Reality Shares Launches New Guardian Market Strength Indicator

Proprietary Market-Forecasting Tool Identifies Changes in Market Direction
Free Market and Sector Research Tools Available

SAN DIEGO — Aug. 13, 2015 — Reality Shares Advisors, LLC an innovative investment advisor and index provider, today launched the Guardian Indicator™, a proprietary new market-strength indicator designed to identify long-term directional changes in the stock market. The Guardian Indicator’s forecasting algorithm applies a unique combination of momentum and volatility gauges to the sectors of the S&P 500 to signal long-term market downturns and alert investors to decrease market exposure in order to mitigate the impact on their portfolios.

“Markets are subject to extended downturns driven by both fundamental and emotional factors, but Reality Shares’ Guardian Indicator provides a quantitative signal to identify market trends and help to mitigate the impact of price declines,” said Eric Ervin, President and CEO of Reality Shares Advisors. “The Guardian methodology uses a disciplined approach to help investors reduce volatility and risk in their portfolios, and has a wide range of applications for investors looking to navigate the noise and volatility of the markets.”

Under the Guardian methodology, negative indicators in its momentum and volatility gauges are predictive of a declining market. To generate the most accurate forecast, the Guardian Indicator applies this methodology to each of the 10 sectors of the S&P 500 in order to measure the broad-based health of the market. When eight or more of the sectors are positive, the Guardian Indicator is positive and the overall market is predicted to rise. When three or more of the sectors turn negative, it signals a broad market decline.

The Guardian Indicator has been successful identifying major long-term market declines in backtested (simulated) results. Over the past 15 years, it correctly forecast both of the major bear markets in the U.S., signaling to reduce market exposure from Sept. 14, 1999 until May 21, 2003, during which time the S&P 500 Total Return Index fell 27.23 percent. It also signaled to exit the equity markets from Dec. 17, 2007 until July 8, 2009, when the S&P 500 fell 36.75 percent.

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As a result, the Guardian Indicator has been shown to enhance returns and reduce volatility through a wide range of market conditions. In backtested results for the 20 years from 1995 through 2014, investing in the S&P 500 Total Return Index (SPXT) during positive Guardian Indicator signals and shifting assets to the Barclays US Aggregate Bond Index during negative signals would have generated average annual returns of 14.3 percent, about 40 percent greater than the 10.6 percent return for the S&P 500 alone. Over the same period, the Guardian Indicator strategy had 10.5 percent average annual volatility, nearly one-third less than the 15.1 percent volatility for the S&P 500.

For further information about the Guardian Indicator, including free interactive research tools with market and sector strength information, as well as research and methodology documents, visit www.RealitySharesAdvisors/Guardian.

**About Reality Shares Advisors**
Reality Shares Advisors is an investment advisor and index provider that creates innovative, research-driven solutions to help minimize the effects of market noise and emotion on investment performance. Our goal is to democratize the world’s best investing ideas by delivering institutional-grade investment strategies and unique market exposure opportunities. Our strategies are designed to enhance a wide range of investment concepts using quantitative analytical methods focusing on investment characteristics such as diversification, lower correlation, risk mitigation, or highly targeted market exposures. For more information, visit www.realitysharesadvisors.com.

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This document contains certain performance data based on back-testing, (i.e.) simulations of performance of a strategy as if it had actually existed during a defined period of time. The results of such data presented here are for illustrative purposes only, and constitute the judgment of Reality Shares Advisors. While the information has been prepared in good faith, there are inherent limitations that recipients must consider carefully. Different models or different assumptions may yield different results.

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