Quantitative
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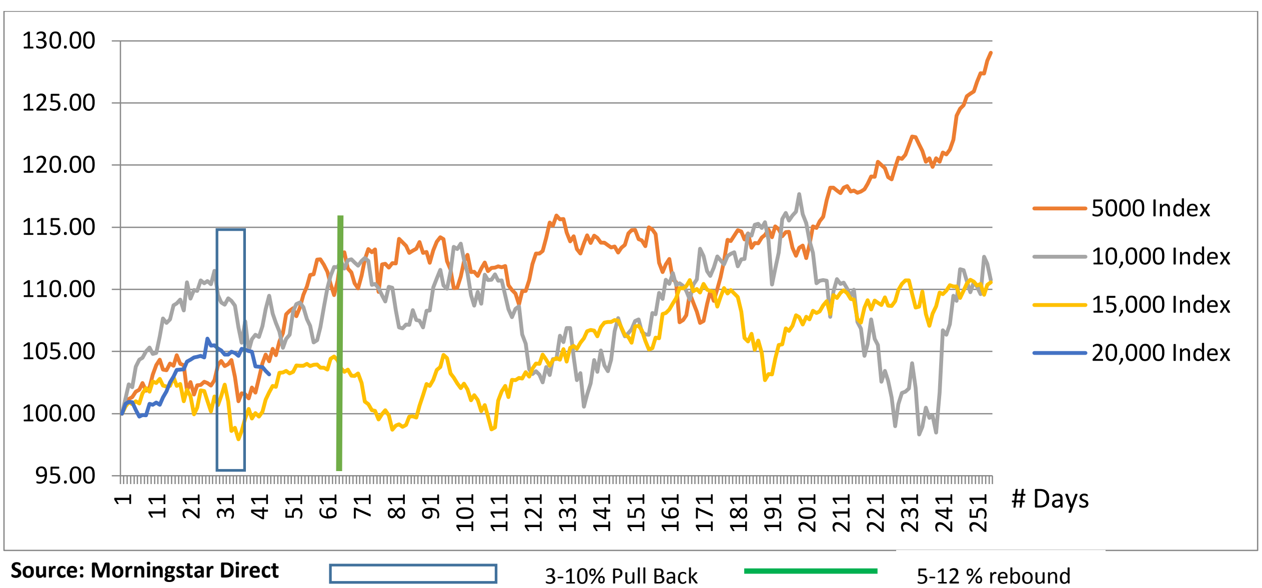
Are We There Yet?

March lived up to expectations with a slightly negative Market return, -0.04%. The post-election and psychological barrier technical models suggested a negative return for March. As we discussed last month, post-election February was typically the worst performing month, see exhibit 2. However, when February has been positive, such as this year (3.97%), March's return was on average negative. The Psychological Barrier model, see exhibit 1 below, noted that at this point of crossing a barrier, 20,000 on the Dow, that the market typically pulled back 3-10% followed by a rebound of 5-12%. From the March high 21,115.55 the market closing and intraday low to date were 20,551 (-2.7%) and 20,413 (-3.3%), respectively. Like children on a long car ride, investors are wondering "Are we there yet".

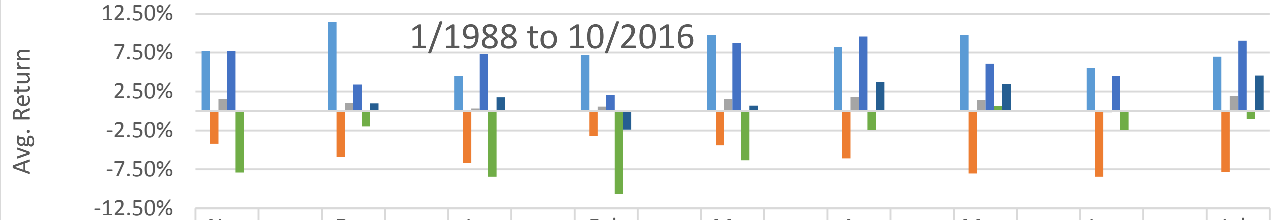
On average, post-election year April's have been typically one of the best performing months with an average return of 3.73% with a range of -2.42 to 9.57%. It may indicate that we at or close to a market bottom. During March the market seemed to be more focused on political issues. Healthcare, tax reform, Syria and Korea all seemed to be dominating the investment landscape. I would suspect that earnings will be the judge of what happens in April, barring any crisis. If companies deliver the earnings expected for Q1 and future guidance is positive then the pullback should be over for now. Therefore, careful attention to company's future earnings guidance may hold the key to future market momentum. **We would suggest that investors stay the course and use any weakness to reposition portfolios and put cash on the sidelines to work. Based on the models, the expected return for 2017 is 10%+ and 25% over a three year time frame. For more information on our study of post-election stock market performances see the article on our website, QIDLLC.com under Research titled "November 2016 update - Was November's Performance Unprecedented".** For the full report of psychological 5000 point DJIA barriers read the article "To 20,000 and Beyond" dated December 24, 2016 on our website, QIDLLC.com, under QID in the News.

Exhibit 1. Dow Jones Performance One Year Post Barrier



Source: Morningstar Direct

Exhibit 2. Post-election S&P 500 Average Monthly Performance

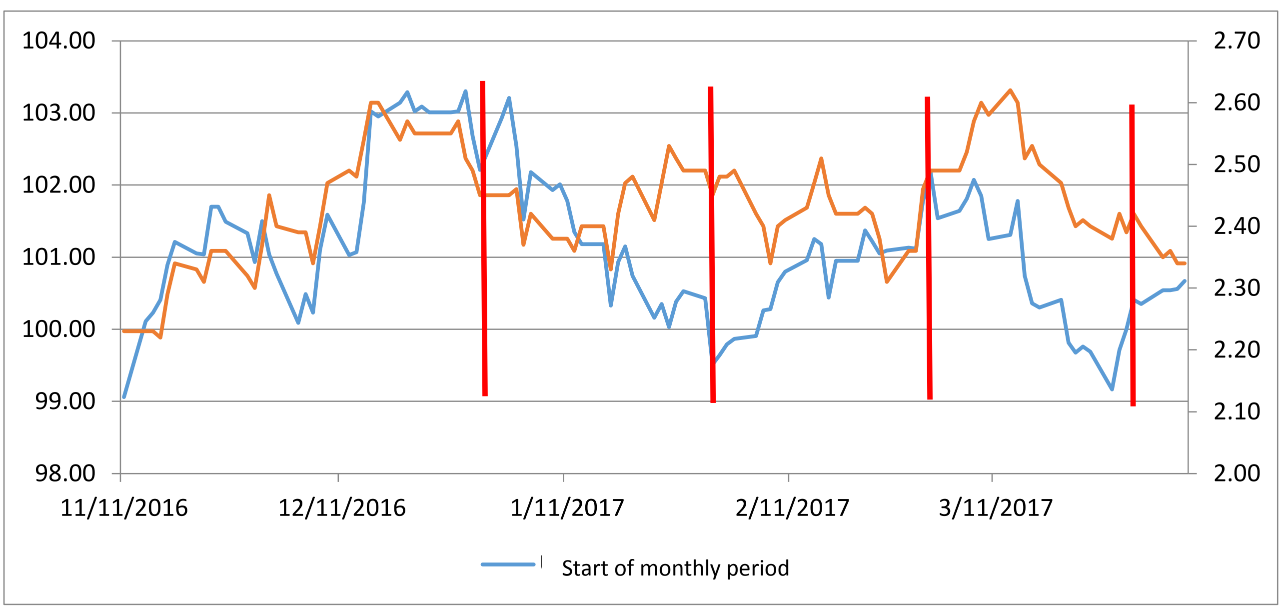


	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
High	7.67%	11.44	4.50%	7.21%	9.78%	8.20%	9.75%	5.50%	7.00%
Low	-4.20	-5.90	-6.70	-3.20	-4.40	-6.06	-8.00	-8.43	-7.80
Average	1.57%	1.04%	0.33%	0.56%	1.51%	1.82%	1.40%	-0.18	1.91%
Post Hi	7.70%	3.40%	7.32%	2.10%	8.76%	9.57%	6.10%	4.48%	9.03%
Post Lo	-7.88	-1.98	-8.43	-10.6	-6.34	-2.42	0.67%	-2.43	-0.98
Post Elec Avg	-0.13	0.98%	1.75%	-2.38	0.68%	3.73%	3.51%	0.11%	4.57%

Source: Morningstar Direct

In regards to international equity, fixed-income and Alternative asset classes, it would appear that interest rates and the US Dollar will hold the cards to performance. The dollar continues to be volatile ratcheting up and down for each of the last three months, see exhibit 3 below. The dollar closed lower at quarter-end relative to year-end 2016. This may be beneficial for foreign earnings unless companies hedged themselves expecting a rising US Dollar. Interest rates will continue to be closely watched. Is the fall in 10 year treasury rates a function of a slowing economy or a technical issue given the amount of short covering that is occurring in the Bond market? Many investors shorted US Treasuries given the Fed's comments of rising rates. Given the recent decrease in treasury yields many investors may have been forced to close shorts causing rates to decrease over 30bps. Time will tell who was right the bond bulls or bears.

Exhibit 4. U.S. Dollar Index : DX-Y and 10 Year Constant Maturity Treasury



Source: Morningstar Direct

Start of Month

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QID's Monthly Performance Update

QID's U.S. and International Equity models continue to remain bullish, 100% invested. Fixed-income and alternative strategies continue to be more defensive with 55% and 64% cash. For the month of March, QID's International Equity, fixed-income and Alternative Asset strategies outperformed. For 1Q2017, the strategies performed in-line with expectations capturing a major portion of positive performance while outperforming, for the most part, in negative markets. Our U.S. equity model was negatively impacted by its equal weighted versus market cap weighted sector weightings. Had we market cap weighted the sectors "on" our strategy may have outperformed.

Below, is a summary of QID's performance for the month of March. As a result of our models' construction methodology, QID continues to fulfill its objective of providing its investors with downside protection. The asset class strategy goal, for all QID tactical portfolios, is to avoid extreme losses and give investors the confidence to stay fully invested and to participate in market gains.

QID provides investor's the diversification they need with the downside protection that they desire. Providing investors' confidence to stay fully invested can be challenging. As we all know, downward price action of 10% plus is sufficient to scare the average investor to the sidelines. Quantitative Investment Decisions develops strategies to protect one's assets. It's not how much an investor makes but how much one keeps long term that will impact one's lifestyle. QID believes that by providing investor's strategies that control downside risk that investors will be willing to stay fully invested through all market environments. Our strategies provide exposure to U.S. equity, International Equity, Fixed-Income and Commodities. Our strategies may be used to provide exposure to one of the asset classes offered or a diversified solution based on an investors risk or age. We believe that our strategies will resonate with your clients. If your client is a firm believer in "Defense Wins Championships", then our strategies may be appropriate for their portfolio.

Tactical U.S. Equity Strategy

Tactical U.S. Equity Composite (net 1 Month/3 Month)	S&P 500 Index	ETF Benchmark (SPY)
-2.10%/3.37%	-0.04%/5.53%	-0.31%/5.46%

Table 1.

Sectors	Materials	Energy	Financials	REITS	Industrials	Tech	Staples	Utilities	Healthcare	C-Disc
ETFs	SLX	PXE	KIE/KBE	EWRE	XTN	FDN/XSD	XLP	XLU	BIB/IHI	XLY
Index Weight	2.8%	7.3%	13.4%	2.9%	10.0%	21.5%	10.2%	3.4%	14.0%	12.2%
QID Month-end Allocation	14.0%	14.0%	14.0%	0%	14.0%	14.0%	0%	14.0%	14.0%	0%
ETF Return % Month/QTR	-5.8/6.7	-0.6/-8.2	-1.2/4.0 -4.4/-0.8	-1.8/2.4	-4.8/-1.8	2.2/10.4 1.1/7.8	-0.4/6.1	-0.1/6.1	-0.2/9.7 -1.2/17.3	2.0/8.4

Source: Morningstar Direct, ETF.com and iShares

The QID Tactical U.S. Equity strategy composite net of fees underperformed its benchmark index (S&P 500) and its benchmark ETF ("SPY") -2.1% vs -0.04% and -0.31%, respectively. The sectors that are currently "on" are: materials, energy, financials, healthcare, industrials, tech and utilities. The sectors that are "off" are typically considered more defensive or interest rate sensitive: REITS and Staples. The only cyclical sector that was "off" was Consumer Discretionary.

Political concerns seemed to dominate the month with the failure of passing a healthcare plan that has thrown a cloud over expectations for tax reform and infrastructure spending plan. The political fallout weighed on subsectors that we are invested in such as steel (-5.79%), banks (-4.4%) and transportation (-4.75%). In addition, our equal weight methodology has been negatively impacted as the best performing sector, technology, is only half the weight in an equal weight versus market weighted index. Had we employed a market weighted sector allocation our 1 month and 3 month return should have been 0.11% and 6.06%, outperforming the S&P 500 index and SPY ETF. However, academic studies have indicated that long-term, equal weight tends to provide investors a better and less volatile performance.

Tactical International Equity Strategy

QID Tactical Intl Equity Composite (1 month/1Q17)	MSCI All Cap World Index ex-USA NR USD	ETF Benchmark (ACWX)
3.37%/5.57%	**2.42%/6.99%**	**2.60/7.82%**

Table 2.

Sectors	Asia Ex-Japan	Canada	Emerging Mkts	Europe	Japan
ETFs	VPL/DBAP	EWC	EEMV/VWO	VGK/HEDJ	DXJ/EWJ
Index Weight	15.0	6.6	19.4	41.44	17.4
QID Month-end Allocation	3.92	2.94	48.02	34.3	8.82
ETF Return 1 month/1q2017 (%)	0.59/0.62% 2.62/8.57%	0.41/2.48%	2.67%/8.36% 2.27/10.87%	4.21/7.97 5.40/9.28%	-0.77/1.30% -0.41/4.36%

Source: Morningstar Direct, ETF.com and iShares

The QID Tactical International Equity strategy composite outperformed its benchmark index (MSCI All Cap World Index ex-USA) and benchmark ETF ("ACWX"), 3.37 vs. 2.42 and 2.60%, respectively. At the end of the month, the composite was fully invested.

The allocation to emerging markets and Europe represent 82% of the allocation. The composite benefitted from their returns of 2.67% and 5.40%, respectively, vs. the index return of 2.42%. Exposure to a hedged European ETF, HEDJ, continued to benefit the strategy 5.4% versus the unhedged alternative, VGK at 4.21%. However, Japan on a hedged basis, underperformed slightly. As noted last month, the treasury model continues to indicate a strengthening dollar as it is favoring cash/T-bills to T-bonds for the period ahead. Therefore, we will retain our hedged positions where possible.

Note: The portfolio position weights for international ETFs are based on GDP weight of the world economy, ex-USA. This approach is different than the industry method of using market cap weighting (MSCI All Cap world Index ex-USA). The reason that QID chooses to follow GDP weighting, versus market Cap weighting, is that academic research has indicated that long-term market growth tends to follow GDP growth.

Tactical Fixed Income Strategy

QID Tactical FI Composite (Net)/(Gross)	BofAML US Broad Market	IQ Enhanced Core Plus Bond US (AGGP)
0.29%/0.61%	-0.04/0.87%	-0.18/1.25%

Table 3.

Sectors	Corporate - Investment Grade	Corporate – High Yield	Emerging Market Debt	Global Debt	Mortgages	Municipal	Treasury 7-10Yrs	T-Bills/ Cash
ETFs	LQD/VCIT	HYG	EMB	ILB	VMBS	MUB	IEF	BIL/MINT
Index Weight (%)	28	18			36	0	4	14
QID Month-end Allocation (%)	0	0	9.8	9.8	24.5	0	0	55.9
ETF Return (%)	-0.34/1.22 -0.01/1.53	-0.33/2.22	0.28/3.81	1.78/ 4.59	-0.02/ 0.50	0.16/ 1.15	0.05 /0.96	0.01/0.07 0.16/0.58

Source: Morningstar Direct, ETF.com and iShares.

The QID Tactical Fixed Income strategy composite outperformed the broad U.S. bond index (Bank of America Merrill Lynch U.S. Broad Market) and its ETF benchmark (“AGGP”) in February 0.29% vs. -0.04% and -0.18%, respectively. The model ended the month 10% in emerging market debt, 10% global debt, 25% mortgages and 55% in short-term instruments. With a 55% allocation to short-term instruments, the model continues to indicate a high probability for rates to increase in the months ahead.

The U.S. 10-year Constant Maturity Treasury Yield remained fairly stable in March with a total return of only 0.05%. We benefitted by remaining 55% invested in short-term instruments that returned 0.16%. Our sector selection continues to pay-off as global debt and emerging bonds were on the mark as the two best performing sectors. Unfortunately, our global debt fund, ILB, was closed at the end of March. We are reviewing replacement ETFs.

Note: The QID Fixed Income model utilizes a separate “signal” system for corporate bonds. The system determines whether an investment grade or a high-yield ETF should be used when the corporate fixed income signal is “on”.

Tactical Alternative Investments Strategy

QID Tactical Alts Composite (1 Month/ 3 Month Net)	75% S&P GSCI and 25% NAREIT	75% GSG and 25% IYR ETFs
0.29/0.61	-2.52/-3.79%	-3.25/-3.97%

Table 4.

Sectors	Agriculture	Gold	Silver	Gas	Oil	REIT
ETFs	DBA	IAU	SLV	UNG	DBO	RWR/IYR
GSCI Index Weight 2017 (%)	30	0-7	0-7	3.3	52.7	NA*
QID Month-end Allocation (%)	24.5	12	0	0	0	0
ETF Return (%)	-2.27/ -1.12%	-0.83/ 7.35%	-1.27/ 11.04	12.67/ -18.56	-5.63/ -9.16	-2.84/ -0.34

Source: Morningstar Direct and ETF.com

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The QID Tactical Alternative Investments strategy composite outperformed the market index (75% S&P GSCI / 25% NAREIT) and the ETF benchmark (75% GSG / 25%IYR) 0.29% vs. -2.52% and -3.25%, respectively. The model ended the month 24.5% in agriculture and 12% invested in gold. Energy turned off in March at around $53/bbl. However, the energy ETFs the day after the signal changed opened dramatically lower before we could execute our trades and exited around $51.50/bbl.

Note: While REITs are not a sector contained in the GSCI commodity index, QID believes that REITs are an attractive alternative asset class for investors and as such has allocated 20% to the asset class.

Disclosures

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 investment advisor in the state of Florida 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 QID at 239.631.8912 or by emailing info@qidllc.com.

The Quantitative Investment Decisions' (QID) Tactical U.S. Equity Strategy, Tactical International Equity Strategy, Tactical U.S. Fixed Income Strategy, and the Tactical Alternative Investments Strategy are long-term growth portfolios that invests in Exchange Traded Funds (ETF) as markets are rising and scales to cash as markets weaken using a trading algorithm. Their objective is capital appreciation. The portfolios represent United States markets, international markets, United States fixed-income markets and a blend of commodities and REITs that constitute the alternative investments strategy. The charts above show the total return, including reinvestment of all dividends. Returns are shown net (NR) of management fees and transaction fees for the composite account of the portfolios. The U.S. dollar is the currency used to express performance. QID claims compliance with the Global Investment Performance Standards (GIPS®). QID has been independently verified and its composites receive a quarterly performance examination by Ashland Partners & Company, LLP. **From April 30, 2012 through December 31, 2015 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.

Benchmarks are used for comparison purposes to correlate to each portfolio. 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 Exchange Traded Funds that 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. 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.**