and potential losses in exchange for greater total return potential. The more conservative portfolios replace appreciation potential with higher levels of tax free income. At least 75% of the OPM will be comprised of Investment Strategy Models that are considered to be tax-efficient. This places limits on the inclusion of ISMs with high turnover, high yield, and favors passive and tax-free ISMs. To a certain threshold, we accept negative deviations with the understanding that managed volatility over the long-term has historically helped to increase total returns. However, we recognize that certain amounts of losses can be damaging to any strategy. For this reason, we measure risk as the calculated probability of breaching a certain loss threshold based on our expected return, variance, and correlation of assets in the portfolio.

For each of the OPM objective, we create six levels of risk: Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, Conservative, and Protective. Each OPM consists of weightings to our FMx Investment Strategy Models to create the optimal, risk-managed portfolio.

FMx Investment Strategy Models

FMx Dividend Income (URADI100) Investment Strategy Model

The FMx Dividend Income (URADI100) Investment Strategy Model uses Forward Management as a sub-advisor. Forward Management's investment philosophy for its International Dividend and U.S. Dividend strategies is that by emphasizing higher-yielding stocks, the portfolio attempts to participate in stock market advances and protect capital better than competing strategies during stock market declines. Both strategies are structured with a defensive bias and target 20% lower volatility than their respective benchmarks, as measured by standard deviation and beta. The MSCI EAFE Index is the benchmark for the International Dividend strategy, and the S&P 500 Index is the benchmark for the U.S. Dividend strategy.

FMx Dynamic Fixed (URAF100) Investment Strategy Model

The FMx Dynamic Fixed (URAF100) Investment Strategy Model seeks capital appreciation without regard to current income. The strategy primarily uses no-load institutional and exchange-traded funds with a similar investment objective. The portfolio is divided into 3 segments. Each is designed to find the best opportunities for good returns based on the current market environment: 1. Opportunistic segment is an aggressive allocation that includes funds in either high-yield, emerging-markets or bank-loan Morningstar categories. These categories are the most volatile but also offer the greatest potential for absolute return. Because of its risk, the Opportunistic segment has the smallest overall allocation of the three segments. 2. Global All Cap segment is a moderately aggressive allocation of either multi-sector or non-traditional bond Morningstar fixed income categories. 3. Core segment consists of higher quality fixed income funds that fall into the short, ultra-short, intermediate or long-term corporate and government debt. It also includes inflation-protected bonds and world bonds. These funds are selected by adding a component to the scoring process that favors less volatile investments. The Core segment also includes a much more static allocation towards premier fixed income mutual funds in which the managers of the fund have demonstrated their ability to provide positive alpha over a full market cycle. This part of the Core segment usually will consist of no more than 1 or 2 funds.

FMx Dynamic Equity (URAG100) Investment Strategy Model

The FMx Dynamic Equity (URAG100) Investment Strategy Model seeks capital appreciation without regard to current income. The strategy primarily uses no-load institutional and exchange-traded funds that have a similar investment objective or are otherwise permitted under the applicable investment policies. The portfolio is divided into 4 distinct segments: Opportunistic, Global All Cap, Core and Cash. Each is designed to take advantage of those sectors and areas of the market that offer the best opportunities for good returns based on the current market environment.

Global Alpha Tactical Equity (URAGATE100) Investment Strategy Model

The Global Alpha Tactical Equity (URAGATE100) Investment Strategy Model is a quantitative process sub-advised by F-Squared Investments, Inc. It is designed to provide positive alpha through analysis of domestic industry sectors and both international and emerging-market indexes. Proprietary quantitative analysis determines sector and international weightings. The strategy can move to cash if sector indicators turn negative. Because it is a tactical strategy, turnover and costs will be higher. The strategy will be evaluated versus the long-term risk and returns of the S&P Global Broad Market Index.

FMx High Fixed Income (URAH100) Investment Strategy Model

The High Fixed Income (URAH100) Investment Strategy Model is designed to provide income at a rate of at least 5 percentage points, (net of underlying fund fees) above the short-term interest rate as measured by the yield of the 3-month U.S. Treasury bill. The risk and return of the strategy will be compared to the Barclays Global High Yield Total Return index, with a goal of exceeding the total return of that benchmark index. The primary objective of the strategy is high current income, and the secondary objective is long-term appreciation of principal. The strategy will incorporate the concept of risk-adjusted yield across all global income producing sectors. The ISM follows a sector rotation strategy but will generally be concentrated in the sector that appears most favorable to meeting the strategy objectives. Thus, while generating high current income, the fund will also be exposed to volatility similar to the index. The sector rotation strategy seeks to generate the maximum amount of income for any given level of estimated risk in the portfolio. The application of FolioGuard™ seeks to minimize the effects of market declines.

FMx Non-Traditional (URANT100) Investment Strategy Model

The FMx Non-Traditional (URANT100) Investment Strategy Model seeks to provide a low correlation with the global equity markets as measured by the S&P Global Broad Market Index. Combined in a portfolio with traditional strategies, URANT100 is intended to reduce measured overall portfolio risk and/or increase expected returns in an equity-based portfolio. URANT100 is expected to provide reasonable positive returns relative to the index during normal market conditions and outperform the index during times of extreme volatility. The URANT100 strategy is built around managers who have consistently provided positive returns while maintaining a low correlation to broad equity markets. Of particular focus is performance in exceedingly volatile times. Manager evaluation is based upon historical alpha, correlation, drawdown and consistency. URANT100 emphasizes limiting manager risk. Since many non-traditional strategies are based upon a proprietary model, we rely on the organizational structure of the management team, verified historical statistics, and the risk management policies in place for a manager's portfolio.

FMx Premier Asset Management (URAPAM100) Investment Strategy Model

The Premier Asset Management (URAPAM100) Investment Strategy Model identifies outstanding global investment managers with a proven performance record of at least 5 years. Each firm selected must have a proven risk management strategy. The strategy is composed of open-end mutual funds and is designed to hold these market leaders on a long-term basis and produce positive alpha. Volatility has historically been lower than that of the broad market. The benchmark used to measure performance is the S&P 500 Global Broad Market Index.

FMx Strategic Equity Passive (URASEP100) Investment Strategy Model

The Strategic Equity Passive (URASEP100) Investment Strategy Model is designed to have volatility equal to or less than the S&P Global BMI Total Return Index while achieving similar returns. It is a low-cost, low-turnover, tax-efficient exchange-traded fund (ETF) strategy. The strategy's allocation is determined annually using our Progressive Portfolio Theory™ Optimization Process. The FolioGuard™ Cash Allocation Strategy seeks to tactically allocate between equities and cash to produce an overlay that can be combined with other equity strategies. That combination is designed to decrease volatility and increase return, particularly in down periods.

FMx Strategic Fixed Income Passive (URASFP100) Investment Strategy Model

The Strategic Fixed Income Passive (URASFP100) Investment Strategy Model seeks capital appreciation with a moderate yield and an emphasis on being low-cost and relatively tax efficient. Because it is strategic, rather than tactical, it has very little turnover. It currently has 10 exchange-traded fund (ETF)

holdings that represent a global fixed income portfolio, which are all held at any given point in time with minimum and maximum limits in each sector. The strategy also includes a short-term U.S. Treasury ETF to serve as a cash proxy. All of the ETFs in this strategy are classified as fixed income ETFs, as this is a 100% fixed income strategy. The strategy seeks to replicate the long-term total returns of the Barclays Global Aggregate Index while reducing volatility, as measured by standard deviation of the strategy relative to the index. The objective is to reduce drawdown to the extent possible without a tactical overlay.

FMx Tax Free (URATF100) Investment Strategy Model

The Tax Free (URATF100) Investment Strategy Model is designed to provide tax-free income with less volatility than the S&P National Municipal Index. The strategy is designed to create a diversified municipal bond portfolio that incorporates the full spectrum of credit quality, maturity, type of obligation, volatility, average duration, and yield for the municipal bond fixed-income sector. Of particular concern is drawdown during credit market turmoil. While there will be temporary fluctuations in the portfolio value, the strategy is designed to limit risk by allocating among those underlying investments that have the most favorable ratio of yield to volatility.

Limits Advice to Certain Types of Investments.

FolioMetrix, LLC provides investment advice on the following types of investments.

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Foreign issuers securities

Although FolioMetrix, LLC generally provides advice on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

Client Assets Managed by FolioMetrix, LLC

The amount of clients assets managed by FolioMetrix, LLC totaled \$26,921,449 as of December 31, 2011. \$26,921,449 are managed on a discretionary basis and \$0 are managed on a non-discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding the Firm's services along with descriptions of each service's fees and compensation arrangements.

Investment Management Outsourcing (IMO) – Custom Services

Nondiscretionary Business

FolioMetrix will charge an annual fee based on the client's assets under management. FolioMetrix's standard fee schedule, (which may, in certain circumstances be negotiable), is as follows for nondiscretionary business:

Range Start	Range End	Percentage
0	10,000,000	0.40%
10,000,001	25,000,000	0.35%
25,000,001	50,000,000	0.25%
50,000,001	100,000,000	0.22%
100,000,001	150,000,000	0.20%
150,000,001	200,000,000	0.19%
200,000,001	300,000,000	0.17%
300,000,001	400,000,000	0.15%
400,000,001	500,000,000	0.13%

Accounts in excess of \$500,000,001 can be price on a case by case basis. Accounts over \$500,000,001 will be priced at 0.12% unless negotiated between parties. FolioMetrix reserves the right to alter its fee at its discretion. A change of fee can be established by written notification to the client.

Discretionary Business (Solicited Client)

The solicited client is charged FolioMetrix's fee. A portion of FolioMetrix's fee, or an additional fee,* is deducted from the solicited client account and paid to the Solicitor. The solicited client is also charged a custodian fee and may incur transaction costs such as, but not limited to, wire fees, commissions and termination fees. In addition, the client pays fees and expenses related to the mutual funds and the exchange traded funds. A description of the fees and expenses can be found in each fund's prospectus.

FolioMetrix will charge an annual fee based on the client's assets under management. FolioMetrix's standard fee schedule, (which may, in certain circumstances be negotiable), is as follows for discretionary business:

Range Start	Range End	Percentage
0	1,000,000	1.50%
1,000,001	3,000,000	1.00%
3,000,001	5,000,000	0.75%

*The solicitor will receive an additional fee which is disclosed to the client in the solicitor's disclosure statement. The solicitor's disclosure statement is part of FolioMetrix's investment advisory agreement.

Accounts in excess of \$5,000,001 can be price on a case by case basis. Accounts over \$5,000,001 will be priced at 0.75% unless negotiated between parties. FolioMetrix reserves the right to alter its fee at its discretion. A change of fee can be established by written notification to the client.

Investment Management Outsourcing (IMO) – Subscriptions Services

Clients will pay FolioMetrix an annual service fee of \$40,000.00 USD for IMO subscription services. The fees will be collected in advanced. FolioMetrix reserves the right to alter its fee at its discretion.

FolioMetrix may offer discounts and/or promotional pricing on any of the services noted above to select clients, plans and/or participants.

Retirement Plan Consulting Services

FolioMetrix provides retirement plan consulting services to companies who sponsor or are interested in sponsoring a retirement plan for their employees. Services will typically include some or all of the following:

- Assistance with selection and monitoring of the plan investment menu
- Develop model portfolios that can be used for plan participant asset allocation among investment options in the plan
- Manage model portfolios on a discretionary basis
- Education meetings for the plan participants
- Participant level investment advice

Although FolioMetrix recommends the investment options to be offered in the plan, the plan sponsor or trustee will be responsible for making the final determination of the initial investment options that will be offered in the plan. FolioMetrix will develop model portfolios using the investment options selected by the plan sponsor. When contracted for, FolioMetrix will manage the model portfolios on a discretionary basis and will have the discretion to make changes within the models on a quarterly basis or at any time that the model indicates an intra-month movement to cash. FolioMetrix will not at any time maintain custody of plan assets.

The fee for the above described Retirement Plan Consulting Services is assessed as a flat annual asset based fee based upon the total market value of the plan assets. Fees will be determined based on the total market value of the plan assets, the complexity of the plan, the number of participants, other relationship FolioMetrix may have with the plan provider or trustees, the level of service to be provided to the plan, the geographical location(s) and number of office locations of the plan sponsor and plan participants. When determining the fee, FolioMetrix will also take into consideration special situations or conflicts of interest where charging a fee is prohibited under ERISA laws and relationships with the client. The fee is assessed in arrears at the end of each calendar quarter and will be calculated based on the market value of the plan assets at the end of the calendar quarter. Fees for partial periods will be prorated based on the number of days that services were provided during the billing period. The plan trustee will elect to be invoiced for this fee or authorize that the fee be debited from the plan assets.

When providing participant level investment advice, each participant will be required to execute an agreement for services with FolioMetrix and advice will be limited to recommendations on investing within the retirement plan.

The fee for the above described Retirement Plan Consulting Services is assessed as a flat quarterly service fee. When determining the fee, FolioMetrix will also take into consideration special situations or conflicts of interest where charging a fee is prohibited under ERISA laws and relationships with the client. The fee is assessed in advance at the end of each calendar quarter. Fees for partial periods will be

prorated based on the number of days that services were provided during the billing period. The fee will be debited from a bank account designated by the client.

Either party may terminate services by providing written termination to the other party. If services are terminated within five business days of executing an agreement for services with FolioMetrix, services will be terminated without penalty. After the initial five business days, clients will be responsible for payment of fees for services completed prior to termination of services. If services are terminated mid-period, a prorated fee is charged based on the number of days that services were provided during that period.

Sub-Advisor Arrangements

FolioMetrix may establish sub-advisor arrangements with other registered investment advisor firms. Through these arrangements, FolioMetrix will develop model portfolios that will be used by the outside investment advisors to manage its clients' assets or to recommend model portfolios to be used on retirement plan platforms. When acting in this capacity, FolioMetrix may be paid a portion of the fee that the outside advisor charges to its clients for the services it *provides*.

401K Modeling Service (Plan Sponsor Arrangement):

An Advisor acting as the ERISA 3(38) fiduciary may engage FolioMetrix to provide pre-constructed, risk-managed portfolio models comprised of mutual funds and cash investments for 401(k) Plans. The Advisor acting as the ERISA 3(38) fiduciary will: 1) state its fiduciary status in writing; 2) create a customized Investment Policy Statement for each Plan Sponsor; 3) construct an investment menu using investments offered through the Client's Plan Sponsor; 4) perform ongoing monitoring; and 5) provide in-depth quarterly reports. FolioMetrix will deliver models to the Advisor on a monthly basis via the terms of the Plan's Sponsor; the model will be executed upon the Advisor's discretion. Note that the model may indicate an intra-month movement to cash, at which time an updated model will be sent to the Advisor to execute at his or her discretion.

Fee Schedule - 401K Modeling Service (Plan Sponsor Arrangement):

- Collection of Fees will be dependent on the Plan's Sponsor payment to the Advisor acting as the ERISA 3(38) fiduciary (Most likely Quarterly in arrears)
- The Advisor acting as the ERISA 3(38) fiduciary will compensate FolioMetrix based on the fee schedule below

Schedule of Fees

Minimum Initial Fee:

\$12,000 - \$24,000

<i>Plan Value</i>			
From	To	Fee	
\$ -	\$ 20,000,000	\$12,000 - \$24,000	
\$ 20,000,001	\$ 25,000,000	\$	48,000
\$ 25,000,001	\$ 30,000,000	\$	60,000
\$ 30,000,001	\$ 40,000,000	\$	72,000
\$ 40,000,001	\$ 50,000,000	\$	84,000
\$ 50,000,001	\$ 60,000,000	\$	96,000
\$ 60,000,001	\$ 70,000,000	\$	108,000
\$ 70,000,001	\$ 80,000,000	\$	120,000
\$ 80,000,001	\$ 90,000,000	\$	132,000
\$ 90,000,001	\$ 100,000,000	\$	144,000

**Note: For every \$10,000,000 increase in Plan Value after \$100,000,000, there is a \$12,000 increase in Fees.*

401K Modeling Service (IAR Solicitor Arrangement):

FolioMetrix will engage an Investment Advisor Representative, as a Solicitor, on an exclusive basis¹ to identify their Advisory Clients as Prospective Clients for FolioMetrix to provide pre-constructed, risk-managed portfolio models comprised of mutual funds and cash investments for the Advisory Client's 401(k). FolioMetrix will deliver models to the Advisory Client and their Advisor on a monthly basis via an email; the model will be executed upon the Advisory Client's discretion. Note that the model may indicate an intra-month movement to cash, at which time an updated model will be sent to the Advisory Client to execute at his or her discretion.

¹ Advisory Clients will be allowed to engage FolioMetrix for 401(k) Modeling services based on their Employer's Plan Sponsor

Fee Schedule - 401K Modeling Service (IAR Solicitor Arrangement):

Client Fee Details:

- Client will pay FolioMetrix a service fee of \$150 per quarter
- Fees will be collected on a quarterly basis in advance
- Fees will be collected via ACH

Solicitor Fee Details:

- FolioMetrix will typically pay Solicitors (IARs) 25% to 50% of service fee
- Payment will be made on a quarterly basis in arrears

Investment Company Management Services

As full compensation for the investment advisory services provided to the FMX Growth Allocation Fund, FolioMetrix receives a monthly fee based on the Fund's average daily net assets. The minimum annual rate is 0.00% if the average daily net assets are under \$11 million and gradually increases to a maximum annual rate of 0.95% if the average daily net assets are \$39 million or more. The fee paid to FolioMetrix is calculated by multiplying the average daily net assets of the Fund by the highest applicable annual rate.

As full compensation for the investment advisory services provided to the FMX Total Return Fund, FolioMetrix receives a monthly fee based on the Fund's average daily net assets. The minimum annual rate is 0.00% if the average daily net assets are under \$13 million and gradually increases to a maximum annual rate of 0.70% if the average daily net assets are \$41 million or more. The fee paid to FolioMetrix is calculated by multiplying the average daily net assets of the Fund by the highest applicable annual rate.

The Trust has entered into a Fund Accounting and Administration Agreement with The Nottingham Company ("Administrator"), 116 South Franklin Street, Post Office Box 69, Rocky Mount, North Carolina 27802-0069. The Administrator assists the Trust in the performance of its administrative responsibilities to the Funds, coordinates and pays for the services of each vendor and the operating expense to the Funds, and provides the Funds with certain administrative, fund accounting, and compliance services. As part of its services and consolidated fee arrangement, the Administrator receives compensation based on each Fund's average daily net assets. For the FMX Growth Allocation Fund, the annual rate is 1.45% if the average daily net assets are under \$11 million and gradually decreases to an annual rate of 0.175% if the average daily net assets are \$370 million or more. For the FMX Total Return Fund, the annual rate is 1.20% if the average daily net assets are under \$13 million and gradually decreases to an annual rate of 0.175% if average daily net assets are \$370 million or more. The fee paid to the Administrator is calculated by multiplying the average daily net assets of each Fund by the highest applicable annual rate. The Advisor has entered into an Operating Plan with the Administrator, through October 1, 2012, under which it has agreed to assume certain expenses to help limit the annual operating expenses of the FMX Growth Allocation Fund to 1.45% of average daily net assets and the FMX Total Return Fund to 1.20% of average daily net assets, exclusive of amounts payable under a Rule 12b-1 distribution plan and acquired fund fees and expenses. The Advisor cannot recoup from the Funds any amounts paid by the Advisor to the Administrator under the Operating Plan. The Administrator pays all expenses not assumed by the Advisor, including, without limitation: the fees and expenses of its independent accountants and of its legal counsel; the costs of printing and mailing to shareholders annual and semi-annual reports, proxy statements, prospectuses, statements of additional information and supplements thereto; the costs of printing registration statements; bank transaction charges and custodian's fees; any proxy solicitors' fees and expenses; filing fees; any federal, state or local income or other taxes; any interest; any membership fees of the Investment Company Institute and similar organizations; fidelity bond and Trustees' liability insurance premiums.

The Administrator's responsibilities include the following services for the Funds: (i) procures on behalf of the Trust, and coordinates with, the custodian and monitors the services it provides to the Funds; (ii) coordinates with and monitors any other third parties furnishing services to the Funds; (iii) provides the Funds with necessary office space, telephones, and other communications facilities and personnel competent to perform administrative and clerical functions for the Funds; (iv) assists or supervises the maintenance by third parties of such books and records of the Funds as may be required by applicable federal or state law; (v) assists or supervises the preparation by third parties of all federal, state, and local tax returns and reports of the Funds required by applicable law; (vi) assists in the preparation and, after

approval by the Trust, files and arranges for the distribution of proxy materials and periodic reports to shareholders of the Funds as required by applicable law; (vii) assists in the preparation of and, after approval by the Trust, arranges for the filing of such registration statements and other documents with the SEC and other federal and state regulatory authorities as may be required by applicable law; (viii) reviews and submits to the officers of the Trust for their approval invoices or other requests for payment of Fund expenses and instructs the custodian to issue checks in payment thereof; and (ix) takes such other action with respect to the Funds as may be necessary in the opinion of the Administrator to perform its duties under the agreement. The Administrator also provides certain accounting and pricing services for the Funds.

With the exception of the Advisor, all of the Fund's service providers are paid by the Administrator.

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses, affect the Fund's performance.

FolioMetrix, LLC provides investment management research and design through portfolio models, but does not impose a fee for the models. The Firm also provides a daily email update on the models and markets, which is available only to other advisors in the form of subscription, free of charge. FolioMetrix, LLC runs monthly investment committee advisory meetings, available only to other advisors, at no charge.

General Disclosures

Advisory fees charged are calculated as previously described, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).

FolioMetrix does not represent, warranty, or imply that the services or methods of analysis employed by the firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

FolioMetrix will not maintain custody of client assets. Assets will be maintained by a qualified custodian.

Brokerage commissions and/or transaction ticket fees charged by the custodian and/or clearing broker/dealer are billed directly to the client. FolioMetrix does not receive any portion of such commissions or fees from the custodian or client. In addition, clients may incur certain charges imposed by third parties other than FolioMetrix in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Advisory fees charged by the FolioMetrix are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

Item 6 – Performance-Based Fees and Side-By-Side Management

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because FolioMetrix, LLC **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

FolioMetrix, LLC generally provides investment advice to Investment Companies, Investment Advisory Firms, Registered Investment Companies, Broker-Dealers, Corporate Retirement Plans and Retirement Plan Participants.

Minimum Investment Amounts Required

FolioMetrix, LLC does not have any minimum account size. However, certain investment company clients may have minimum investment amounts that are set forth in the prospectus of such investment companies.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The following section will summarize FolioMetrix's methods of analysis in formulating investment advice.

Each FolioMetrix portfolio is optimized under the FMx Progressive Portfolio Theory™, an evolution of the Markowitz Modern Portfolio Theory mean-variance optimization (MVO) model. The FMx Progressive Portfolio Theory™ optimization views normal market conditions independently from times of market stress. It assumes that extreme market events can impact the effectiveness of traditional mean-variance optimization. Progressive Portfolio Theory™ MVO emphasizes managing the estimated downside risk in a portfolio and allocates among asset classes to maximize returns while minimizing the probability of breaching a set loss threshold. Optimization is completed at two levels while building the portfolio. Mean variance optimization is implemented at the strategy level. Those optimized strategies are then combined into portfolios that are optimized with a monte carlo based full-scale utility maximization function.

Strategy-Level Optimization

Prior to creating the allocation within the Investment Strategy Models (ISMs), each individual strategy is created in conjunction with an optimization process, where applicable. In this stage, traditional mean-variance optimization is used to create an appropriate portfolio to maximize expected return per unit of risk. Since there is a potential for a shortfall in the time period of historical information available, the return of an index (which usually has a longer return history) for a holding may be substituted. This gives more validity to the dataset through a longer sample period. To create the mean-variance optimal allocation, statistical data is separated for volatile and normal time periods and creates the statistically optimal blend of investments. Ten alternative portfolios generally form an efficient frontier of risk levels.

Portfolio Optimization

At the portfolio level, the optimization changes from MVO to full-scale optimization (FSO). This essentially changes the objective from maximizing the return per unit of risk to setting a threshold for loss that should

be avoided based on past return characteristics of ISMs. The firm's portfolio optimization process is initially capable of using all ISMs by default (currently 10). A minimum or maximum bound is set on the weightings to each individual ISM or to groups of ISMs, depending on the objectives and underlying risk levels of the portfolios. Some ISMs have tactical risk management overlays that change the distributions of returns. For full-scale optimization, returns for the ISM are used without the risk management overlay. FSO uses a monte-carlo simulation process to evaluate allocations with a lower bound for the maximum loss that can be tolerated. This lower bound, called the threshold, differs between each risk level. Essentially, a maximum loss level is set for the portfolio to avoid. The full-scale optimization model implies that any losses beyond the threshold result in increasing negative utility (dissatisfaction) and that at a certain point increasing gains have diminishing marginal utility. This is measured with an S-shaped utility function. FSO creates the optimal portfolio with the highest return-to-risk ratio and the lowest probability of breaching the loss threshold. FSO minimizes the probability of both end-of-horizon and the within-horizon risk. For all of the portfolios, 10 years is used as the default time horizon and compares the end-of-horizon and the within-horizon risk to the Morningstar Target Risk indices.

For each of the investment objectives (Accumulation, Income and Tax-Managed), six levels of risk are created: Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, Conservative and Protective. The Protective portfolios have a slightly different curve for utility and loss threshold. Each protective portfolio sets the threshold at +1% returns, but there is only a slight slope to the marginal utility of returns above this level and a very steep slope for investor utility below this level. For each threshold, the Full-scale optimization uses a Monte Carlo analysis to simulate up to 10,000 potential outcomes given our inputs for risk, return, constraints, and the built-in co-variances. At different confidence intervals, the analysis shows the probability of breaching the threshold and adjusts the potential weightings to minimize that risk both within and at the end of the horizon. The FSO output shows the optimal allocation of ISMs for a given risk threshold, the probability of breaching that level both within and at the end of the horizon. The Monte Carlo output is the basis for the calculation of value at risk in volatile and normal time periods and the probability of achieving certain wealth and income levels for different confidence intervals.

FolioMetrix, LLC uses the following investment strategies when managing client assets and/or providing investment advice.

The equity based investment strategy models cover the spectrum of passive indexing strategies to focused, actively managed strategies. In aggregate, the equity Investment Strategy Models diversify across geography, sector, style, size, and a number of other classifications. The underlying managers and holdings represent the global spectrum of investable equity and each individual strategy has a particular focus including: Dynamic Equity; Strategic Equity Passive; Global Alpha Tactical Equity; Premier Asset Management; Dividend Income.

The fixed income based investment strategy models cover the spectrum of passive indexing strategies to focused, actively managed strategies. In aggregate, the fixed income Investment Strategy Models diversifies across geography, sector, style, size, credit, duration, and a number of other classifications. The underlying managers and holdings represent the global spectrum of investable fixed income and derivative products of fixed income and each individual strategy has a particular focus including: Dynamic Fixed Income; Strategic Fixed Income Passive; High Fixed Income; and Tax Free.

The non-traditional investment strategy model is designed to have a diversifying effect for equity and fixed income portfolios. This Investment Strategy Model contains alternative strategies that are expected to maintain a low correlation to equity and fixed income returns.

Some investment strategy models include a tactical risk management overlay that is either proprietary to FolioMetrix, LLC or to a subadvisor for an underlying strategy.

Risk of Loss

The FolioMetrix, LLC constructed portfolios – Model Portfolios – have been developed based on historical performance of an asset allocation neutral portfolio (consisting of no-load and exchange traded funds). Since these are Model Portfolios (hypothetical), there can be no assurance that a client would have achieved similar rates of return over the time frame. In addition, since the time period in question is a historical one, there can be no assurance that future results achieved by clients will in any way resemble those represented by the Model Portfolios.

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

Market risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the securities markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a stock may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies (including those in the Fund's portfolio) may decline regardless of their long-term prospects. The Fund's performance per share will change daily in response to such factors.

Risks related to "Fund of Funds" structure. The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you. Under the Investment Company Act of 1940, the Fund may not acquire shares of another investment company if, immediately after acquisition, the Fund and their affiliated persons will hold more than 3% of the investment company's outstanding shares unless the Fund or the investment company have received an order for exemptive relief from the 3% limitation from the SEC and the Fund and the investment company take appropriate steps to comply with the conditions in such order. Consequently, the 3% limitation may prevent the Fund from allocating their investments in the manner the Advisor considers optimal.

Derivative Risk. Some Portfolio Funds may use derivative instruments which derive their value from the value of an underlying asset, currency, or index. The value of derivatives may rise or fall more capital than other investments and it is possible to lose more than the initial amount invested.

Leverage Risk. Some Portfolio Funds may borrow money for leveraging and will incur interest expenses. The NAV per share of a Portfolio Fund will increase more when its portfolio securities increase in value and to decrease more when its portfolio assets decrease in value than would otherwise be the case if it did not borrow funds.

Short Sales Risk. The Portfolio Funds may engage in short sales, which could cause a Portfolio Fund's investment performance to suffer if it is required to close out a short position earlier than it had intended. This could cause the Fund's performance to suffer to the extent that it invests in such a Portfolio Fund.

Sector Risk. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

Portfolio Turnover Risk. The Advisor will sell portfolio securities when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (large-cap, mid-cap, growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the stock market in general. The performance of the Fund may thus be better or worse than the performance of stock funds that focus on other types of investments, or that have a broader investment style.

Investment Advisor Risk. The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The Advisor was formed in 2009 and is registered as an investment adviser with the SEC.

However, the Advisor does not have previous experience managing an investment company registered under the Investment Company Act of 1940. Accordingly, investors in the Fund bear the risk that the Advisor's inexperience managing registered investment company may limit its effectiveness. The experience of the portfolio managers is discussed in "Management of the Fund – Investment Advisor."

Operating Risk. The Administrator and Advisor have entered into an Operating Plan that facilitates the Administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient

revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the Administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

New Fund Risk. The Fund was formed in 2009. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

Interest Rate and Credit Risk. Interest rates may rise resulting in a decrease in the value of the fixed income securities held by the Portfolio Funds or may fall resulting in an increase in the value of such securities. Fixed income securities with longer maturities generally involve greater risk than those with shorter maturities. Issuers of fixed income securities might be unable to make principal and interest payments when due.

High-Yield Risk. Portfolio Funds may invest in fixed income securities that are rated below investment grade, such as "junk bonds". Securities in this rating category are speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. The additional risks of these types of investments include an increased possibility of default, illiquidity of the security and changes in value based on public perception of the issuer. Additionally, these instruments are generally unsecured and may be subordinated to other creditor's claims.

Inflation Risk. Fixed income securities are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value of fixed income securities would result in a loss in the value of the Fund's portfolio.

Risks of Investing in Corporate Debt Securities. Portfolio Funds may invest in corporate debt securities. Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures, and commercial paper are the most prevalent types of corporate debt securities. The credit risks of corporate debt securities vary widely among issuers. In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment. For example, higher ranking (senior) debt securities have a higher priority than lower ranking (subordinated) securities. This means that the issuer might not make payments on subordinated securities while continuing to make payments on senior securities. In addition, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities. Some subordinated securities, such as trust preferred and capital securities notes, also permit the issuer to defer payments under certain circumstances. For example, insurance companies issue securities known as surplus notes that permit the insurance company to defer any payment that would reduce its capital below regulatory requirements.

Risks of Investing in Convertible Securities. Convertible securities are fixed income securities that a Portfolio Fund has the option to exchange for equity securities at a specified conversion price. The option allows the Portfolio Fund to realize additional returns if the market price of the equity securities exceeds the conversion price. For example, the Portfolio Fund may hold fixed income securities that are

convertible into shares of common stock at a conversion price of \$10 per share. If the market value of the shares of common stock reached \$12, the Portfolio Fund could realize an additional \$2 per share by converting its fixed income securities. Convertible securities have lower yields than comparable fixed income securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible fixed income securities or equity securities depending upon changes in the price of the underlying equity securities. However, convertible securities permit the Portfolio Fund to realize some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment.

Risks of Investing in TIPS. The Fund is subject to certain risks to the extent that the Portfolio Funds invest in Treasury Inflation-Protected Securities (TIPS). TIPS are special types of treasury bonds that were created in order to offer bond investors protection from inflation. The values of TIPS are automatically adjusted to the inflation rate as measured by the Consumer Price Index (CPI). With inflation (a rise in the CPI), the principal increases; with a deflation (a drop in the CPI), the principal decreases. When TIPS mature, you are paid the adjusted principal or original principal, whichever is greater. TIPS decline in value when real interest rates rise. However, in certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, TIPS may experience greater losses than other fixed income securities with similar duration.

Item 9 – Disciplinary Information

This item is not applicable to our brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

FolioMetrix, LLC is **not** and does **not** have a related company that is a:

1. Broker/dealer, municipal securities dealer, government securities dealer or broker,
2. Investment Company or other pooled investment vehicle (including a mutual fund, closed-end Investment Company, unit investment trust, private investment company or "hedge fund," and offshore fund),
3. Other investment adviser or financial planner,
4. Futures commission merchant, commodity pool operator, or commodity trading advisor,
5. Banking or thrift institution,
6. Accountant or accounting firm,
7. Lawyer or law firm,
8. Insurance company or agency,
9. Pension consultant,
10. Real estate broker or dealer, or
11. Sponsor or syndicator of limited partnerships.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

FolioMetrix has adopted a Code of Ethics for all employees of the firm describing our high standards of business conduct, fiduciary duty to our clients, and rules surrounding personal securities trading by our employees.

The Code of Ethics also includes guidelines related to gifts and to the reporting of personal securities holdings and trading activity. All FolioMetrix employees must accept in writing the terms of the Code of Ethics upon employment, annually, or as amended.

A copy of the FolioMetrix Code of Ethics may be requested by contacting the firm's Chief Compliance Officer, Mrs. Julie Koethe, at 888-952-4807.

Affiliate and Employee Personal Securities Transactions Disclosure

FolioMetrix, LLC or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of FolioMetrix, LLC that all persons associated in any manner with the firm must place the interests of our clients ahead of their own when implementing personal investments. FolioMetrix, LLC and its associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by FolioMetrix, LLC are widely held and publicly traded.

Item 12 – Brokerage Practices

FolioMetrix, LLC's business is primarily to provide research, analysis and makes recommendations to investment advisors, creation of Model Portfolios for our Retirement Plan clients or unaffiliated investment advisors and asset management services to investment companies. In placing transactions for the Investment Company clients, we are responsible to ensure that the transaction receives the best execution possible.

Handling of Trade Errors.

FolioMetrix, LLC currently does not place trades for client accounts. However we have implemented procedures designed to prevent trade errors; however, trade errors cannot always be avoided. Consistent with its fiduciary duty, it is the policy of *FolioMetrix, LLC* to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by FolioMetrix, LLC if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not

permissible for all clients to retain the gain. FolioMetrix, LLC may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

FolioMetrix, LLC will never benefit or profit from trade errors.

Block Trading Policy

Transactions implemented by FolioMetrix, LLC for Investment Company client accounts are affected independently. Since each Investment Company has a unique investment objective the opportunity to aggregate orders are very limited. In the event that FolioMetrix, LLC is able to aggregate orders, the allocation of securities among accounts will be done on a fair and equitable basis. Typically, the process of aggregating orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among portfolios on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the firm's portfolios in proportion to the purchase and sale orders placed for each client account on any given day. When FolioMetrix, LLC determines to aggregate orders for the purchase or sale of securities, including securities in which FolioMetrix, LLC may invest, the firm will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. It should be noted, FolioMetrix, LLC does not receive any additional compensation or remuneration as a result of aggregation.

Item 13 – Review of Accounts

Account Reviews and Reviewers

FolioMetrix, LLC does not provide investment management services directly to individuals but rather to one or more investment companies. Securities held by each investment company are monitored on a regular basis in a manner consistent with the prospectus and statement of additional information of each Investment Company and applicable law.

Statements and Reports

The investment company(s) to which FolioMetrix, LLC provides investment advisory services will provide quarterly statements to shareholders. FolioMetrix, LLC will provide no direct reporting.

Item 14 – Client Referrals and Other Compensation

FolioMetrix, LLC enters into Solicitor's agreements with unaffiliated independent Registered Investment Advisers who then offer FolioMetrix's advisory services to clients through its investment adviser and registered representatives. FolioMetrix adheres to the solicitor's rule pursuant to the Investment Advisers Act Rule 206(4)-3. All material information describing the solicitor's activities and compensation is disclosed to the client in the solicitor's disclosure statement.

Item 15 – Custody

FolioMetrix, LLC does not maintain custody of client funds or securities.

Item 16 – Investment Discretion

Through its asset management services and upon receiving written authorization as a part of management agreement with the fund's Board, FolioMetrix, LLC will maintain trading authorization over the Investment Company's assets. Upon receiving written authorization in accordance with the Management Agreement, FolioMetrix, LLC will implement trades on a **discretionary** basis. The prospectus and statement of additional information for each investment company client of FolioMetrix, LLC may set forth any limit on investment authority, discretion, and brokerage selection related to investment authority and discretion.

FolioMetrix also maintains limited discretion over solicited client accounts. The discretion for these accounts involves limited access to balance inquiries and execution of trades in accordance to the models for which the clients have subscribed.

Item 17 – Voting Client Securities

FolioMetrix, LLC will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

Item 18 – Financial Information

This item is not applicable to *this brochure*. *FolioMetrix, LLC* does not require or solicit prepayment of more than \$1200 Draft Revisions in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, FolioMetrix, LLC has not been the subject of a bankruptcy petition at any time (*Please refer to Information Required by Part 2B of Form ADV: Brochure Supplement for more information*).

CUSTOMER PRIVACY POLICY NOTICE

This notice describes the privacy practices followed by FolioMetrix, LLC. Your privacy is our top priority. Our policy is to respect the privacy of current and former clients and to protect personal information entrusted to us. We do not share any nonpublic personal information of clients or former clients with any nonaffiliated third parties, except as permitted by law or as authorized by our clients. In the course of providing products and services to you, we collect nonpublic personal information about you from various sources such as account applications or agreements, other account forms, transactions in your account, and from information captured on our websites, including any information captured through our use of “cookies.” Such information may include your name, address, account or tax identification number, the types and amounts of investments, and bank account information.

In the normal course of serving clients, information we collect may be shared with companies that perform various services such as custodians, broker-dealers and marketing service firms, as well as with other financial institutions with whom we have joint marketing agreements. We may share information in connection with servicing accounts or to inform clients of products and services that we believe may be of interest to them. The organizations that receive client information will use that information only for the services required and as allowed by applicable law or regulation, and are not permitted to share or use this information for any other purpose.

Access to customers’ nonpublic personal information is restricted to employees who need to access that information. We use industry standard physical, electronic, and procedural safeguards to protect client information. A client’s right to privacy extends to all forms of contact with us, including telephone, written correspondence, and electronic media, such as the Internet.

Information Required by Part 2B of Form ADV: *Brochure Supplement – D. Jerry Murphey*

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

Item 2 – Educational Background and Business Experience

Dale Jerome (Jerry) Murphey -- President and Chief Executive Officer; Born in 1958

Educational Experience:

No Formal Education after High School

Business Experience:

FolioMetrix LLC, President Chief Executive Officer, 2009 - present

Prudential Investment Management Services, Vice President, 2000 - 2008

Dearborn Financial Institute, Inc., Operations Director, 1994 - 2000

Mutual Data, Inc. (MDI), Vice President, 1990 - 1994

Item 3 – Disciplinary Information

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

Item 4 – Other Business Activities

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

Item 5 – Additional Compensation

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

Item 6 – Supervision

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.

Information Required by Part 2B of Form ADV: *Brochure Supplement - Julie Koethe*

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

Item 2 – Educational Background and Business Experience

Julie Koethe – Chief Operating Officer, Chief Compliance Officer; Born in 1980

Education Background:

Nebraska Wesleyan University, Bachelor of Science, Business Administration with an Emphasis in Accounting, 2002

Business Experience:

FolioMetrix LLC, Chief Operating Officer/Chief Compliance Officer, 2010 - Present

Applied Underwriters Inc., Insurance Accounting Supervisor, 2003 - 2010

Basso, McClure, Goeglein, LLP, Tax Accountant, 2001 - 2003

Item 3 – Disciplinary Information

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

Item 4 – Other Business Activities

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

Item 5 – Additional Compensation

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

Item 6 – Supervision

I am the Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. I can be reached at 888-952-4807.

Information Required by Part 2B of Form ADV: *Brochure Supplement - Gerry Campbell*

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

Item 2 – Educational Background and Business Experience

Gerry Campbell, CIMA, AIF, CMCC, Senior Portfolio Analyst; Born in 1949

Education Background:

Monmouth University, Master of Business Administration, 2000

Georgian Court University, Bachelor of Science, Business Administration, 1996

Accredited Investment Fiduciary (AIF)** designation, 2006

Certified Investment Management Analysts (CIMA)* designation, 2003

Chartered Mutual Fund Counselor (CMCC)***, 2002

Business Experience:

FolioMetrix LLC, Senior Portfolio Analyst, September 2009 - present.

Prudential Investment Management Services, Senior Wealth Analyst, March 1999 - December 2008

Item 3 – Disciplinary Information

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

Item 4 – Other Business Activities

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

Item 5 – Additional Compensation

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

Item 6 – Supervision

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.

***Certified Investment Management Analyst (CIMA) Designation granted by Investment Management Consultants Association (IMCA).**

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB (Association to Advance Collegiate Schools of Business) accredited university business school, and pass an online Certification Examination. CIMA designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification.

**** The Accredited Investment Fiduciary (AIF®) designation is granted by the Center for Fiduciary Studies**

AIF designees must complete six hours of continuing professional education with at least four coming from fi360-produced sources and attest to a code of ethics.

Continuing Education Requirements:

AIF designees must obtain six combined hours of continuing professional education each renewal year from the sources listed below (at least four hours must be accumulated from the listed fi360-produced sources):

- The fi360 annual conference (live event)
- Archived recordings from past fi360 conferences (from the on-demand fi360 CE directory)
- fi360 Resources webinars (live)
- Archived recordings of Resources webinars (from the on-demand fi360 CE directory)
- Relevant events produced by sources outside of fi360 (max of two hours per year allowed)
- Web-based AIF Training (course audit)
- Participation in a CEFEX Certification team or as a liaison officer at a firm being Certified (max of 3 hours/year)

*****CHARTERED MUTUAL FUND COUNSELORSM AND CMFC[®] designation is granted by The College for Financial Planning[®] to students who:**

- Successfully complete the program of study which includes: Introduction to Mutual Funds, Open- & Closed-End Funds: Types & Characteristics, Other Packaged Investment Products, Risk/Return: Part I, Risk/Return: Part II, Asset Allocation, Selecting a Mutual Fund for a Client, Retirement Planning and Ethics, Integrity & Professional Conduct.
- Pass the final examination; and
- Complying with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Continued use of the CMFC[®] designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the CMFC[®] designation by completing 16 hours of continuing education and reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.

Information Required by Part 2B of Form ADV: *Brochure Supplement – Chase Weaver*

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

Item 2 – Educational Background and Business Experience

Chase Weaver, Portfolio Analyst; Born in 1987

Education Background:

Creighton University, Masters of Security Analysis and Portfolio Management, Present

University of Nebraska-Lincoln, Bachelor of Science, Business Administration, 2008

Business Experience:

FolioMetrix LLC, Portfolio Analyst, March 2010 - present

Bailey Financial, Financial Administrator, January 2009 - July 2010

University of Nebraska-Lincoln, Full-Time Student, August 2005 - December 2008

Item 3 – Disciplinary Information

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

Item 4 – Other Business Activities

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

Item 5 – Additional Compensation

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

Item 6 – Supervision

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.

Information Required by Part 2B of Form ADV: Brochure Supplement – Gregory A. Rutherford

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

Item 2 – Educational Background and Business Experience

Gregory A. Rutherford, CFP®, CLU, ChFC, MBA, Chief Investment Officer; Born in 1962

Educational Experience:

Golden Gate University, San Francisco, CA, Masters of Business Administration, 1989

University of Nebraska at Omaha (NE), Bachelor of Science in Business Administration, 1984

Business Experience:

FolioMetrix LLC, Chief Investment Officer, July 2011 – present

The Tagge Rutherford Group, Inc., President & Partner, 1993 – present

Multi Financial Securities Corp., Registered Representative, Investment Advisor Representative February 2006 – July 2011

Royal Alliance Associates, Registered Representative, Investment Advisor Representative June 2001 – February 2006

Item 3 – Disciplinary Information

As previously stated in Item 9 of this Disclosure Brochure, I have not been the subject of a legal or disciplinary event that would be required to be disclosed in this brochure.

Item 4 – Other Business Activities

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

Item 5 – Additional Compensation

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

Item 6 – Supervision

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.

Information Required by Part 2B of Form ADV: *Brochure Supplement – Steve Wruble*

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

Item 2 – Educational Background and Business Experience

Steve Wruble, Portfolio Analyst; Born in 1982

Education Background:

Creighton University, Masters of Security Analysis and Portfolio Management, Present

CFA Institute, Chartered Financial Analyst Designation Level III Candidate, June 2012

The Hedge Fund Group-NY, Certified Hedge Fund Professional Level I (CHPTM), 2009

Advisors Asset Management- San Antonio, Advanced Fixed-Income Workshop, 2009

College for Financial Planning, Accredited Asset Management Specialist (AAMSTM), 2008

University of Nebraska-Lincoln, Bachelor of Science, Business Administration, 2006

Business Experience:

FolioMetrix LLC, Portfolio Analyst, November 2011 - present

The Solutions Group, Inc, Portfolio Strategist, Investment Analyst, April 2008 – November 2011

Footprints Asset Management and Research, Client Relationship Manager, September 2006 – April 2008

Item 3 – Disciplinary Information

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

Item 4 – Other Business Activities

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

Item 5 – Additional Compensation

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

Item 6 – Supervision

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.