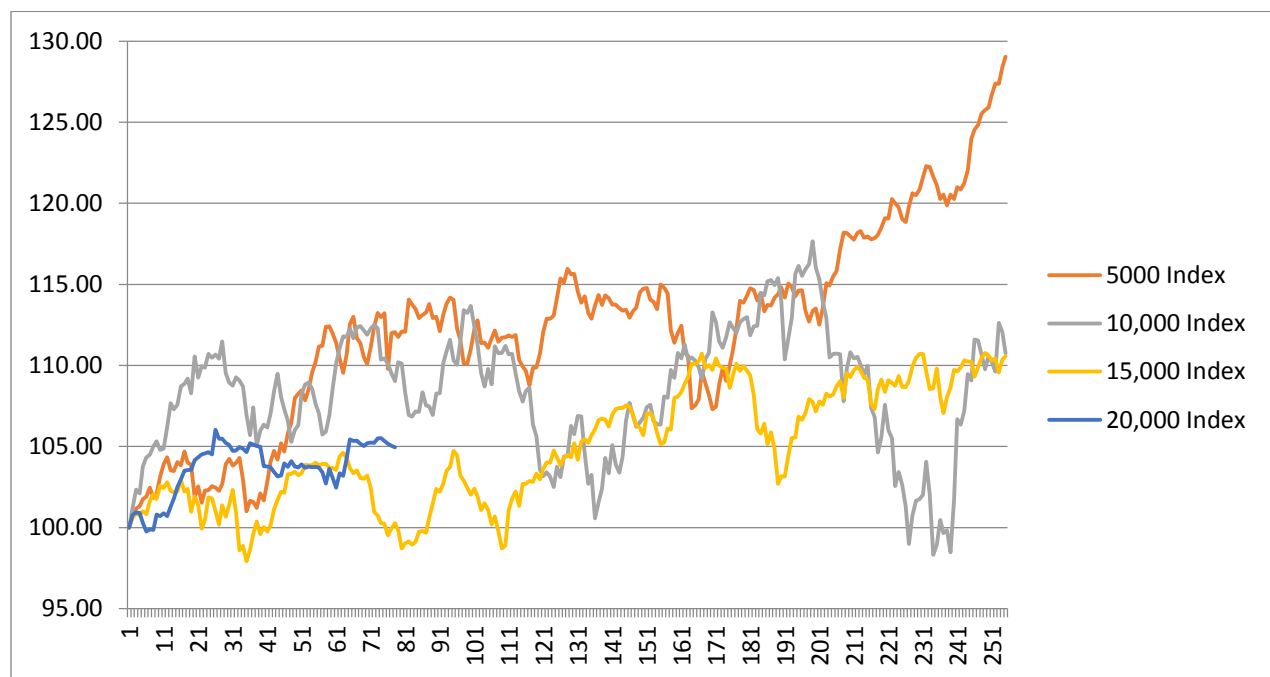


## Steady As She Goes

**The Stock market in April delivered an expected positive return, 1.03%, as earnings and forward guidance were ahead of target. We expect the market to continue its upward move culminating in a 5-10% gain in the next 30-60 days.** The post-election and psychological barrier technical models suggested a positive return for April. As we discussed last month, post-election April was typically a positive performing month, see exhibit 2. The Psychological Barrier model, see exhibit 1 below, notes that after a brief pull-back that occurred in March/April the market tended to rise 5-10% over the next couple of months. This would fall in-line with Post-election average performance with expected gain of +3.5% for May, Flat June followed by an attractive July gain of 4.57%. The Dow Jones Industrial Average has already rallied 2.8% from its April low of 20404. Expectation is for an additional 2-10% additional return over the next 30-45 days with the Dow Jones Industrial Average reaching 21424 to 22444.

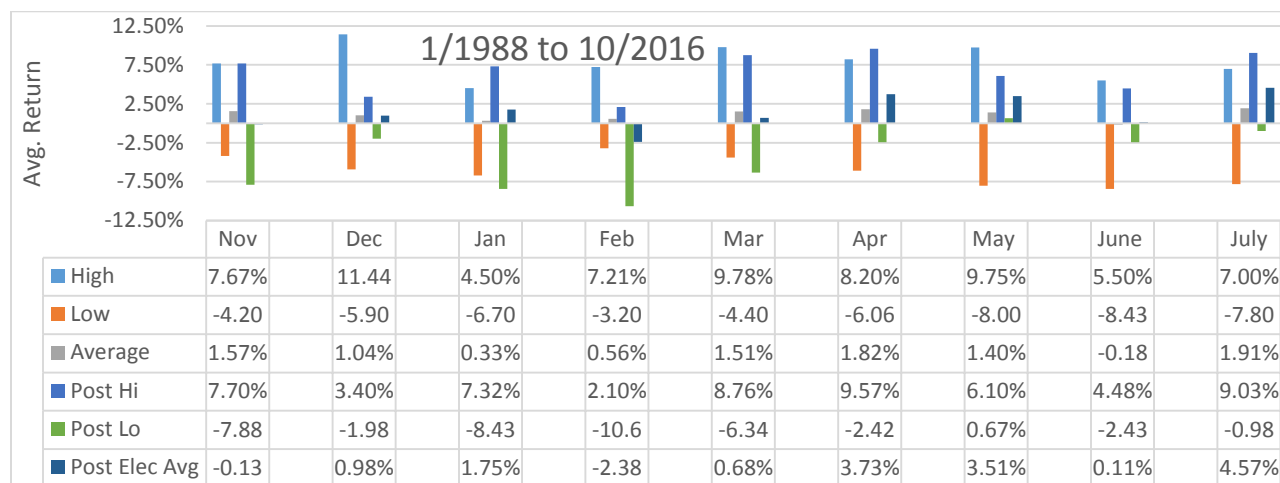
**May, post-election, has typically been one of the best performing months with an average return of 3.73% with a range of -2.42 to 9.57%.** With the bulk, 90%, of the earnings announcements behind us, investors will be affected by political and economic news for at least the next 4-6 weeks. We continue to suggest that investors stay the course and use any market weakness to reposition portfolios and put sideline cash 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**



Source: Morningstar Direct

QID’s U.S. and International Equity models each had one sector turn off in April. With energy losing steam, it’s not surprising that energy as well as Canada turned “off”. Fixed-income and alternative strategies continue to be more defensive with 55% and 45% cash/treasury. The big change for Fixed-Income was that Treasury Bonds turned back “on” and cash is “off”.

Below, is a summary of QID’s performance for the month of April. 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’s Monthly Performance Update

**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 cause scare the average investor to go 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, 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.

U.S. Equity Strategy

U.S. Equity Adaptive Composite  
(net 1 Month/3 Month)

S&P 500 Index

ETF Benchmark (SPY)

0.98%/3.28%

1.03%/5.16%

1.02%/5.13%

Table 1.

| Sectors                  | Materials | Energy    | Financial | REITS    | Industrials | Tech                | Staples | Utilities | Healthcare           | C-Disc  |
|--------------------------|-----------|-----------|-----------|----------|-------------|---------------------|---------|-----------|----------------------|---------|
| ETFs                     | XLB       | PXE       | KIE       | EWRE     | XTN         | FDN/XSD             | XLP     | XLU       | XBI/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 | 16.33%    | 0%        | 16.33%    | 0%       | 16.33%      | 16.33%              | 0%      | 16.33%    | 16.33%               | 0%      |
| ETF Return % Month/QTR   | 1.4/2.6   | -4.4/-8.6 | 0.6/4.1   | -0.3/2.3 | 1.8/-0.8    | 4.7/8.1<br>-1.6/2.1 | 1.1/5.5 | 0.8/5.6   | 3.0/10.1<br>4.1/11.0 | 2.4/6.5 |

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") 0.98% vs. 1.03% and 1.02%, respectively.** The sectors that are currently "on" are: materials, financials, healthcare, industrials, tech and utilities. Energy turned "off" in April and REITS, Staples, and Consumer Discretionary remained "off".

The strategy has benefitted from above average performance of materials, industrials, tech and healthcare. Over exposure to materials, industrials and healthcare also helped, while an underweight to the top performing sector tech, detracted from performance. On a quarterly basis, healthcare, tech and utilities were the best performers. Overweight positions to healthcare and utilities were a plus.

However, our underweight Tech negatively impacted performance. Zero impact to Consumer staples and cyclical did not help performance either. Biggest detractor to performance continued to be energy.

**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                 | 0          | 48.02                 | 34.3                  | 8.82                 |
| ETF Return 1 month/1q2017 (%) | 0.8/4.8%<br>2.0/7.0% | -2.2/-3.3% | 1.5%/7.2%<br>1.4/7.2% | 4.1/9.2%<br>3.2/13.6% | 1.1/1.9%<br>1.1/1.8% |

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. With pressure on energy, it’s not surprising that Canada is “off”.

The second largest sector, Europe, was the best performing sector returning 4.1%. Although the largest sector, emerging markets, underperformed the MSCI ACWI x-USA index, it outperformed Asia-Pacific, Canada, and Japan. Its higher weighting relative to the other three sectors made up for the underperformance of emerging markets. Selling Canada mid-month was also a big plus as it was the only sector negative for the month. Hedged ETFs in Europe and Asia-Pacific did not benefit performance in April.

**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 is that academic research has indicated that long-term market growth tends to follow GDP growth.

| Tactical Fixed Income Strategy                     |                               |   |
|--|-------------------------------|---|
| <u>QID Tactical FI Composite<br/>(Net)/(Gross)</u> | <u>BofAML US Broad Market</u> | <u>IQ Enhanced Core Plus Bond US (AGGP)</u> |
| <b>0.29%/0.61%</b>                                 | -0.04/0.87%                   | -0.18/1.25%                                 |

Table 3.

| Sectors            | Corporate -<br>Investment<br>Grade | Corporate –<br>High Yield | Emerging<br>Market<br>Debt | Global<br>Debt | Mortgages     | Municipal     | Treasury<br>7-10Yrs | T-Bills/<br>Cash       |
|--------------------|------------------------------------|---------------------------|----------------------------|----------------|---------------|---------------|---------------------|------------------------|
| ETFs               | LQD/VCIT                           | HYG                       | EMB                        | IAGG           | VMBS          | MUB           | IEF                 | BIL/MINT               |
| Index Weight (%)   | 28                                 | 18                        |                            |                | 36            | 0             | 4                   | 14                     |
| QID Allocation (%) | 0                                  | 0                         | 9.8                        | 9.8            | 24.5          | 0             | 0                   | 55.9                   |
| ETF Return (%)     | 1.17/2.24<br>1.18/2.25             | 1.00/2.21                 | 1.59/3.93                  | 0.56/<br>1.61  | 0.65/<br>1.18 | 0.57/<br>0.94 | 1.08 /1.91          | 0.05/0.09<br>0.14/0.53 |

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 9.8% in emerging market debt, 9.8% global debt, 25% mortgages and 55% in short-term instruments. Although the model ended the month in short-term instruments, the cash position switched to intermediate treasury in early May, making us question the direction of future interest rates.

Emerging Market Bonds led performance with corporates and treasuries rebounding during the month. Corporates and treasuries turned on during May.

**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

| <u>QID Tactical Alts Composite</u><br><u>(1 Month/ 3 Month Net)</u> | <u>75% S&amp;P GSCI and 25% NAREIT</u> | <u>75% GSG and 25% IYR ETFs</u> |
|---|--|---------------------------------|
| 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               | 19             |
| ETF Return (%)               | -0.07/<br>-3.18% | 1.67/<br>4.28% | -3.63/<br>0.61 | 0.01/<br>-2.95 | -2.59/<br>-8.39 | -0.27/<br>0.28 |

Source: Morningstar Direct and ETF.com

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, 12% invested in gold and 19 in REITs. REITs turned “on” during the month. At the beginning of May, agriculture turned “off”.

**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.

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## 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](mailto: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.**