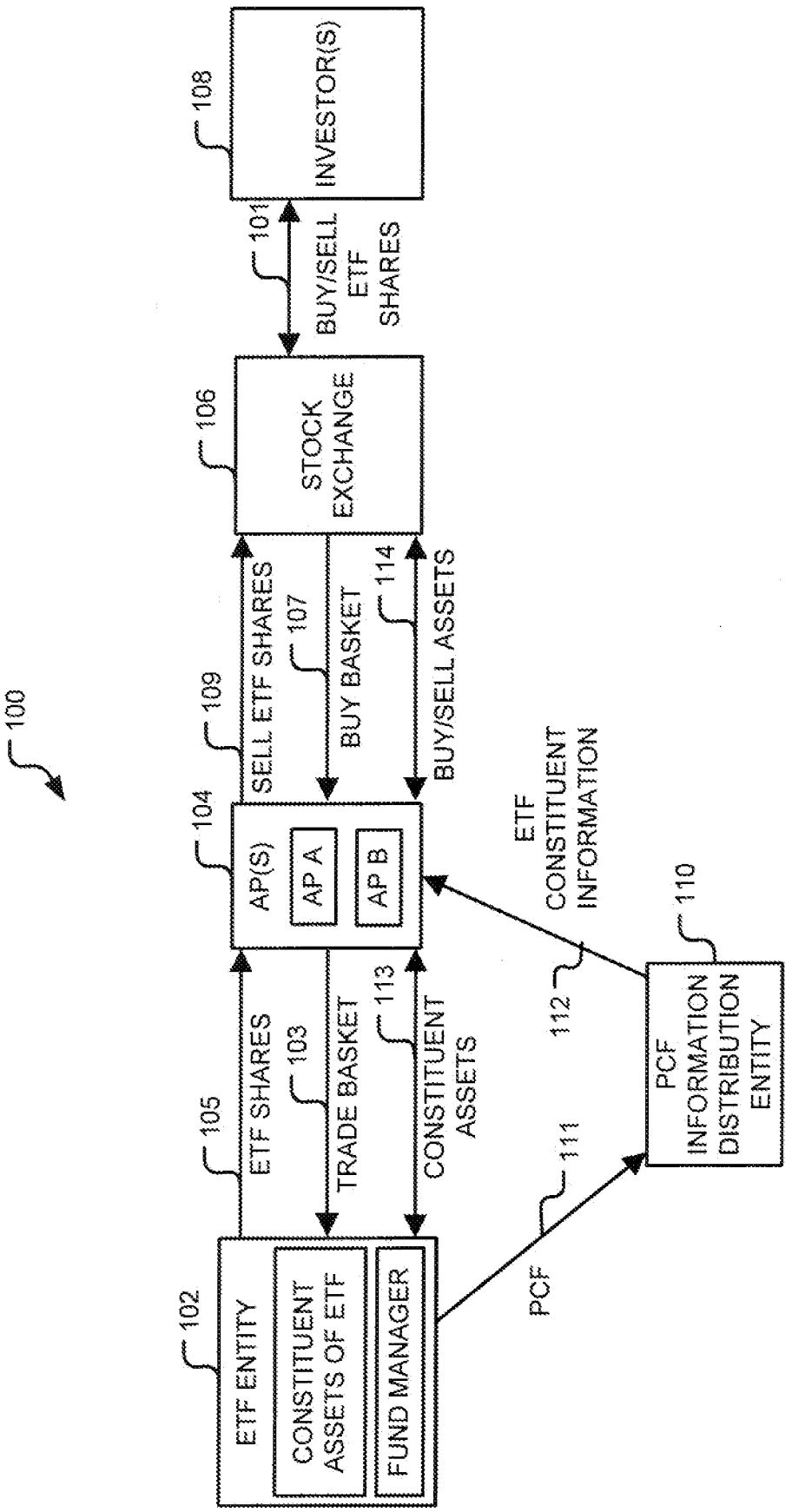


FIGURE 1 (PRIOR ART)

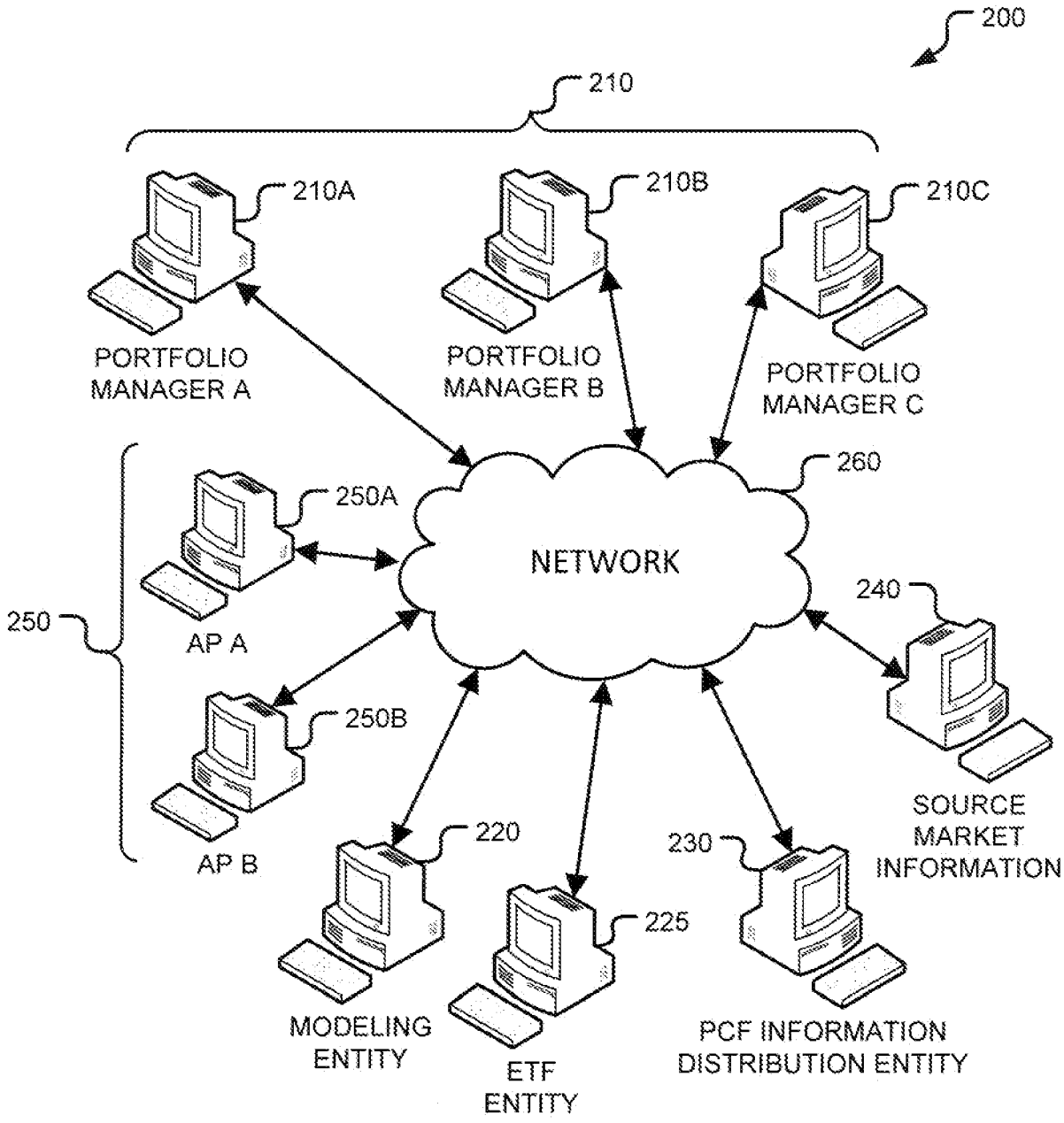

200
210
210A
210B
210C
PORTFOLIO MANAGER A
PORTFOLIO MANAGER B
PORTFOLIO MANAGER C
260
NETWORK
250A
AP A
250
250B
AP B
240
SOURCE MARKET INFORMATION
220
MODELING ENTITY
225
ETF ENTITY
230
PCF INFORMATION DISTRIBUTION ENTITY

FIGURE 2

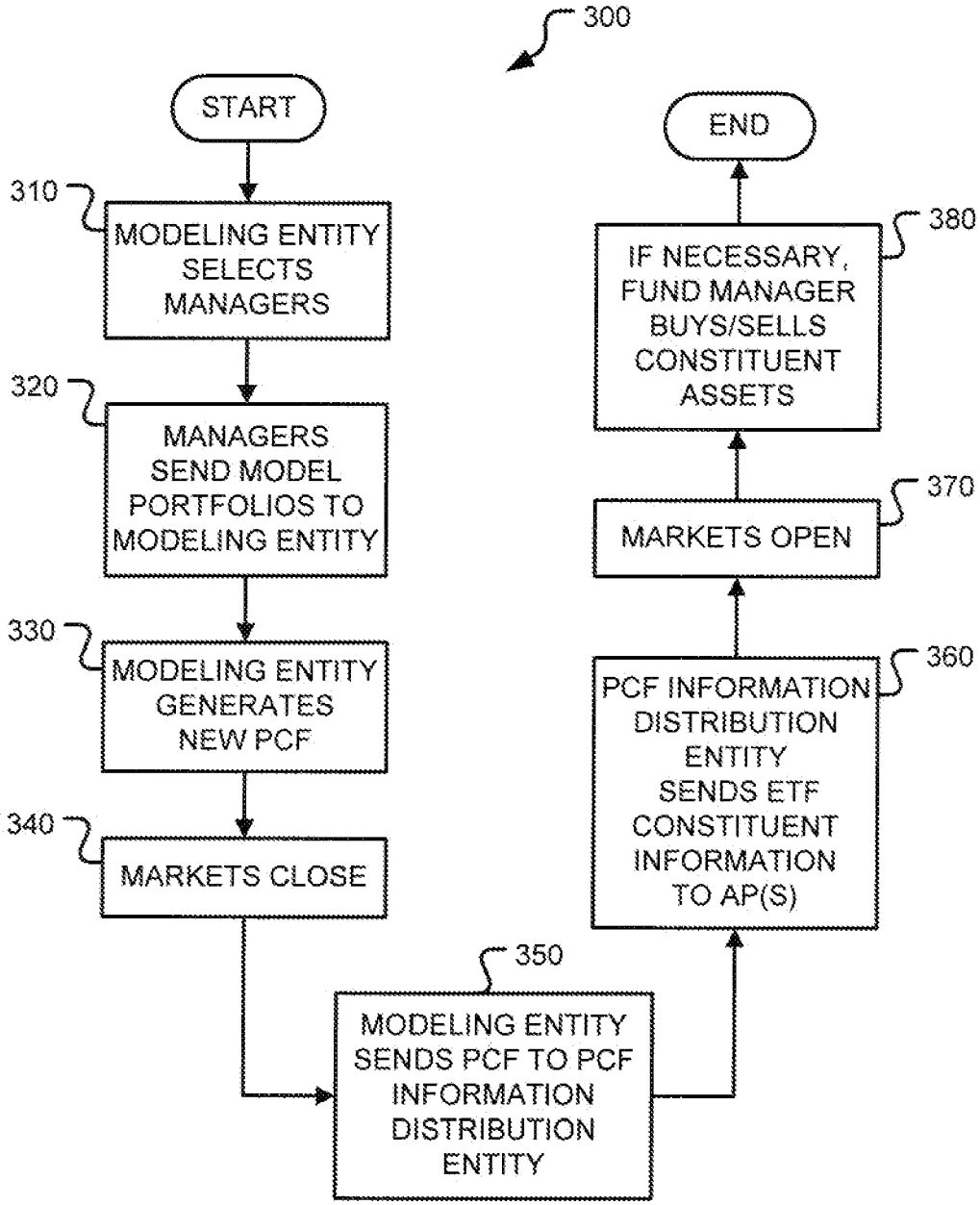

300
START
310
MODELING ENTITY SELECTS MANAGERS
320
MANAGERS SEND MODEL PORTFOLIOS TO MODELING ENTITY
330
MODELING ENTITY GENERATES NEW PCF
340
MARKETS CLOSE
350
MODELING ENTITY SENDS PCF TO PCF INFORMATION DISTRIBUTION ENTITY
360
PCF INFORMATION DISTRIBUTION ENTITY SENDS ETF CONSTITUENT INFORMATION TO AP(S)
370
MARKETS OPEN
380
IF NECESSARY, FUND MANAGER BUYS/SELLS CONSTITUENT ASSETS
END

FIGURE 3

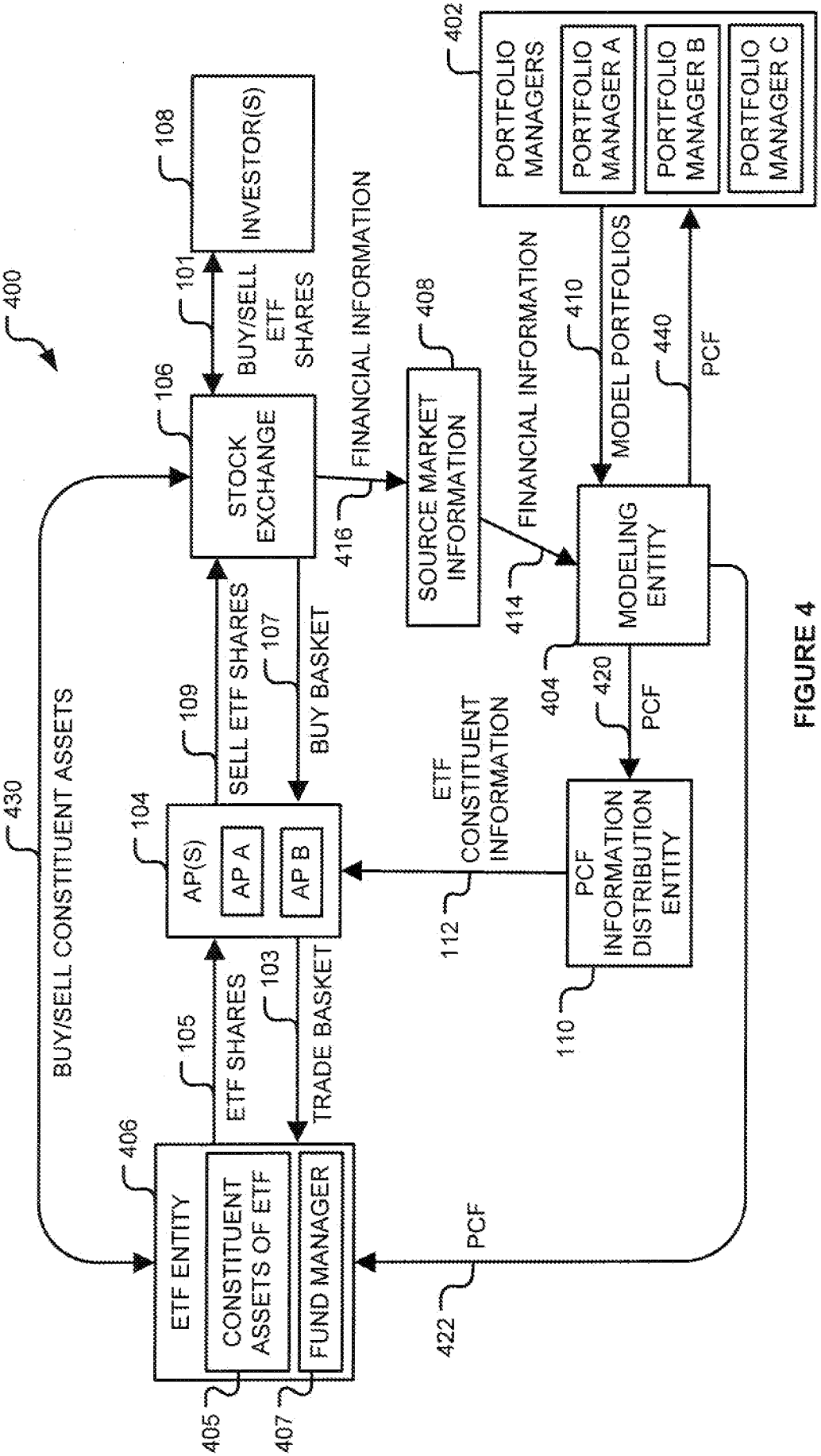

400
INVESTOR(S)
108
BUY/SELL ETF SHARES
101
STOCK EXCHANGE
106
FINANCIAL INFORMATION
416
SOURCE MARKET INFORMATION
408
PORTFOLIO MANAGERS
402
PORTFOLIO MANAGER A
PORTFOLIO MANAGER B
PORTFOLIO MANAGER C
MODEL PORTFOLIOS
410
PCF
440
FINANCIAL INFORMATION
414
MODELING ENTITY
404
BUY/SELL CONSTITUENT ASSETS
430
SELL ETF SHARES
109
BUY BASKET
107
AP(S)
104
AP A
AP B
ETF CONSTITUENT INFORMATION
112
PCF
420
PCF INFORMATION DISTRIBUTION ENTITY
110
ETF SHARES
105
TRADE BASKET
103
ETF ENTITY
406
CONSTITUENT ASSETS OF ETF
FUND MANAGER
405
407
PCF
422

FIGURE 4

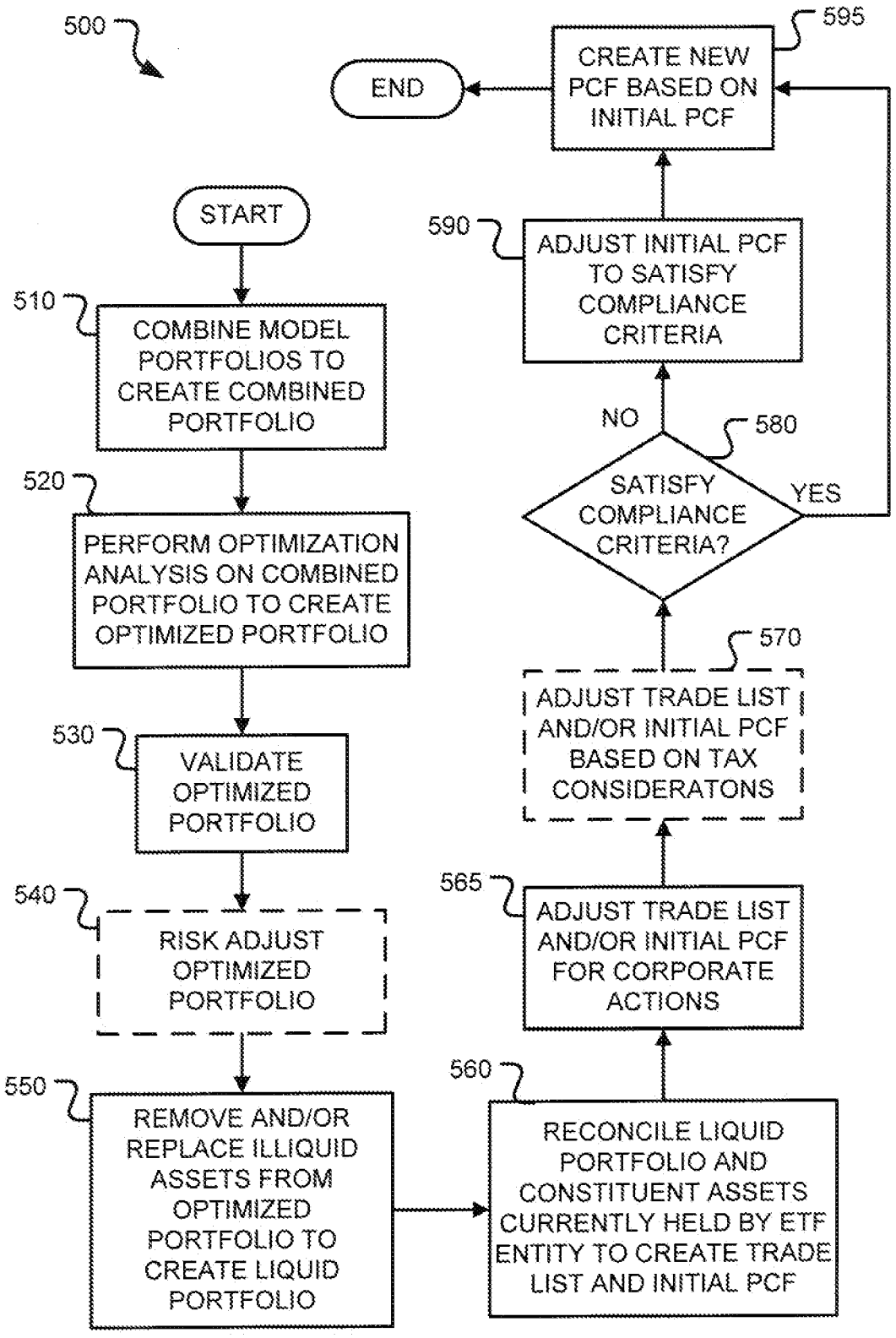

500
START
510
COMBINE MODEL PORTFOLIOS TO CREATE COMBINED PORTFOLIO
520
PERFORM OPTIMIZATION ANALYSIS ON COMBINED PORTFOLIO TO CREATE OPTIMIZED PORTFOLIO
530
VALIDATE OPTIMIZED PORTFOLIO
540
RISK ADJUST OPTIMIZED PORTFOLIO
550
REMOVE AND/OR REPLACE ILLIQUID ASSETS FROM OPTIMIZED PORTFOLIO TO CREATE LIQUID PORTFOLIO
560
RECONCILE LIQUID PORTFOLIO AND CONSTITUENT ASSETS CURRENTLY HELD BY ETF ENTITY TO CREATE TRADE LIST AND INITIAL PCF
565
ADJUST TRADE LIST AND/OR INITIAL PCF FOR CORPORATE ACTIONS
570
ADJUST TRADE LIST AND/OR INITIAL PCF BASED ON TAX CONSIDERATONS
580
SATISFY COMPLIANCE CRITERIA?
NO
YES
590
ADJUST INITIAL PCF TO SATISFY COMPLIANCE CRITERIA
595
CREATE NEW PCF BASED ON INITIAL PCF
END

FIGURE 5

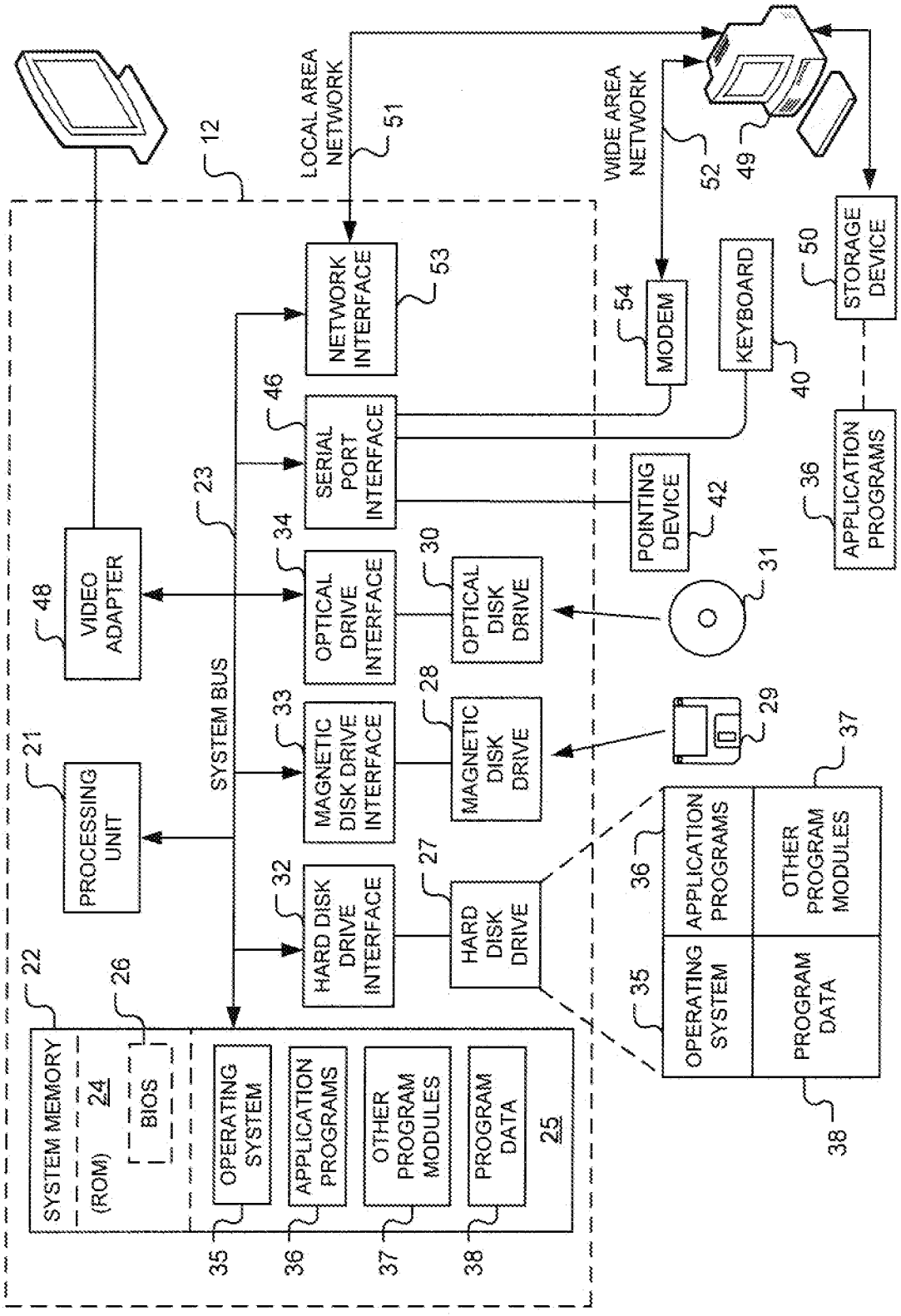

12
LOCAL AREA NETWORK
51
WIDE AREA NETWORK
52
49
NETWORK INTERFACE
53
54
MODEM
KEYBOARD
40
50
STORAGE DEVICE
SERIAL PORT INTERFACE
46
POINTING DEVICE
42
APPLICATION PROGRAMS
36
23
34
OPTICAL DRIVE INTERFACE
30
OPTICAL DISK DRIVE
31
48
VIDEO ADAPTER
SYSTEM BUS
21
PROCESSING UNIT
33
MAGNETIC DISK DRIVE INTERFACE
28
MAGNETIC DISK DRIVE
29
37
32
HARD DISK DRIVE INTERFACE
27
HARD DISK DRIVE
36
APPLICATION PROGRAMS
OTHER PROGRAM MODULES
22
26
SYSTEM MEMORY
(ROM) 24
BIOS
OPERATING SYSTEM
35
PROGRAM DATA
38
OPERATING SYSTEM
35
APPLICATION PROGRAMS
36
OTHER PROGRAM MODULES
37
PROGRAM DATA
25

FIGURE 6