Upside capture in bull markets…

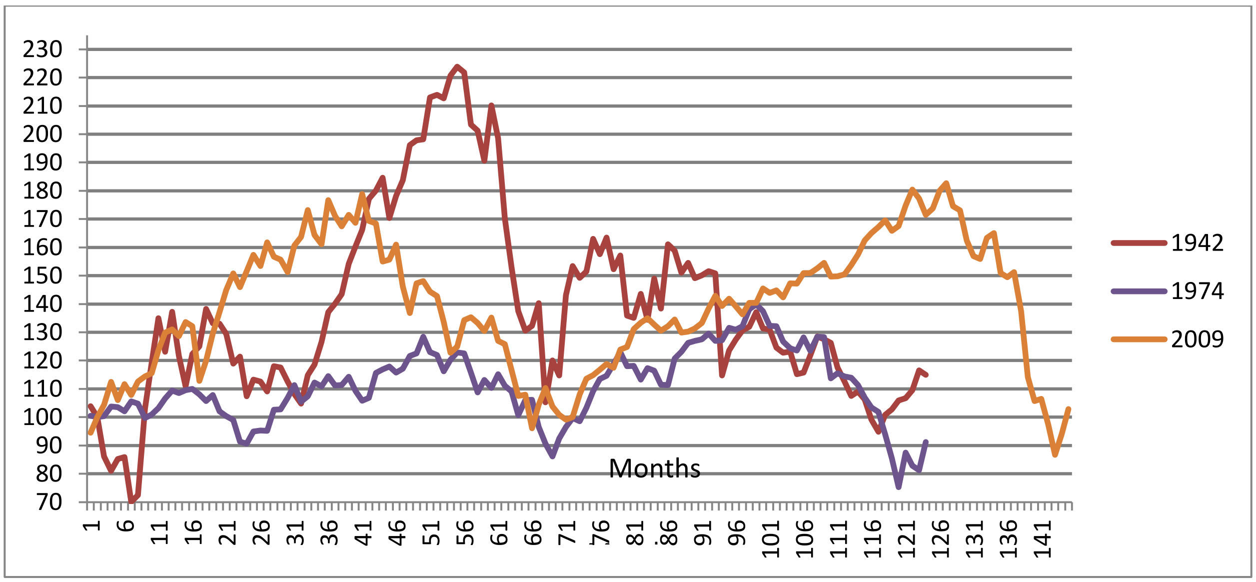
Quantitative
Investment Decisions

…Downside protection in bear markets.

<u>If you believe in history repeating itself, we could be in for a long and ugly correction but remain in a Bull Market!</u>

Up to 2009, the market had been in a pattern where it retested its lows twice, in 2003 and 2009. The result was that many market watchers were labeling this a "Lost Decade" of investing as from low point to low point investor return was almost zero. As we had noted in an article that we wrote in 2009, phenomenon seems to occur every 30 years. The prior two occurrences ended approximately in 1942 and 1974.

Exhibit 1. Lost Decades



Source: Morningstar Direct

If we examine the recoveries from each of these prior periods we can see some interesting patterns in exhibit 3 below. The initial rebound periods all appear different in as far as their patterns but their characteristics are quite similar using month-end data in that each had their 10-19% pullbacks along the way to their first peak. In exhibit 2, we note that 1942 only had 1 pullback of 10-19% whereas 1974 and 2009 have had two. This leaves us with a question as to whether the period beginning 2009 will experience a third pullback (10-19%) or will this be the start of a correction (20%+)?

Exhibit 2. Characteristics of Lost Decades.

Lost Decade Ending	Duration of initial Rebound (Mos)	Appreciation of initial Rebound	# Pullbacks 10-19%
1942	50	150%	1
1974	75	115%	2
2009	78	186%	2

Source: QID, LLC

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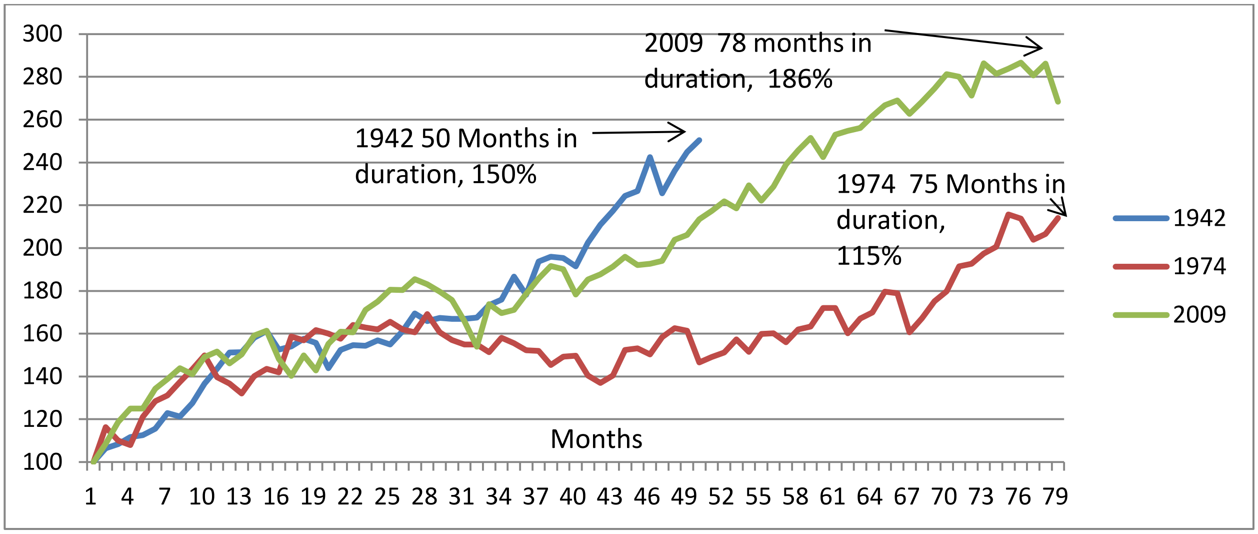
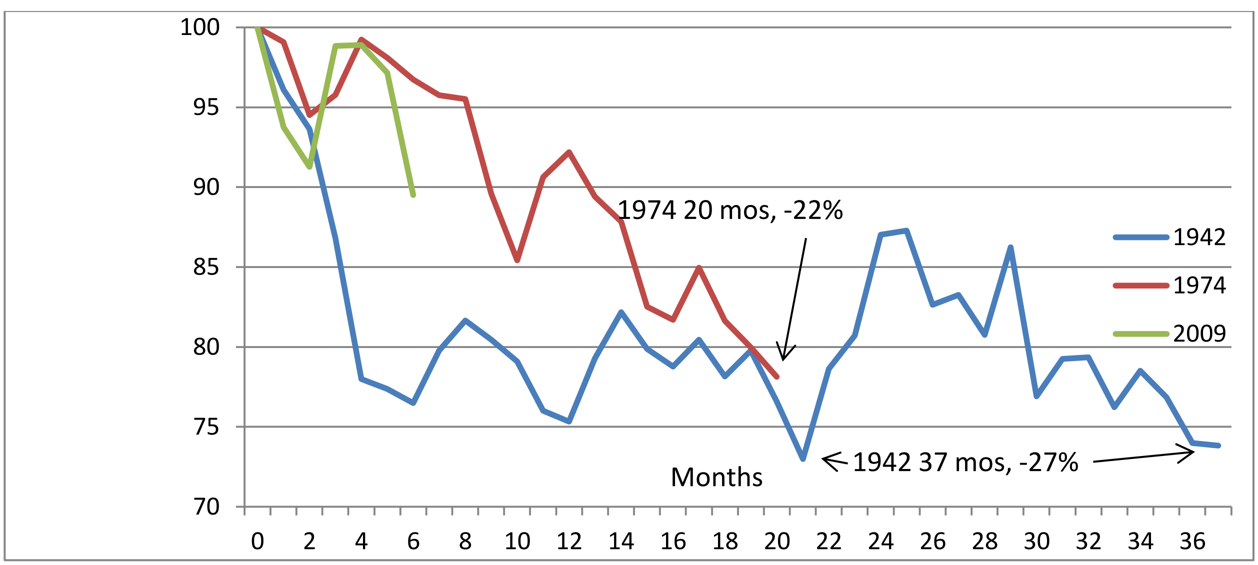
Exhibit 3. Initial Rebound



Source: Morningstar Direct

Phase two of the rebound was a correction with a duration of 20-30 months. This is a much longer correction than most investors are used to. Most corrections are sharp but only last about 6 months. The 1942 and 1974 period corrections were associated with an economic downturn. At this point, the macroeconomic data does not appear to be indicating such an outcome. The corrections from the monthly data were 20-30% in depth. The magnitudes of the corrections, although substantial, were not in the neighborhood of the 2002-03 or 2008-09 levels of 49% and 57% respectively. In exhibit 4 below, we note 1974 had a duration of 20 months and a depreciation of around 22%. The 1942 period had a correction duration of 37 months and included a 27% decline. The month-end high for the S&P to date for the 2009 period has been around 2107. If the 2009 period is entering a correction and it is of the magnitude of 1942 and 1974 then it is possible that we could see the S&P 500 retreat to a month-end close of 1643 to 1517. Given that it appears that the 2009 period has seen much higher highs, does this portends for much lower or higher low? We looked at the magnitude of the two pullbacks experienced in 1974 and 2009 timeframes to try and help us answer this question. 1974's two pullbacks were -11.9% and -19%, whereas, 2009's pullbacks were -13.1% and -14.8%. While it's not definitive in what one can conclude from these numbers, it certainly does make one think about the similarities.

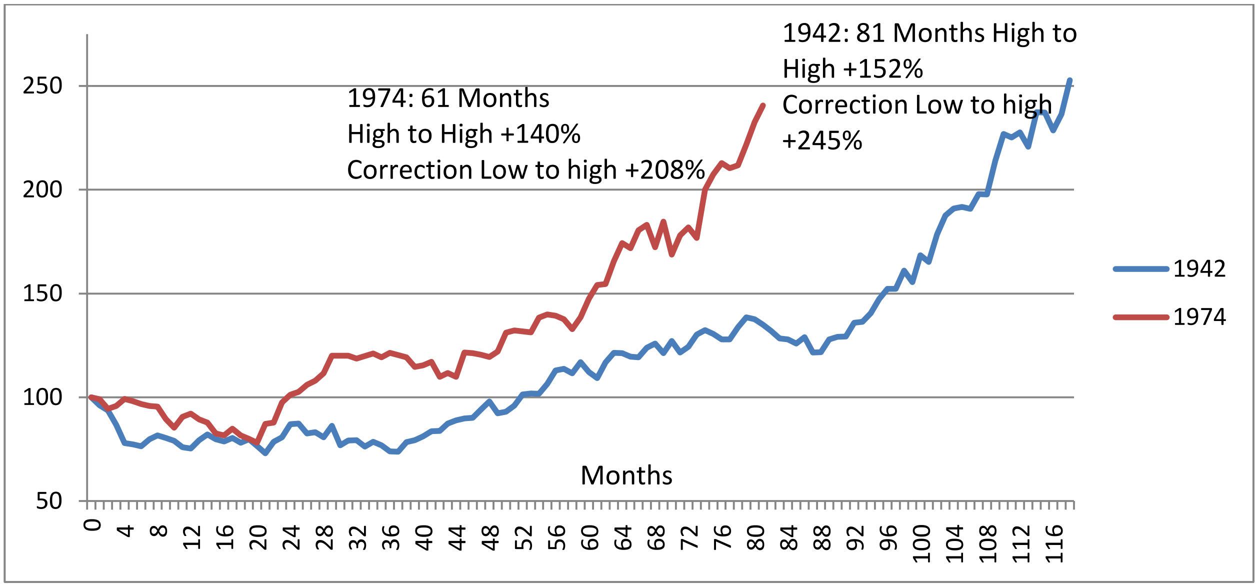
Exhibit 4. Phase Two: Correction



Source: Morningstar Direct

The good news is that after each of these Bull Market corrections, the market continued a healthy rise to substantial new highs before running into the next correction. As noted in Exhibit 5 below, the 1942 and 1974 bull markets increased an additional 152% and 140% from their prior highs and 245% and 208% increases from their month-end correction lows.

Exhibit 5. Second Phase of the Bull Market



Source: Morningstar Direct

So what can an investor do to not miss a rebound if this is just a pullback while protecting them if this is the start of a 20-30% correction, while making sure they don't hesitate to rejoin the market when either situation finishes?

Quantitative Investment Decisions, LLC (QID) develops and distributes strategies with a unique attribute of a built-in downside protection mechanism that provides signaling to raise cash and reduce equity market exposure during volatile market periods, a feature absent from buy and hold portfolios. Our belief is that investors are mischaracterized as risk averse when they are actually loss averse.

QID's strategies provide investors **diversification to participate in up or sideways moving markets**. The Tactical Rotation Strategies provide investors with the tools to diversify across and within an asset class. QID's strategies currently provide investor exposure to global, U.S. and international equity as well as fixed-income and alternative asset classes to develop custom asset allocations. Within each asset class the use of ETF's provides a secondary level of diversification to avoid the specific risk of any one security. Each ETF typically contains numerous individual securities to provide the asset class exposure desired.

A quantitative signaling engine provides binary (buy/sell) signals on each portfolio position delivering **rules based discipline** to investment decisions. The algorithms across equity, fixed income, and alternative asset classes are driven by proprietary technical based algorithms.

The quantitative engine aims to identify specific price trends within the actual market price data in an effort to identify instances when the probability of a downturn or upturn of a position seems likely in the near future. In this way the strategy is probabilistic in its approach.

There are times when it is beneficial for the engine to generate signals quickly, and there are times when short term pricing noise should be smoothed and ignored until better information is available. Each strategy signal is based on the strength of the observed data to avoid unnecessary whipsaw trading when possible.

The key to the success of the strategy is the specific sequential arrangement of technical indicators. Some indicators are used to obtain a preliminary view of price movements and then others follow to confirm or refute information derived from the primary indicators.

Our firm, Quantitative Investment Decisions (QID), is compliant with the Global Investment Performance Standards (GIPS) and has been independently verified by Ashland Partners, one of the industry leaders in manager performance evaluation. **Currently, we offer a Separately Managed Account through the Schwab Marketplace** for U.S. Equity, International Equity, Global Equity, Fixed-Income and Alternative Investment asset class portfolios managed in a similar manner.

Schwab SMA Market Place Offerings	**Monthly Traded**	**Weekly Traded**	**OneSource Weekly**	**Cash Treasury 1/8/2016**	**Performance YTD 1/20/2016**	**Benchmark***
QID Tactical Global Rotation Strategy	X	Enhanced	Advantage	100%	-2.78%	-8.94%
QID Tactical Int"l Rotation Strategy	X	Enhanced	Advantage	100%	-1.07%	-11.13%
QID Tactical U.S. Rotation Strategy	X	Enhanced	Advantage	100%	-2.18%	-9.82%
QID Tactical Fixed-Income Rotation Strategy		X		100%	+2.61%	+0.84%
QID Tactical Alternative Invest. Rotation Strategy		**X**		75%	-0.12%	-13.6%

Source: Yahoo, Charles Schwab *1-S&P 500, 2-MSCI ACWI NR ex US USD, 3-MSCI ACWI NR USD, 4-Barclays US Agg Bond TR USD, 5-S&P GSCI TR USD

Strategy Highlights

*Quantitative Investment Decisions believes the T*RS's deliver the returns investors seek, with the downside protection they require, to stay fully invested through full market cycles (QID makes the cash decision for investors inside the strategy) so that the need for long term growth in wealth is achieved.*

1 **Disciplined Downside Protection -** QID developes strategies that focus on downside protection that buy and hold portfolios do not. Our belief is that investors are loss versus risk adverse.

2 **Fully Invested Across Market Cycles -** By controlling for extreme losses we believe our strategies can give investors the confidence they need to remain fully invested through market cycles.

3 **Targeted Alpha Generation in Up and Down Markets -** The model strategies, when back-tested, tend to outperform their indexes, driving alpha through full market cycles.

4 **Diversification & Cost Efficiency -** The portfolio construction process and the underlying ETF components provide diversification across international and U.S. equity markets and overall portfolio cost efficiencies in a tactical package.

5 **Asymmetric Risk Profile** (an ***alternative*** investment profile) - The Tactical Rotation Strategies' back-tested models' performance tends to mirror their respective indices on the upside, making them a viable candidate for their respective equity classifications.

For additional Information 239-631-8912.

A Complete Suite of Tactical Asset Classes

Equity

United States

- Consumer Staples
- Utilities
- Technology
- Financials
- Materials
- Industrials
- Energy
- Health Care
- Consumer Discretionary

Ex-USA

- Asia ex-Japan
- Japan
- Canada
- Europe
- Emerging Markets

Fixed Income

- Ultra-ST U.S. Treasury Bills
- IT U.S. Treasury Notes
- LT U.S. Treasury Bonds
- U.S. Investment Grade Corporate Bonds
- Mortgage Backed Bonds
- Municipal Bonds
- High Yield Bonds

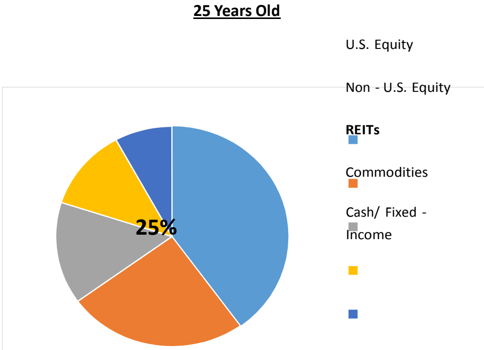
Alternative Investments

- Agriculture
- Energy (Oil & Natural Gas)
- Precious Metals (Gold & Silver)
- Real Estate
- U.S. Equity (S&P 500)

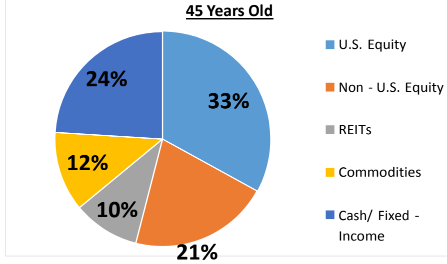
A Customizable Complete Tactical Allocated Portfolio Solutions On A Risk or Aged-Based Basis

Age-Based

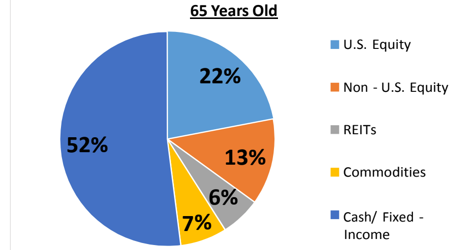
25 Years Old



45 Years Old

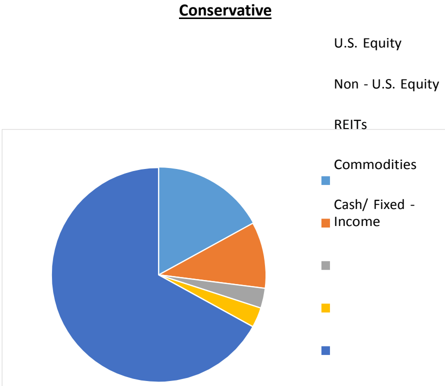


65 Years Old

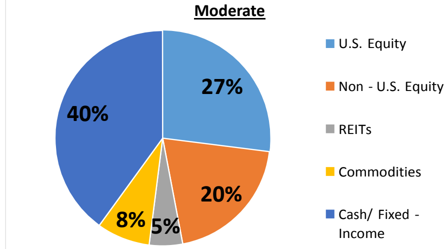


Risk-Based

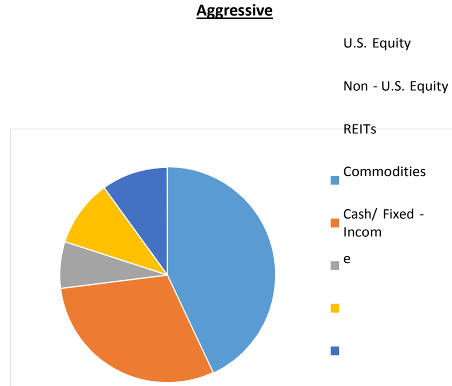
Conservative



Moderate



Aggressive



Dislcosures

Quantitative Investment Decisions, LLC ("QID") claims compliance with the Global Investment Performance Standards (GIPS®).

Firm Definition

Quantitative Investment Decisions, LLC ("QID" or the "Advisor") is registered in the state of Florida as a registered investment adviser organized as a Limited Liability Company ("LLC") under the laws of the State of Delaware, whose principle place of business is in Naples, FL. The entire investment team and critical operations staff became affiliated with QID on January 2, 2015. QID reviews a total firm AUM report broken out by account on a quarterly basis to ensure that only actual assets managed, or sub-advised, by QID are included. All accounts deemed to be advisory only, hypothetical, or model in nature are excluded from total firm AUM. Total firm assets are all discretionary (whether fee-paying or not) for which QID has investment management responsibility, including assets managed by sub-advisors that QID has authority to select.

Obtaining a Compliant Presentation and the Firm's List of Composite Descriptions

A compliant presentation, including the performance data for the composite, may be obtained by contacting Ron Santangelo at 239.529.2019 or by emailing Ron at ron.santangelo@qidllc.com.

The Tactical Rotation Strategy (TRS) Investment Program of Quantitative Investment Decisions (QID) is a long-term growth portfolio that invests in Exchange Traded Funds (ETF) as markets are rising and scales to cash as markets weaken using a trading algorithm. Its objective is capital appreciation. The TRS portfolio has three "sleeves" which represent United States Markets, International Markets and a Blend of the two sleeves (United States and International markets). The charts above show the total return, including reinvestment of all dividends. Returns are shown separately as gross (GR) and net (NR) of management fees and transaction fees for the composite account of the TGRS portfolio. QID is GIPS compliant and are verified through June 30, 2015. **From April 30, 2012 through 1/20/2016 the performance shown is that of a composite of client accounts according to the dictates of the Program**. The quantitative engine providing strategy signals was enhanced effective April 1, 2014. The portfolio weighting scheme was also enhanced effective September 1, 2014. A custom benchmark was used for comparison purposes to correlate to the portfolio of the TRS. This benchmark is 60% S&P 500 TR and 40% MSCI World ex USA Net. The returns for the Indexes shown include dividend reinvestment. Individual client accounts may have experienced investment results during the corresponding time periods that were materially different from those of the composite returns.

Performance data shown is past performance. Past performance is no guarantee of future results. Investments are subject to risk, and any of QID's investment strategies may lose money. QID's actively managed portfolios may underperform in bull or Bear markets. The investment strategy presented is not appropriate for every investor and individual clients should review the terms, conditions and risk involved with specific products or services. The portfolio is constructed with either First Trust AlphaDEX® Exchange Traded Funds (ETFs) or similar U.S. sector and international ETFs listed on the Charles Schwab OneSource™ list of ETFs. First Trust AlphaDEX® Exchange Traded Funds seek investment results that, before expenses, generally correspond to the price and yield of a particular index. There is no guarantee that the price and yield performance of the index can be fully matched. AlphaDEX® ETFs are subject to risks similar to those of stocks.

Risks

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Asset allocation, nor diversification, does not guarantee a profit or protect against loss. Investment returns may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. All investments include a risk of loss that clients should be prepared to endure. Quantitative Investment Decision's actively managed portfolio may underperform in bull or Bear markets.

Hypothetical Back-Tested Performance or Model Performance and Analytics backtested performance is NOT an indicator of future actual results. There are limitations inherent in hypothetical results particularly that the performance results do not represent the results of actual trading using client assets, but were achieved by means of retroactive application of a backtested model that was designed with the benefit of hindsight. The results reflect the performance of a strategy not historically offered to investors and do NOT represent returns that any investor actually attained. Backtested results are calculated by the retroactive application of a model constructed on the basis of historical data and based on assumptions integral to the model which may or may not be testable and are subject to losses. Backtested performance is developed with the benefit of hindsight and has inherent limitations. Specifically, backtested results do not reflect actual trading, or the effect of material economic and market factors on the decision making process, or the skill of the adviser. Since trades have not actually been executed, results may have under-or-over-compensated for the impact, if any, of certain market factors, such as lack of liquidity, and may not reflect the impact that certain economic or market factors may have had on the decision-making process. Further, backtesting allows the security selection methodology to be adjusted until past returns are maximized. Actual performance may differ significantly from backtested performance.