

Marshall Capital Management



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1. Executive Summary

A fund earns its revenues by taking a percentage of the assets it manages. Therefore, the most important factor when starting a fund is maximizing assets under management (AUM). A fund is most likely to attract investor capital by positioning itself where investor capital is flowing. Currently, investor capital is flowing into global funds and low cost index funds.

Investors are increasingly viewing the investable marketplace globally as opposed to domestically. From 2003 to 2009 international mutual fund total net assets have increased 79%, global mutual fund total net assets have increased 64%, and domestic mutual fund net assets have increased 50%. This is likely due to the practice of global diversification. The purpose of diversification is to reduce risk by not subjecting a portfolio to individual economic factors (technology bubble, housing bubble, etc). Diversification has expanded from the traditional diversification across asset classes (stocks, bonds, etc), sectors (financials, information technology, etc.), and industries (investment banks, software, etc) to include different economies. Risks specific to a single country are mitigated when investing globally.

From 1993 to 2009 US index fund net assets increased 3,046% as opposed to non-indexed mutual funds increasing 504%. This is likely due to the significantly lower cost of index funds.

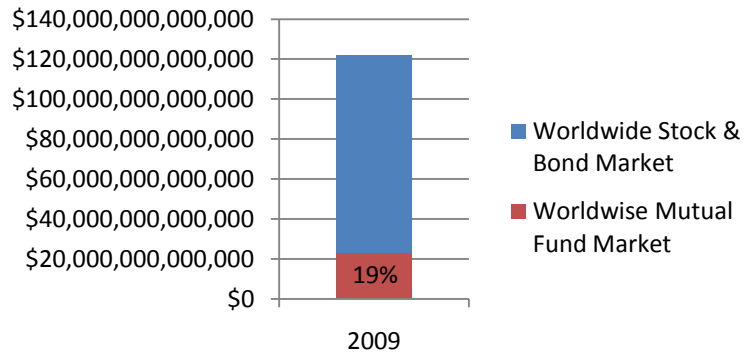
Marshall Capital Management (MCM) will manage the lowest cost global index funds in the industry. Its key revenue driver is the flow of investor capital into global funds. It will manage a The Global Stock Fund and The Global Bond Fund. MCM will charge 0.25% annually to manage The Global Stock Fund and 0.25% to manage The Global Bond Fund. The Global Stock Fund will track the MSCI All Country World Investable Market Index. This Index tracks all investable stocks in the world weighted to their percentage of the global stock market. The Global Bond Fund will track the Barclays Global Aggregate Float Adjusted Bond Index. This index tracks all investment grade bonds in the world weighted to their percentage of the global bond market.

MCM will be capable of managing the funds at industry low costs due to outsourced labor to India and economies of scale. Except for sales, all MCM labor will be conducted out of an Indian Office. This labor includes portfolio management, account management, and information technology. India offers the lowest cost of labor in the world that is capable of managing index funds. India's cost of labor will be roughly one-fourth of the same labor in the US. Economies of scale exist to a large extent in the fund management industry. MCM only manages two funds. All assets will be pooled into these two funds. Therefore, MCM only has to employ two portfolio managers regardless of the size of AUM. Through the use of Indian labor and the management of only two funds, no competing firm should be able to match or beat MCM's expense ratios. These measures give MCM its competitive advantage.

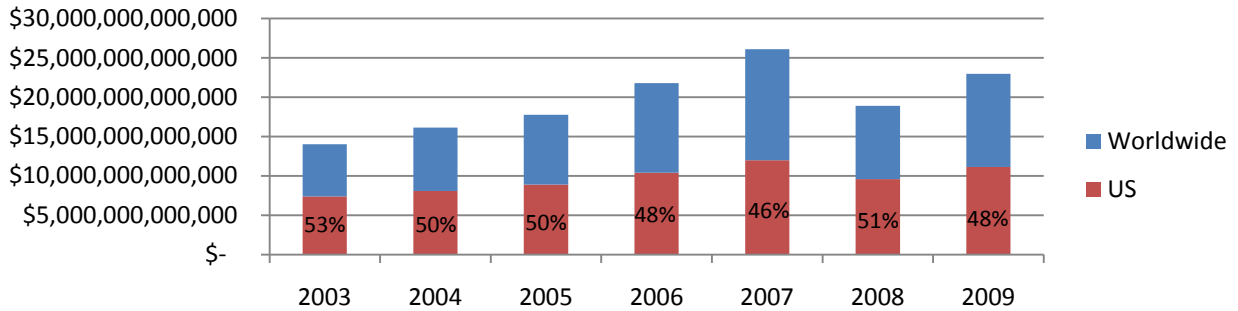
As of 2009, the average US fund size was 1.5 billion while the average international fund size was 350 million. Because MCM's main goal is to maximizing AUM, sales will be conducted in the US. For 401(k)'s, institutional investors, and high net worth individuals, MCM will use in-house financial advisors. For IRA's, college savings, and low net-worth individuals, certified financial planners (CFPs) will be used. CFPs' are independent financial advisors who charge their clients directly. MCM will have a CFP relation department and list CFPs' recommending its funds on the MCM website.

2. The Mutual Fund Industry

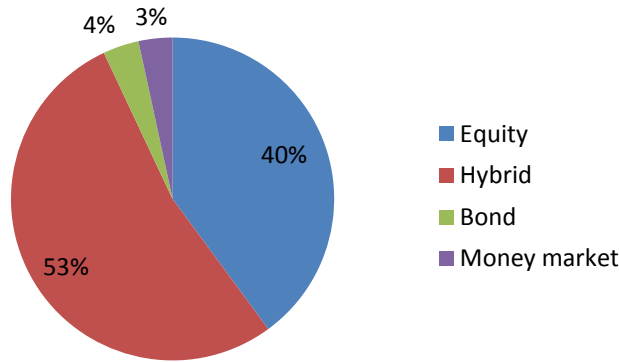
Worldwide Stock market: 40 trillion
Worldwide Bond Market: 82 Trillion



Total Net Assets in Mutual Funds

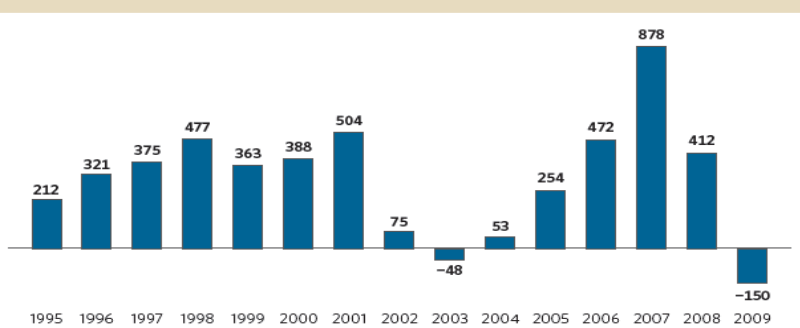


2009 Retirement Fund Investments by Asset Class



*Hybrids are funds that mix stocks and bonds dependent upon age.

FIGURE 2.3
Net Flows to Mutual Funds
Billions of dollars, 1995-2009

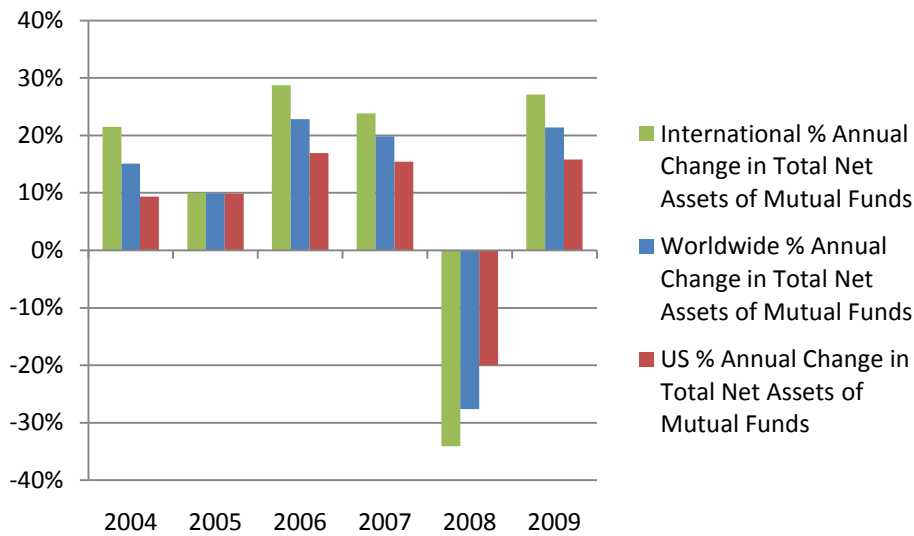


Institutional investors such as banks hold the majority of non-mutual fund securities. The majority of mutual fund investors are people saving for retirement through 401(k)s and IRAs. These people generally invest in stocks, bonds, and hybrids.

As is obvious by the Net Flows to Mutual Funds chart, investors put money in securities when the stock market is doing well. They generally pull money out of investments when the stock market is falling sharply. However, as any stock analyst will tell you, it is impossible to predict when the market will rise or fall. Therefore, timing when to start a mutual fund from these parameters is useless.

In 2009, the US accounted for 48% of all assets in mutual funds. However, the US stock market only accounts for 42% of worldwide stocks. More capital is invested by US citizens in foreign markets than vice versa. Therefore, to maximize profits, a firm should collect capital in the US and invest it globally.

3. Investor Capital is Flowing into Global Funds



Due to the inherent risks in single economies, it makes sense to diversify globally. The global nature of MCM is what differentiates it from other low cost index funds. The data shows, in the past, changes in domestic mutual funds' total net assets have been magnified by changes in international and global mutual funds' total net assets.

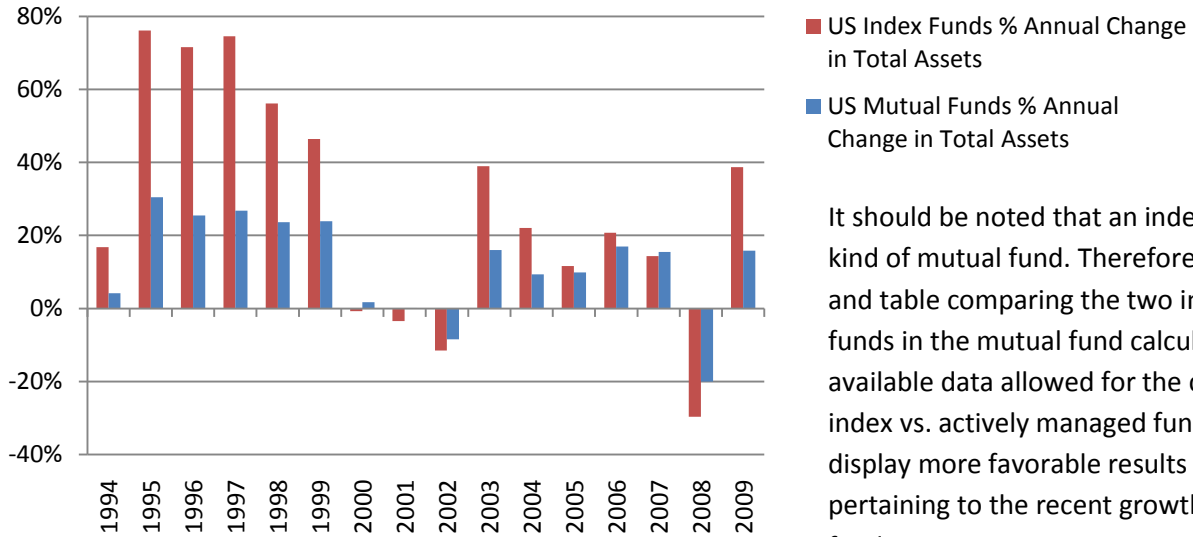
MCM's success is not reliant on a global bull market. It is reliant on investors' continuing to move their capital into global economies. As the manager of the lowest cost global funds, MCM caters to investors' seeking all levels of global diversification.

Historically, the safest economies in which to invest capital are the US and Europe. However, the current global economic environment is one in which it makes more sense to look to the future than the past. With US national debt reaching 100% of GDP and European Countries collapsing one after the other, it makes no sense to concentrate a portfolio in one of these economies. The US is vulnerable to China and Japan stopping purchasing its debt and/or inflation caused by the monetization of its debt. Europe is vulnerable to countries inability to print their own money (its currency system is tied to a number of countries) and the likelihood of countries with better economic conditions (such as Germany) discontinuing the Euro. Diversifying globally mitigates all of these risks by taking currency exchange rates out of the equation. If US inflation occurs, investors' benefit from an increase in the value of foreign currency in relation to the US dollar. If the Euro is eliminated, investors' are automatically invested in Europe's new currencies.

Year	International % Annual Change in Total Net Assets of Mutual Funds	Worldwide % Annual Change in Total Net Assets of Mutual Funds	US % Annual Change in Total Net Assets of Mutual Funds
2004	21%	15%	9%
2005	10%	10%	10%
2006	29%	23%	17%
2007	24%	20%	15%
2008	-34%	-28%	-20%
2009	27%	21%	16%
TOTAL	79%	64%	50%
AVERAGE	13%	10%	8%

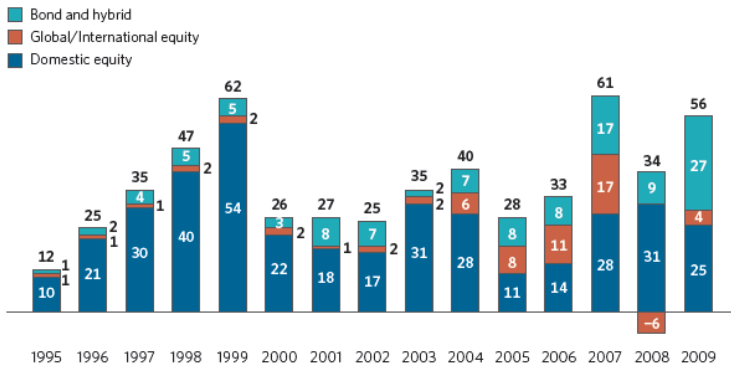
4. Investor Capital is Flowing into Index Funds

The following charts and table provide ample proof investor capital is flowing into index funds.



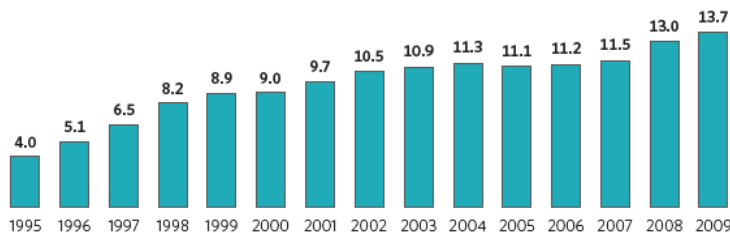
It should be noted that an index fund is a kind of mutual fund. Therefore, the chart and table comparing the two include index funds in the mutual fund calculations. If available data allowed for the calculation of index vs. actively managed funds, it would display more favorable results than shown pertaining to the recent growth of index funds.

FIGURE 2.9
Net Flows to Index Funds
Billions of dollars, 1995-2009



Note: Components may not add to the total because of rounding.

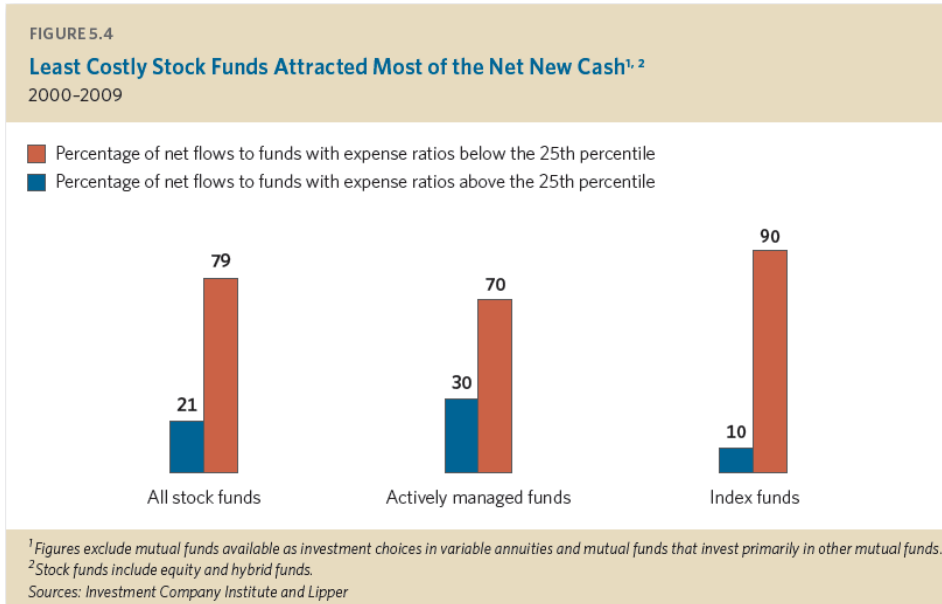
FIGURE 2.11
Equity Index Funds' Share Continued to Rise
Percentage of equity mutual fund total net assets, 1995-2009



Year	US Index Funds % Change in Total Assets	US Mutual Fund % Change in Total Assets
1994	17%	4%
1995	76%	30%
1996	72%	25%
1997	75%	27%
1998	56%	24%
1999	46%	24%
2000	-1%	2%
2001	-3%	0%
2002	-12%	-8%
2003	39%	16%
2004	22%	9%
2005	12%	10%
2006	21%	17%
2007	14%	15%
2008	-30%	-20%
2009	39%	16%
TOTAL	3,046%	504%
AVERAGE	28%	12%

5. Investor Capital is Flowing into Low Cost Funds

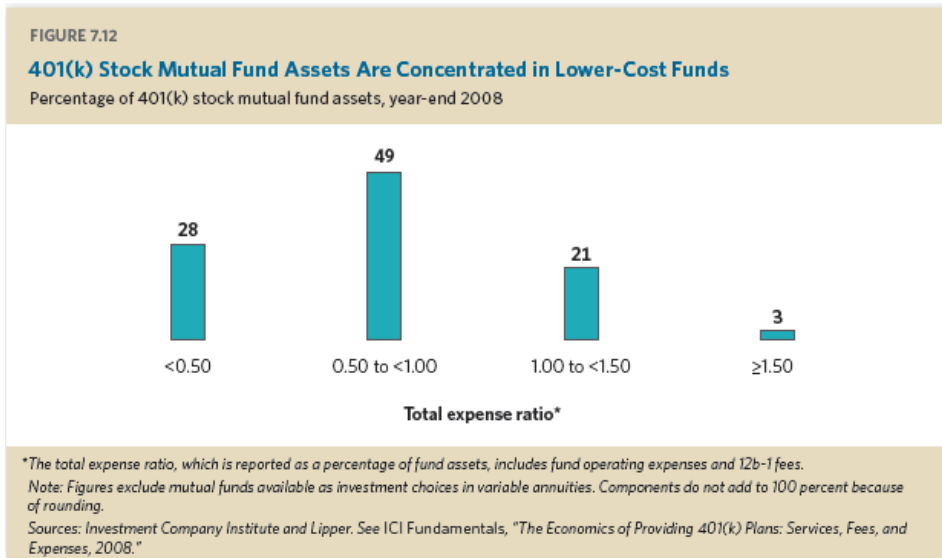
The sum of all funds trading in US stocks is inherently equal to the US stock market. Therefore, for every dollar that is gained by a US fund over the US stock market a dollar is lost by another US fund.



Actively managed funds are more expensive than index funds because of the extra costs of labor of the portfolio managers and all of their analysts. (See section 7 - The Labor Costs of Active Fund Management)

Picking an actively managed fund is a bet that its portfolio managers and their analysts are talented enough to take money away from other portfolio managers and their analysts. Although, this does happen regularly, it does not happen consistently.

A study by Vanguard found that 85% of funds underperform their benchmark in a given year (due to extra labor costs). The same study concluded that of those actively managed funds that beat their benchmark, only 42% were able to do so two years in a row and 10% were able to do so three years in a row



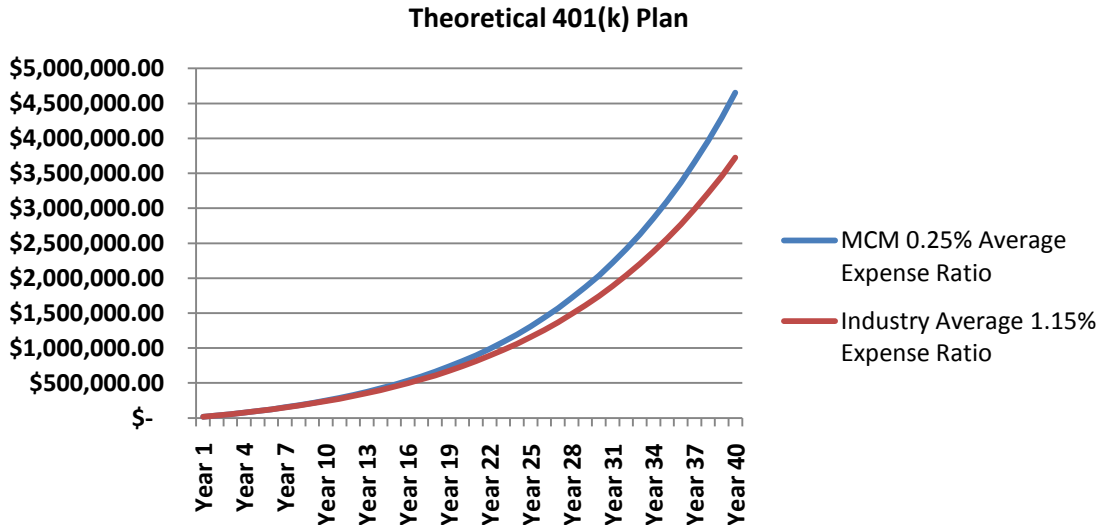
The ability of index funds to lower costs to investors' is why they work. Wall Street portfolio managers and analysts are the most expensive part of any fund. Essentially, a handful of Harvard and Wharton MBAs' compete with each other over the same money year after year. They get six figure salaries the years they don't beat their indexes and bonuses of millions in the years that they beat their indexes.

Only one thing is certain, the portfolio managers and analysts will end up with a lot of the investors' money and the investors' will end up paying billions of dollars for a service that could have been done by one portfolio manager.

6. Why Low Costs Benefit Investors

Low Costs significantly benefit investors as time increases due to the effect of compounded returns. Each dollar an investor saves is compounded at the rate of return of the fund in which they are invested. The industry average expense ratio (percentage of AUM taken annually by the fund) is 1.15%. MCM has an average expense ratio of 0.25%.

The following example illustrates a theoretical 401(k) plan.



Marshall Capital Management	Year 10	Year 20	Year 30	Year 40
\$ Gained Over Industry Average	\$ 10,195	\$ 73,916	\$ 294,635	\$ 932,058
% Gained Over Industry Average	4%	10%	17%	25%

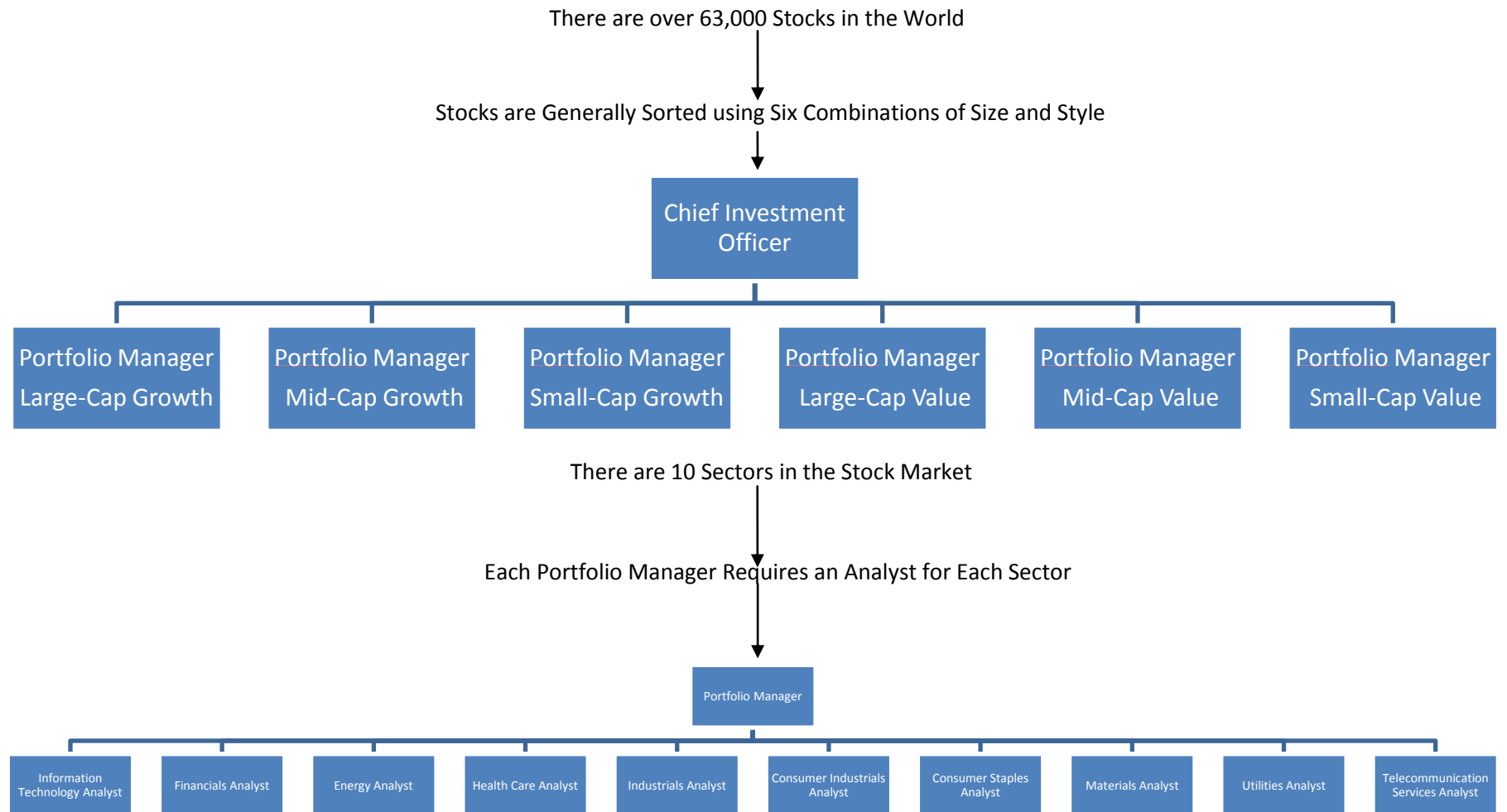
Figures Assume...

- *An industry average expense ratio of 1.15%*
- *A Marshall Capital Management expense ratio of 0.25%*
- *An 8% rate of return compounded annually*
- *The contribution limit will rise \$250 per year (accounting for inflation)*
- *The investor contributes the maximum 401(k) limit (currently \$16,500) annually*
- *The theoretical investor's percentage gain would increase if the investor was to contribute more money in the earlier years and/or the contribution limit is over-estimated*

MCM makes the investor 25% more money after 40 years simply by reducing the investor's expense ratio.

If the annual rate of return is 8% (as projected for the theoretical investor's 401(k) plan) and an investment management company is taking 1.15% of the investor's portfolio annually (industry average), the investor is paying the management company 15% of his/her gains annually to manage the portfolio. Using MCM (and the same example) the investor is paying about 3% of his/her annual gains to manage the portfolio. Lower expense ratios make investors' significantly more money.

7. The Labor Costs of Active Fund Management



Investors are Paying 60 to 70 People to Make Investment Decisions

8. The Labor Costs of Index Fund Management

Portfolio Manager

Index funds track an index such as the S&P 500 or MSCI All Country World Investable Market Index. All of the securities that make up the index are already chosen. Because no-one is needed to make investment decisions, index funds only need one portfolio manager to purchase securities.

Investors are Paying One Person to Make Investment Decisions

9. MCM Fund Management Labor Costs

Stock Portfolio Manager

Bond Portfolio Manager

Outsourced to India, a generous salary for an experienced portfolio manager is \$50,000 annually.

Labor costs for both a stock and bond portfolio manager will be less than \$100,000 annually.

10. MSCI All Country World Investable Market Index - Please visit

http://www.msccibarra.com/products/indices/global_equity_indices/acwi-imi/MSCI_ACWI_IMI_Factsheet.pdf for the full two page fact sheet.

11. Barclays Global Aggregate Float Adjusted Bond Index – No fact sheet exists, however, section 19:– Competition - Low Cost Global Fixed Income gives all relevant data pertaining to the index.

12. MCM Account Management Labor Costs

Account managers will handle accounting, taxation, and investor communication for all accounts. Outsourced to India, a generous salary for account manager is \$20,000 annually. Each account manager can handle about 500 accounts. The average US account size is about \$40,000 (see section 14 – Target Market). Therefore, the average account manager can handle 20m is AUM. This assumes account managers will spend an average of four hours per year or 20 minutes per month handling each account.

13. MCM IT Labor Costs

MCM will require an estimated one IT employee for every 50 total employees. Outsourced to India, a generous salary for an IT employee is \$12,000. Assuming an average account size of \$40,000, MCM will require one IT employee for about every 1b in AUM.

14. Target Market

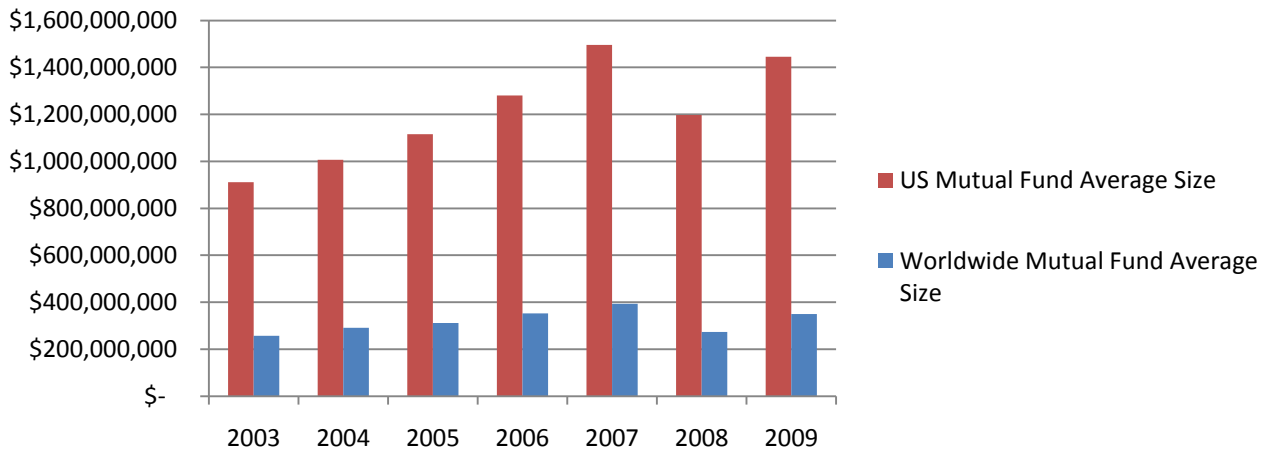
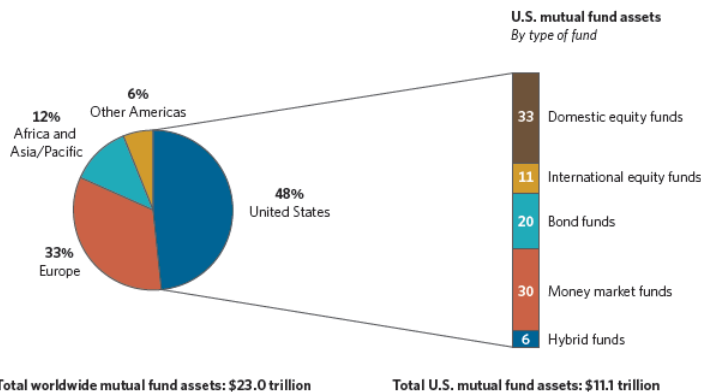


FIGURE 2.1

The U.S. Had the World's Largest Mutual Fund Market

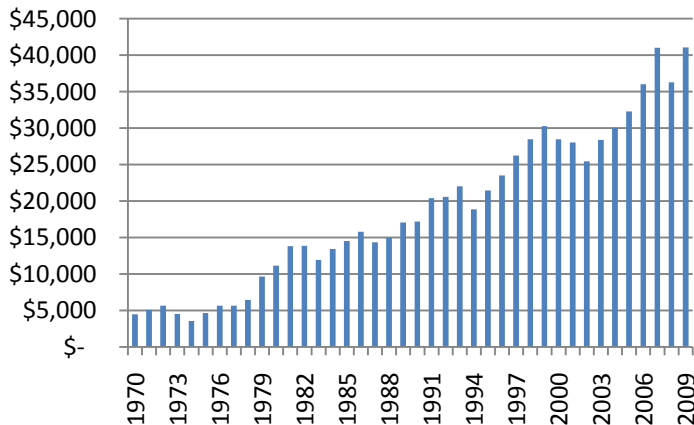
Percentage of total net assets, year-end 2009



Note: Components may not add to 100 percent because of rounding.

Sources: Investment Company Institute, European Fund and Asset Management Association, and other national mutual fund associations

Average US Account Size



MCM's primary goal is to maximize AUM. This will control the company's revenues. Both funds (stock and bond) are positioned in the fastest growing segments of the mutual fund industry (global and low cost index).

As the top chart displays, the average US fund is three to four times the size of the average worldwide fund (including the US). To maximize AUM and revenues, MCM must target the US market.

As the middle chart displays, the US mutual fund market makes up almost half of the worldwide market. Again, to maximize AUM and revenues, the US must target the US market.

The US has the largest average account size. Fewer accounts equate to lower account management costs. Lower costs mean higher profit margins.

Because the US has the largest average fund size, most AUM, and the largest average account size, MCM's target market will be US investors.

15. Entity Structures

Both the MCM Equity Fund and MCM Fixed Income Fund will be c-corporation regulated investment companies (RICs) set forth in subchapter M of the Internal Revenue Code. Subchapter M allows for tax-exempt entities. However, the investors are taxed on capital gains and dividends. For example, if the MCM Equity Fund has capital gains of 8% and dividends of 3% in a given year, it is not itself taxed. Investors in the funds are taxed on capital gains when they take their capital out of MCM Equity Fund and taxed on dividends quarterly. A RIC is the legal structure used by almost all mutual funds.

The MCM Equity Fund and MCM Fixed Income Fund will both be managed by a limited liability company (LLC) named Marshall Capital Management (MCM). The RIC c-corporations (MCM Equity and Fixed Income Funds) will both pay 0.25% of AUM to MCM annually. Because, MCM is a LLC it will not be subject to double taxation as if it were a c-corporation. The LLC is a pass through entity. Therefore, profits are passed on to the shareholders who are taxed at their ordinary income levels.

If MCM is sold, gains will be taxed at the capital gains rate (currently 15%).

16. The Role of MCM Financial Advisors

MCM Financial Advisors will be the only salespeople employed by MCM. They will be paid 0.05% (5 bps (basis points)) of all investments they sell. They will receive commissions on a reoccurring basis. For example, if a MCM Financial Advisor sells 1m in investments, they will receive \$500 immediately and every year the investments stay with MCM.

MCM Financial Advisors will sell in bulk. They will primarily sell 401(k) plans. 401(k) plans are pooled investments offered from employers to employees. MCM Financial Advisors will also sell investment services to institutional investors (such as banks, insurance companies, pension funds and endowments) and high net worth individuals.

Because MCM Financial Advisors are paid 5 bps, they will not sell to individual investors. Individual investor accounts such as individual retirement arrangements (IRAs) and college savings accounts (529 Plans) will not be sold by MCM Financial Advisors. IRA's have a maximum annual contribution limit of \$5,000. A MCM Financial Advisor would earn \$2.50 annually per fully funded IRA. This would obviously not be worth their time.

17. The Role of Certified Financial Planners

Certified Financial Advisors (CFAs) are financial planning professionals paid directly by their clients. Because, MCM does not have to pay CFAs, they can be utilized for smaller accounts such as IRAs, 529 Plans, and low net-worth individuals. CFAs will have the option of investing their clients' capital with MCM. MCM will have a CFA relations department. CFAs will have the ability to list themselves on the MCM webpage. Therefore, interested individual investors will have the ability to select a CFA from the MCM webpage and invest their capital with MCM.

18. Competition – Low Cost Global Equities

Currently, the lowest cost global equity fund is the iShares MSCI ACWI Index Fund. It is an exchange traded fund (ETF) with an expense ratio of 0.35%. MCM's Equity Fund expense ratio is 0.25%. The following are taken from the fund's factsheet (the entire factsheet can be found at http://us.ishares.com/product_info/fund/overview/ACWI.htm).



ACWI
Data as of December 31, 2010

iShares MSCI ACWI Index Fund

Fund Description

The iShares MSCI ACWI Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI All Country World Index ("the Index").

Index Description

The Index has been developed by MSCI Inc. as an equity benchmark for global stock performance. It is a capitalization-weighted index that aims to capture 85% of the (publicly available) total market capitalization. Component companies are adjusted for available float and must meet objective criteria for inclusion to the Index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. MSCI reviews its indexes quarterly.

Index Characteristics

# of Holdings	2,462
Total Market Cap	\$36.58 Trillion

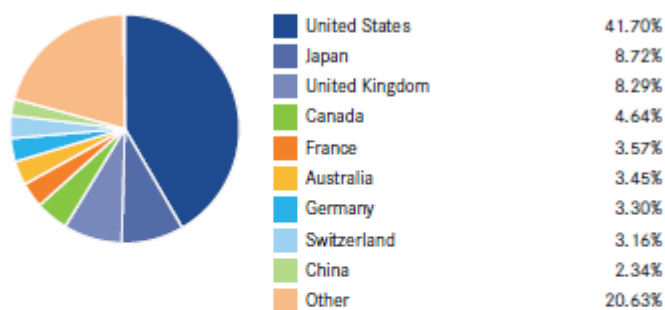
Fund Details

Ticker	ACWI
Inception Date	03/26/08
Management Fees	0.35%
Acquired Fund Fees & Expenses ¹	0.00%
Total Annual Fund Operating Expenses	0.35%
IOPV Ticker	ACWI.IV

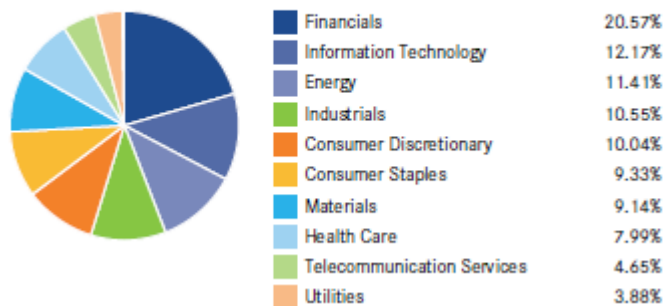
IOPV, or Indicative Optimized Portfolio Value, is a calculation disseminated by the stock exchange that approximates the Fund's NAV every fifteen seconds throughout the trading day.

Stock Exchange	NASDAQ
Net Assets	\$1.50 Billion
Price To Earnings	19.34
Price To Book	3.19
# of Holdings	959
Beta vs S&P 500	1.05

Holdings by Country



Sector Breakdown



Other countries include: Brazil 2.14%, Korea (South) 1.62%, Hong Kong 1.37%, Taiwan 1.34%, Spain 1.30%, Sweden 1.24%, Netherlands 1.15%, Italy 1.07%, India 1.06%, South Africa 1.05%, Russian Federation 0.93%, Mexico 0.67%, Singapore 0.67%, Finland 0.45%, Indonesia 0.45%, Netherlands Antilles 0.45%, Denmark 0.36%, Norway 0.34%, Belgium 0.31%, Israel 0.30%, Thailand 0.28%, Chile 0.25%, Luxembourg 0.23%, Turkey 0.20%, Austria 0.20%, Philippines 0.18%, Peru 0.18%, Czech Republic 0.15%, Poland 0.14%, Portugal 0.12%, Hungary 0.11%, Bermuda 0.10%, Egypt 0.09%, Colombia 0.09%, Ireland 0.07%

19. Competition – Low Cost Global Fixed Income

Currently, the lowest cost global fixed income fund is the Vanguard Global Bond Index Fund. It has an expense ratio of 0.25% with a purchase fee of 0.20%. MCM's Fixed Income Fund will have an expense ratio of 0.25% with no purchase fee. The following are taken from the fund's factsheet (the entire factsheet can be found at http://www.vanguardinformation.com/international/pdfs/A4_F9137UK.pdf).



Vanguard® Global Bond Index Fund

An Index-Related Fund

31 January 2011

Total expense ratio

	Institutional Shares	Institutional Hedged
Administrative and other expenses	0.09%	0.09%
Investment management expenses	0.16	0.16
Total expense ratio	0.25%	0.25%

Fund facts

	Institutional Shares	Institutional Hedged
Inception date		
USD	—	31 March 2008
CHF	04 September 2009	30 January 2009
Purchase fee	0.20%	0.20%
Redemption fee	0.00%	0.00%

Fund characteristics

	Global Bond Index Fund	Spliced Barclays Capital Global Agg Float Adjusted Index Hedged in USD
Number of bonds	5,900	12,105
Effective YTM	2.68	2.72
Average coupon	3.8%	3.7%
Average maturity	7.5 years	7.4 years
Average quality	Aa1	Aa1
Average duration	5.4 years	5.4 years
Cash investment	0.2%	—

Distribution by credit quality

	Global Bond Index Fund
AAA	48.9
AA	31.2
A	10.3
BBB	6.5
Less than BBB	0.0
Not Rated	2.9
Cash	0.2
Total	100.0%

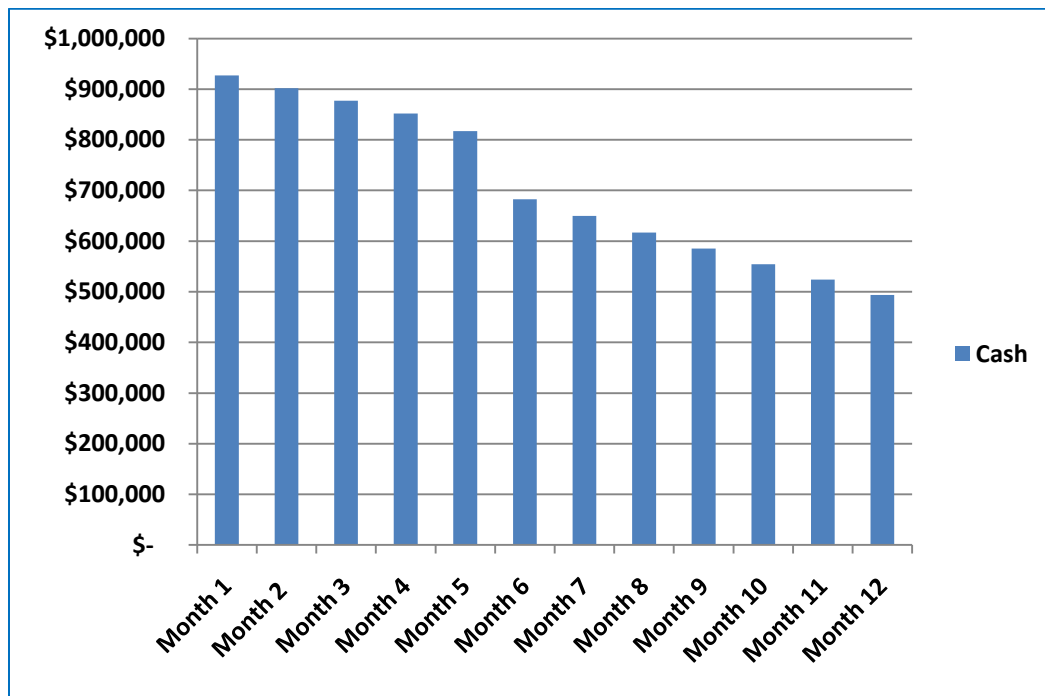
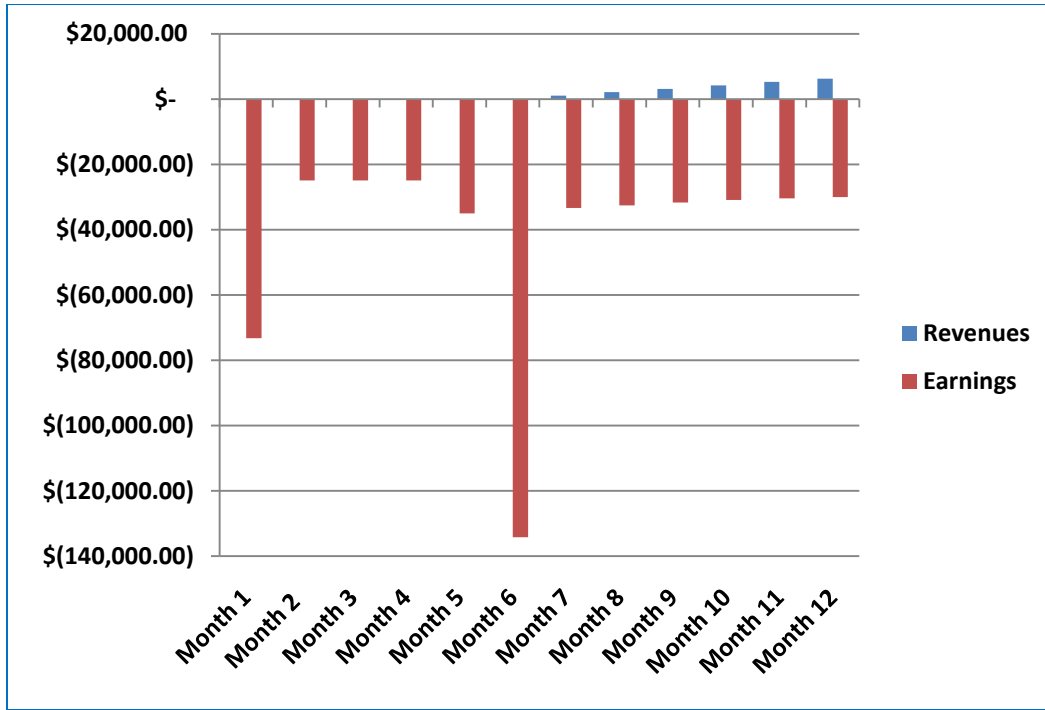
Distribution by issuer

	Global Bond Index Fund
Government	56.6%
Agency	2.3
Treasury	54.3
Credit	28.4%
Agencies	6.5
Financial Institutions	7.3
Industrial	6.8
Local Authorities	3.4
Sovereign	1.0
Supranational	1.8
Utility	1.6
Securitised	14.8%
Asset Backed Security	0.2
Mortgage Backed Security	10.4
Covered	3.4
Commercial Mortgage Backed Security	0.8
Cash	0.2%

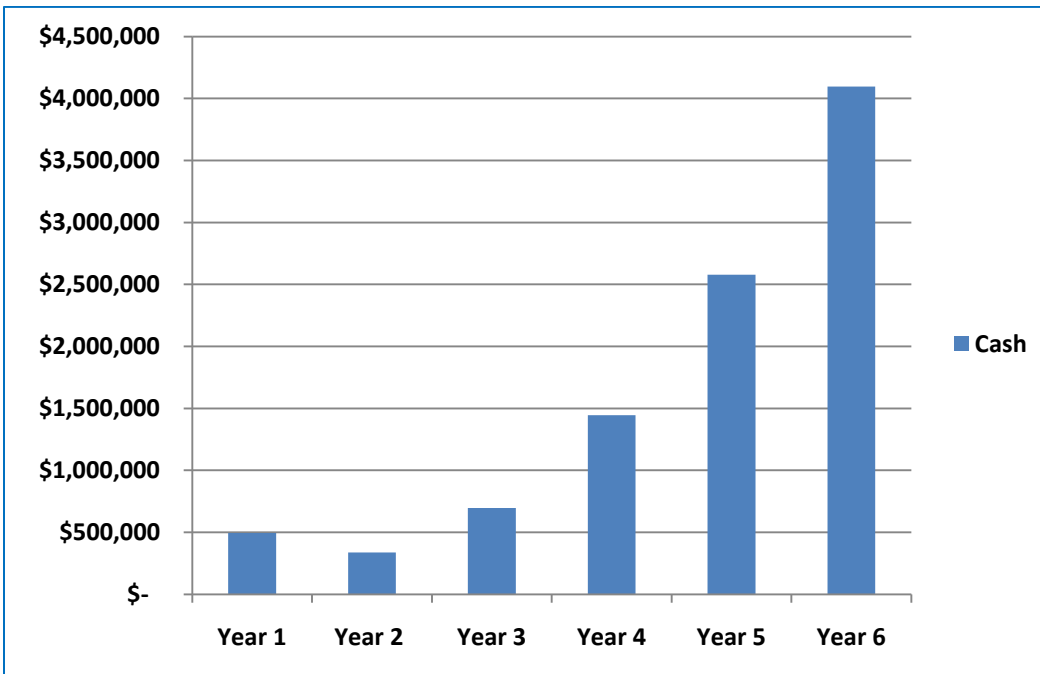
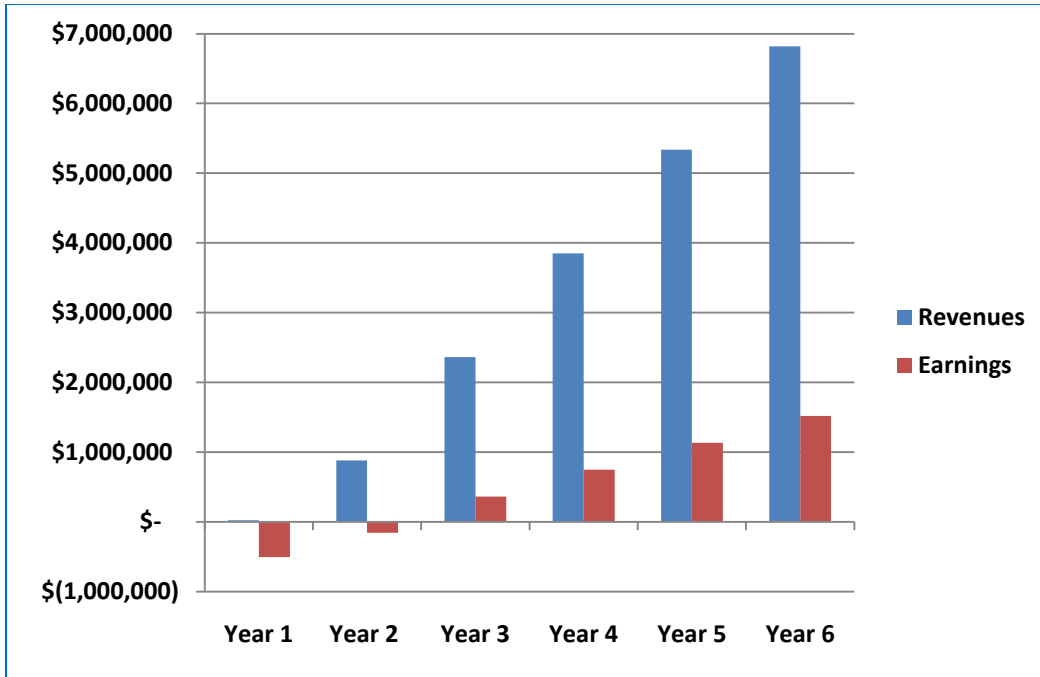
Allocation of underlying Vanguard funds

	Global Bond Index Fund
Euro Govt Bond	17.6%
Japan Govt Bond	17.6
US Government Bond	15.7
US Investment Grade Bnd	13.2
Individual Securities	11.8
US Mortgage Backed Bnd	10.4
Euro Investment Grade Bnd	9.2
UK Govt Bond	2.5
UK Investment Grade Bnd	1.8
Cash	0.2
Total	100.0%

20. 12 Month Financial Summary



21. Six Year Financial Summary



22. Start Up Costs & Capital Needs

#	Start-Up Expenses - In Order Of Execution & Capital Needs	Cost	Side-Notes	Estimated Schedule
1	Equities Mutual Fund Corporation	\$ 100	One-Time	1st Month
2	Fixed Income Mutual Fund Corporation	\$ 100	One-Time	1st Month
3	Mutual Funds Management LLC	\$ 250	One-Time	1st Month
4	Management LLC President/Manager	\$ 100,000	Per Year	1st Month
5	Contracts	\$ 50,000	One-Time	6th Month
6	Trademarks	\$ 1,000	One-Time	1st Month
7	Domain Name	\$ 5,000	One-Time	1st Month
8	Travel to India	\$ 20,000	Per Year	1st Month
9	Office	\$ 25,000	Per Year	2nd Month
10	IT Employee/Webpage	\$ 12,000	Per Year	3rd Month
11	Equities Portfolio Manager	\$ 50,000	Per Year	5th Month
12	Fixed Income Portfolio Manager	\$ 50,000	Per Year	5th Month
13	Account Manager	\$ 20,000	Per Year	5th Month
14	MSCI All Country World Investable Market Index Software	\$ 70,000	Per Year - All Due Upfront	5th Month
15	Barclays Capital Global Aggregate Bond Index Software	\$ 30,000	Per Year - All Due Upfront	5th Month
16	CFP Sales Manager	\$ 50,000	Per Year	6th Month
17	Various	\$ 100,000	Per Year	1st Month
	TOTAL START-UP EXPENSES	\$ 583,450	-	-
18	Cash Burn Rate Until Profitable	\$ 117,083	18.1 Months	-
19	Cushion	\$ 299,467	23.0 Months	-
	TOTAL	\$ 1,000,000	-	-
20	Hire 401(k)/Institutional Investor Salespeople	Commission	5 bps (0.05%) reoccurring	-

23. Pro Forma 12 Month Income Statement

12 MONTH INCOME STATEMENT	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
AUM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses						
Equities Mutual Fund Corporation	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Fund Corporation	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual Funds Management LLC	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
Management LLC President/Manager	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Contracts	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Trademarks	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -
Domain Name	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
Travel to India	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Office	\$ -	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
IT Employee/Webpage	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Equities Portfolio Manager	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200
Fixed Income Portfolio Manager	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200
Account Manager	\$ -	\$ -	\$ -	\$ -	\$ 1,700	\$ 1,700
MSCI Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Barclays Capital Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
CFP Sales Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200
Financial Advisors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Various	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Total Expenses	\$ 73,250	\$ 24,900	\$ 24,900	\$ 24,900	\$ 35,000	\$ 134,200
EBT	\$ (73,250)	\$ (24,900)	\$ (24,900)	\$ (24,900)	\$ (35,000)	\$ (134,200)
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income	\$ (73,250)	\$ (24,900)	\$ (24,900)	\$ (24,900)	\$ (35,000)	\$ (134,200)

12 MONTH INCOME STATEMENT	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
AUM	\$ 5,000,000	\$ 10,000,000	\$ 15,000,000	\$ 20,000,000	\$ 25,000,000	\$ 30,000,000
Revenues	\$ 1,042	\$ 2,083	\$ 3,125	\$ 4,167	\$ 5,208	\$ 6,250
Expenses						
Equities Mutual Fund Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Fund Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual Funds Management LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management LLC President/Manager	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trademarks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Domain Name	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel to India	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
IT Employee/Webpage	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Equities Portfolio Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Fixed Income Portfolio Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Account Manager	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 2,083	\$ 2,500
MSCI Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Barclays Capital Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CFP Sales Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Financial Advisors	\$ 208	\$ 417	\$ 625	\$ 833	\$ 1,042	\$ 1,250
Various	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Total Expenses	\$ 34,408	\$ 34,617	\$ 34,825	\$ 35,033	\$ 35,625	\$ 36,250
EBT	\$ (33,367)	\$ (32,533)	\$ (31,700)	\$ (30,867)	\$ (30,417)	\$ (30,000)
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income	\$ (33,367)	\$ (32,533)	\$ (31,700)	\$ (30,867)	\$ (30,417)	\$ (30,000)

24. Pro Forma 12 Month Balance Sheet

12 MONTH BALANCE SHEET	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
ASSETS						
CASH & SHORT-TERM INVESTMENTS	\$ 926,750	\$ 901,850	\$ 876,950	\$ 852,050	\$ 817,050	\$ 682,850
LIABILITIES						
NO MAJOR LIABILITIES						
Some A/P Not Listed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Some Payroll Burden Not Listed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SHAREHOLDER'S EQUITY						
Paid-In Capital	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
RETAINED EARNINGS	\$ (73,250)	\$ (98,150)	\$ (123,050)	\$ (147,950)	\$ (182,950)	\$ (317,150)
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	\$ 926,750	\$ 901,850	\$ 876,950	\$ 852,050	\$ 817,050	\$ 682,850

12 MONTH BALANCE SHEET	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
ASSETS						
CASH & SHORT-TERM INVESTMENTS	\$ 649,483	\$ 616,950	\$ 585,250	\$ 554,383	\$ 523,967	\$ 493,967
LIABILITIES						
NO MAJOR LIABILITIES						
Some A/P Not Listed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Some Payroll Burden Not Listed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SHAREHOLDER'S EQUITY						
Paid-In Capital	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
RETAINED EARNINGS	\$ (350,517)	\$ (383,050)	\$ (414,750)	\$ (445,617)	\$ (476,033)	\$ (506,033)
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	\$ 649,483	\$ 616,950	\$ 585,250	\$ 554,383	\$ 523,967	\$ 493,967

25. Pro Forma 12 Month Statement of Cash Flows

12 MONTH STATEMENT OF CASH FLOWS	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
OPERATING ACTIVITIES						
Net Income	\$ (73,250)	\$ (24,900)	\$ (24,900)	\$ (24,900)	\$ (35,000)	\$ (134,200)
Cash from Operating Activities	\$ (73,250)	\$ (24,900)	\$ (24,900)	\$ (24,900)	\$ (35,000)	\$ (134,200)
INVESTING ACTIVITIES						
NONE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash from Investing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FINANCING ACTIVITIES						
DIVIDENDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash from Financing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Cash	\$ (73,250)	\$ (24,900)	\$ (24,900)	\$ (24,900)	\$ (35,000)	\$ (134,200)
Cash - Beginning Balance	\$ 1,000,000	\$ 926,750	\$ 901,850	\$ 876,950	\$ 852,050	\$ 817,050
Cash - Ending Balance	\$ 926,750	\$ 901,850	\$ 876,950	\$ 852,050	\$ 817,050	\$ 682,850

12 MONTH STATEMENT OF CASH FLOWS	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
OPERATING ACTIVITIES						
Net Income	\$ (33,367)	\$ (32,533)	\$ (31,700)	\$ (30,867)	\$ (30,417)	\$ (30,000)
Cash from Operating Activities	\$ (33,367)	\$ (32,533)	\$ (31,700)	\$ (30,867)	\$ (30,417)	\$ (30,000)
INVESTING ACTIVITIES						
NONE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash from Investing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FINANCING ACTIVITIES						
DIVIDENDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash from Financing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Cash	\$ (33,367)	\$ (32,533)	\$ (31,700)	\$ (30,867)	\$ (30,417)	\$ (30,000)
Cash - Beginning Balance	\$ 682,850	\$ 649,483	\$ 616,950	\$ 585,250	\$ 554,383	\$ 523,967
Cash - Ending Balance	\$ 649,483	\$ 616,950	\$ 585,250	\$ 554,383	\$ 523,967	\$ 493,967

26. Pro Forma Six Year Income Statement

6 YEAR INCOME STATEMENT	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
AUM	\$ 30,000,000	\$ 624,000,000	\$ 1,218,000,000	\$ 1,812,000,000	\$ 2,406,000,000	\$ 3,000,000,000
Revenues	\$ 21,875	\$ 879,375	\$ 2,364,375	\$ 3,849,375	\$ 5,334,375	\$ 6,819,375
Expenses						
Equities Mutual Fund Corporation	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Fund Corporation	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual Funds Management LLC	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
Management LLC President/Manager	\$ 100,800	\$ 100,800	\$ 100,800	\$ 100,800	\$ 100,800	\$ 100,800
Contracts	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Trademarks	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -
Domain Name	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
Travel to India	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 23,100	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200
IT Employee/Webpage	\$ 11,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Equities Portfolio Manager	\$ 33,600	\$ 50,400	\$ 50,400	\$ 50,400	\$ 50,400	\$ 50,400
Fixed Income Portfolio Manager	\$ 33,600	\$ 50,400	\$ 50,400	\$ 50,400	\$ 50,400	\$ 50,400
Account Managers	\$ 14,783	\$ 351,750	\$ 945,750	\$ 1,539,750	\$ 2,133,750	\$ 2,727,750
MSCI Software	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ -	\$ -
Barclays Capital Software	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -
CFP Sales Managers	\$ 29,400	\$ 50,400	\$ 50,400	\$ 50,400	\$ 50,400	\$ 50,400
Financial Advisor Commissions	\$ 4,375	\$ 175,875	\$ 472,875	\$ 769,875	\$ 1,066,875	\$ 1,363,875
Various	\$ 100,800	\$ 100,800	\$ 100,878	\$ 101,022	\$ 101,166	\$ 101,310
Total Expenses	\$ 527,908	\$ 1,017,625	\$ 1,808,703	\$ 2,699,847	\$ 3,590,991	\$ 4,482,135
EBT	\$ (506,033)	\$ (138,250)	\$ 555,672	\$ 1,149,528	\$ 1,743,384	\$ 2,337,240
Taxes	\$ -	\$ 19,688	\$ 194,485	\$ 402,335	\$ 610,184	\$ 818,034
Net income	\$ (506,033)	\$ (157,938)	\$ 361,187	\$ 747,193	\$ 1,133,200	\$ 1,519,206
%	-2313%	-18%	15%	19%	21%	22%

27. Pro Forma Six Year Balance Sheet

6 YEAR BALANCE SHEET	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
ASSETS						
CASH & SHORT-TERM INVESTMENTS	\$ 493,967	\$ 336,029	\$ 697,216	\$ 1,444,409	\$ 2,577,609	\$ 4,096,815
LIABILITIES						
NO MAJOR LIABILITIES						
Some A/P Not Listed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Some Payroll Burden Not Listed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SHAREHOLDER'S EQUITY						
Paid-In Capital	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
RETAINED EARNINGS	\$ (506,033)	\$ (663,971)	\$ (302,784)	\$ 444,409	\$ 1,577,609	\$ 3,096,815
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	\$ 493,967	\$ 336,029	\$ 697,216	\$ 1,444,409	\$ 2,577,609	\$ 4,096,815

28. Pro Forma Six Year Statement of Cash Flows

3 YEAR STATEMENT OF CASH FLOWS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
OPERATING ACTIVITIES						
Net Income	\$ (506,033)	\$ (157,938)	\$ 361,187	\$ 747,193	\$ 1,133,200	\$ 1,519,206
Cash from Operating Activities	\$ (506,033)	\$ (157,938)	\$ 361,187	\$ 747,193	\$ 1,133,200	\$ 1,519,206
INVESTING ACTIVITIES						
NONE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash from Investing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FINANCING ACTIVITIES						
DIVIDENDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash from Financing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Cash	\$ (506,033)	\$ (157,938)	\$ 361,187	\$ 747,193	\$ 1,133,200	\$ 1,519,206
Cash - Beginning Balance	\$ 1,000,000	\$ 493,967	\$ 336,029	\$ 697,216	\$ 1,444,409	\$ 2,577,609
Cash - Ending Balance	\$ 493,967	\$ 336,029	\$ 697,216	\$ 1,444,409	\$ 2,577,609	\$ 4,096,815

29. No Revenue Burn Rate

NO REVENUE BURN RATE	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
AUM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses						
Equities Mutual Fund Corporation	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Fund Corporation	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual Funds Management LLC	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
Management LLC President/Manager	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Contracts	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Trademarks	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -
Domain Name	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
Travel to India	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Office	\$ -	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
IT Employee/Webpage	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Equities Portfolio Manager	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200
Fixed Income Portfolio Manager	\$ -	\$ -	\$ -	\$ -	\$ 4,200	\$ 4,200
Account Manager	\$ -	\$ -	\$ -	\$ -	\$ 1,700	\$ 1,700
MSCI Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Barclays Capital Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
CFP Sales Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200
Various	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Total Expenses	\$ 73,250	\$ 24,900	\$ 24,900	\$ 24,900	\$ 35,000	\$ 134,200
EBT	\$ (73,250)	\$ (24,900)	\$ (24,900)	\$ (24,900)	\$ (35,000)	\$ (134,200)
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income	\$ (73,250)	\$ (24,900)	\$ (24,900)	\$ (24,900)	\$ (35,000)	\$ (134,200)
CASH	\$ 926,750	\$ 901,850	\$ 876,950	\$ 852,050	\$ 817,050	\$ 682,850

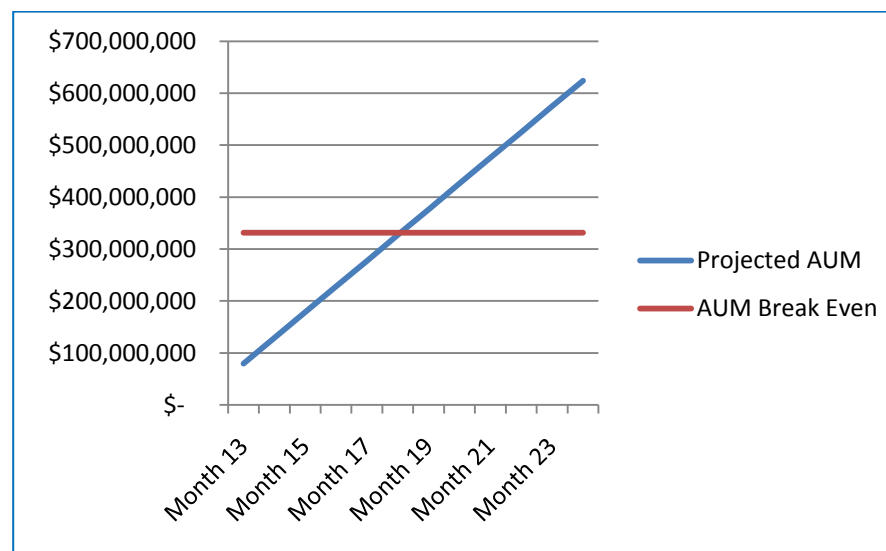
NO REVENUE BURN RATE	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
AUM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses						
Equities Mutual Fund Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Fund Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual Funds Management LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management LLC President/Manager	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trademarks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Domain Name	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel to India	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
IT Employee/Webpage	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Equities Portfolio Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Fixed Income Portfolio Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Account Manager	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
MSCI Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Barclays Capital Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CFP Sales Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Various	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Total Expenses	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200
EBT	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)
CASH	\$ 448,650	\$ 414,450	\$ 380,250	\$ 346,050	\$ 311,850	\$ 277,650

NO REVENUE BURN RATE	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18
AUM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses						
Equities Mutual Fund Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Fund Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual Funds Management LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management LLC President/Manager	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trademarks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Domain Name	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel to India	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
IT Employee/Webpage	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Equities Portfolio Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Fixed Income Portfolio Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Account Manager	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
MSCI Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Barclays Capital Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
CFP Sales Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Various	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Total Expenses	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 134,200
EBT	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (134,200)
Taxes	\$ -	\$ -	\$ 1	\$ 2	\$ 3	\$ 4
Net income	\$ (34,200)	\$ (34,200)	\$ (34,201)	\$ (34,202)	\$ (34,203)	\$ (134,204)
CASH	\$ 243,450	\$ 209,250	\$ 175,049	\$ 140,847	\$ 106,644	\$ (27,560)

NO REVENUE BURN RATE	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
AUM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses						
Equities Mutual Fund Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Income Mutual Fund Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual Funds Management LLC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Management LLC President/Manager	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Trademarks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Domain Name	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel to India	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
IT Employee/Webpage	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Equities Portfolio Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Fixed Income Portfolio Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Account Manager	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
MSCI Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Barclays Capital Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CFP Sales Manager	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Various	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Total Expenses	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200	\$ 34,200
EBT	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)	\$ (34,200)
CASH	\$ 138,250	\$ 104,050	\$ 69,850	\$ 35,650	\$ 1,450	\$ (32,750)

30. AUM & Revenue Break Even Analysis

AUM & REVENUE BREAK EVEN	Year X
AUM	\$ 331,725,000
Revenues	\$ 829,313
Expenses	
Equities Mutual Fund Corporation	\$ 100
Fixed Income Mutual Fund Corporation	\$ 100
Mutual Funds Management LLC	\$ 250
Management LLC President/Manager	\$ 100,000
Contracts	\$ 50,000
Trademarks	\$ 1,000
Domain Name	\$ 5,000
Travel to India	\$ 20,000
Office	\$ 25,000
IT Employee/Webpage	\$ 12,000
Equities Portfolio Manager	\$ 50,000
Fixed Income Portfolio Manager	\$ 50,000
Account Managers	\$ 100,000
MSCI Software	\$ 70,000
Barclays Capital Software	\$ 30,000
CFP Sales Managers	\$ 50,000
Financial Advisor Commissions	\$ 165,862
Various	\$ 100,000
Total Expenses	\$ 829,312
EBT	\$ -
Projected B/E (Time)	18.1 Months



31. Founder Bio

Bio



University of Wisconsin – Milwaukee

- Specialization: Investment Management Certificate Program
 - 14 students start a fund, manage a real portfolio, and perform the duties of an investment firm
 - Information technology analyst specializing in software

Dana Investments

- Researched and traded stocks, private equity, and fixed income

Raveling Companies

- Managed the startup of company selling earth moving buckets
 - Tasks included financial forecasting, market research, business planning, branding, idea consultation, extensive legal matters, site selection and cost controlled implementations

Only Designer Fragrances

- Managed the startup of a drop ship company selling cologne and perfume
 - Tasks included tracking the fastest growing online industries, differentiation research, scenario analysis, website design, Google advertising, market research, branding, financial forecasting and business planning

Deal Lot

- Managed the startup of software firm selling used cars online
 - Tasks included tracking the fastest growing online industries, differentiation research, scenario analysis, financial forecasting, market research, business planning, branding, idea consultation, fundraising, software design, location renovation and cost controlled implementations

University of St. Thomas

- Major: Entrepreneurship

Marshall Enterprises

- Managed the startup of a company selling various products such as pillows, duvets and toys at flea markets and festivals at the age of 15
 - Tasks included scouting locations, purchasing inventory, pricing products, selling products, employee management and travel

32. Six Year ROI, IRR & NPV

ROI	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
3.8	\$ (1,000,000)	\$ (506,033)	\$ (157,938)	\$ 361,187	\$ 747,193	\$ 1,133,200	\$ 1,519,206

IRR	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
20%	\$ (1,000,000)	\$ (506,033)	\$ (157,938)	\$ 361,187	\$ 747,193	\$ 1,133,200	\$ 1,519,206

33. Ratio Valuation

ROI	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)	Returns to Investors (51%)
10.6	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,634,442	\$ 5,423,565

IRR	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)	Returns to Investors (51%)
48%	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,634,442	\$ 5,423,565

NPV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)	Returns to Investors (51%)
\$2,534,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,634,442	\$ 5,423,565

Figures Assume

- NPV is discounted at 27% (the average return to angel investors)
- Year 6 AUM of 3 trillion (average US fund size is 1.5 trillion & there are two funds)
- MCM is sold for 7x earnings (½ the stock market average P/E ratio)
- MCM is sold in six years (the average sale time of an angel investor home run)
- Earnings are \$1,519,206 in year six

34. Discounted Cash Flow Valuation (Perpetuity)

Entire Business	Returns to Investors (51%)
\$15,192,060	\$7,747,951

10% (2x the stock market WACC) is used as the discount rate of the entire business.

ROI	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)	Returns to Investors (51%)
15.2	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,192,060	\$ 7,747,951

IRR	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)	Returns to Investors (51%)
57%	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,192,060	\$ 7,747,951

NPV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)	Returns to Investors (51%)
\$3,620,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,192,060	\$ 7,747,951

Figures Assume

- MCM will earn \$1,519,206 in perpetuity (the figures are calculated for 200 years from time of sale)
- Net profits equate to cash flows due to no increases in fixed assets or accounts receivable
- Other assumptions (discount rate, AUM, sale time) are the same as section 33 – Ratio Valuation

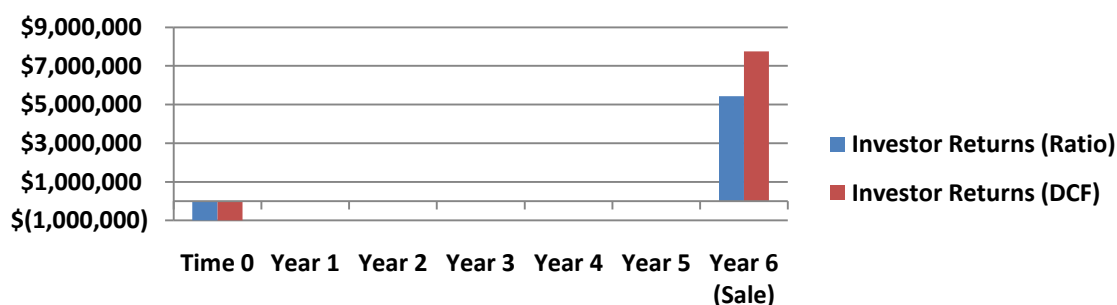
35. Exit Strategy

Upon reaching 3b or more in AUM, MCM would like to sell itself to Vanguard. Vanguard manages over one trillion in assets. It is the low cost leader in mutual and index funds. MCM feels Vanguard would be interested in purchasing the company due to a working business model that outsources portfolio and account management to India. These measures could further decrease Vanguard’s overall expense ratio.

36. The Offering

Although the NPV of MCM is between \$2,534,500 and \$3,620,715, the founder is willing to sell a controlling interest (51%) in the company for \$1,000,000. 51% equity in MCM equates to a NPV of between \$1,292,595 and \$1,846,565. The founder realizes that entrepreneurs often want to keep a company instead of sell it against better judgment. Because of this factor, the founder would like the decision to sell or keep the company in the hands of Investors. The founder believes this will maximize his gains as well as those of angel investors.

Equity	Investment
51%	\$ 1,000,000



Returns to Investors – Ratio Valuation

ROI	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)
5.4	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,423,565

IRR	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)
33%	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,423,565

NPV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)
\$1,292,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,423,565

Returns to Investors – DCF Valuation

ROI	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)
7.7	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,747,951

IRR	Time 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)
41%	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,747,951

NPV	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (Sale)
\$1,846,565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,747,951