

Quantitative Investment Decisions

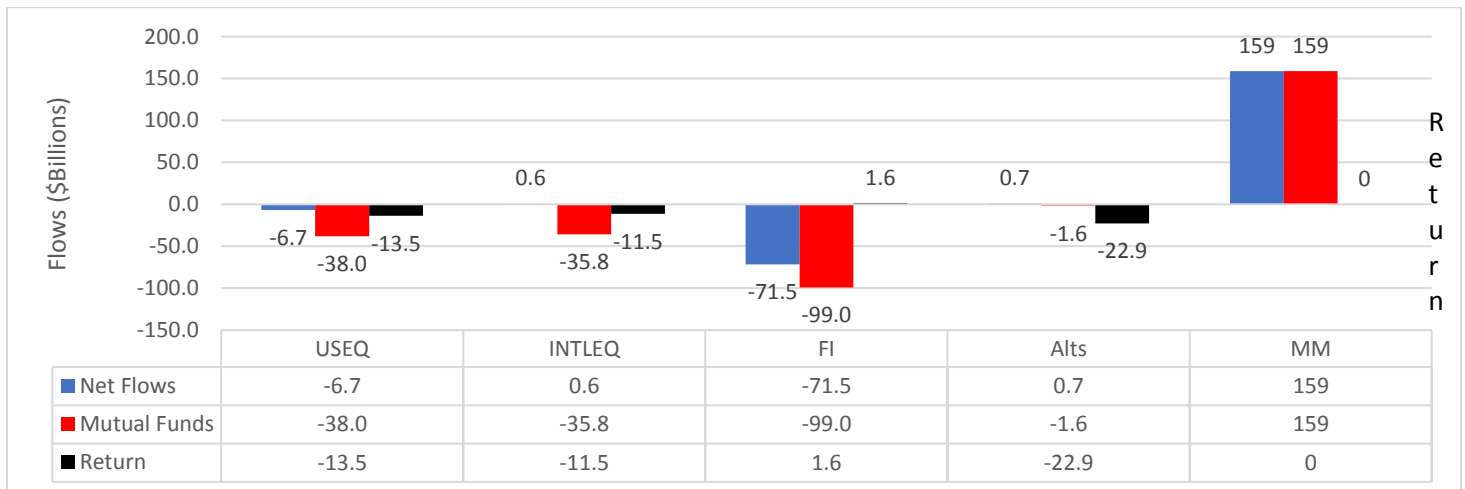
The Safety Net For Your Portfolio

Quantitative Investment Decisions, LLC

4Q2018 Performance Overview

The fourth quarter of 2018 was a difficult period for investors. Most of the main world markets posted negative returns. U.S. Treasury, mortgages and muni's were a few of the fixed-income sectors that finished with a positive return. Investment flows for the fourth quarter 2018 were an interesting story with mutual funds bleeding assets (red), while ETFs absorbed most of the mutual fund flows. The exception was bonds that posted \$71.5B negative flow. With losses from lower credit bonds, investors appeared to seek the safety of money markets. The large increase in money market funds continues to indicate that investors are loss versus risk averse. Therefore, diversification in and of itself does not appear adequate to keep investors fully invested through all types of markets. The QID strategies use a combination of diversification and built-in cash strategy, Post Modern Portfolio Theory, to decrease volatility providing investors' confidence to remain fully invested.

Exhibit 1 4q2018 Performance and Flows



Source: Morningstar Direct

4Q2018 - International Equity Strategy

Quantitative Investment Decisions International Equity Strategy invests in ETFs across region/country based on Global GDP weight ex-U.S. The result is a weighting of 50% emerging markets, Europe 34%, Japan 9%, Asia Pac ex-Japan 4% and Canada 3%. The weighting is much different than market cap weighting which could impact returns relative to MSCI ACWI ex-U.S. Index. Our belief is that Global growth in the long-run will determine global market performance.

In 4q2018 the strategy dramatically outperformed -3.3% versus -11.46% for the benchmark. For calendar year 2018 the strategy's return was -5.08% versus -14.2%, respectively. The strategy benefitted from emerging markets turning "off" in March and Europe turning "off" in June. At year-end the strategy was holding 87.28% in cash.

In December Asia-Pac Ex-Japan signaled "On" and in early January Emerging Markets turned "On". Europe and Canada remain "off". The cash position as of January 22nd is approximately 37%.

4Q2018 – Alternative Asset Strategy

Quantitative Investment Decisions Alternative Asset strategy includes commodities and REITs. The benchmark for the strategy is 80% GSCI TR and 20% Wilshire REIT TR. The 4q2018 return was -3.94% versus -22.94% for benchmark. The calendar 2018 returns were -3.3% versus -10.92% respectively. The major benefit to the strategy was the model turning "off" oil October 17th when WTI was at \$69.74/bbl. Oil ended the year at \$45.41 or a decrease of 34.9%. The model finished the year at 43.9% cash. Another factor that assisted the performance in 4q2018 was that metals turned "on" September 28th and the metals model selected palladium. In the 4q2018 quarter, palladium increased +10.47% versus gold +7.92% and GSCI Metals TR index of -2.9%.

4Q2018 - U.S. Equity Sector Strategy

Quantitative Investment Decisions U.S. Equity Sector strategy equal weights each of the sectors that are "on". When all 9 sectors are "on" each will have a weight of 11%. The maximum for a sector exposure could be at time of reset is 24.5%. If the number of sectors "on" is below 4 the strategy starts to raise cash. The strategy may employ sub-sectors with-in each sector.

The 4Q2018 gross return was -15.7% (net -15.95%) versus -13.52% for the S&P 500. The defensive characteristics for the strategy started to be implemented during the quarter with December's gross return of -7.9% versus -9.03% for the S&P 500.

The U.S. Sector Strategy seemed to stumble based on the changes in the technology sector that occurred at the end of 3q2018. Some companies that were previously in the tech industry were re-allocated to consumer discretionary and communication services. The adjustments seemed to gain traction in the model during December as the strategy outperformed the S&P 500 by 1.13%.

4Q2018 – U.S. Equity Growth Strategy

The Growth Strategy is designed to maximize long-term growth through investing in the fastest growing U.S. stocks while limiting losses during extended market downturns. The strategy endeavors to deliver attractive risk adjusted returns over multiple investment cycles.

In the 4q2018 return was -19.54% versus the Russell 3000 return of -18.22%. The strategy was affected by the poor performance of the small/micro-cap portion of the portfolio. Small cap growth lost over 21% and micro-cap growth return was down 32%. As of year-end the strategy held 78% cash.

4Q2018 Fixed-Income Strategy

Quantitative Investment Decision Fixed-income strategy was extended in 2018 to include other type of securities that generate income and defensive positions such as convertibles, MLPs and inverse treasury sectors. The change to the strategy sectors appears to have worked against us. The 4q2018 return was -7.62% versus the bench mark's return of +1.64%. For Calendar 2018 returns were -15.62% versus -0.05%, respectively. MLPs lost 17.78% in the quarter.

The original fixed-income model that was U.S. centric and focused on corporates, treasury, muni and mortgages was up 2.9% for the year.

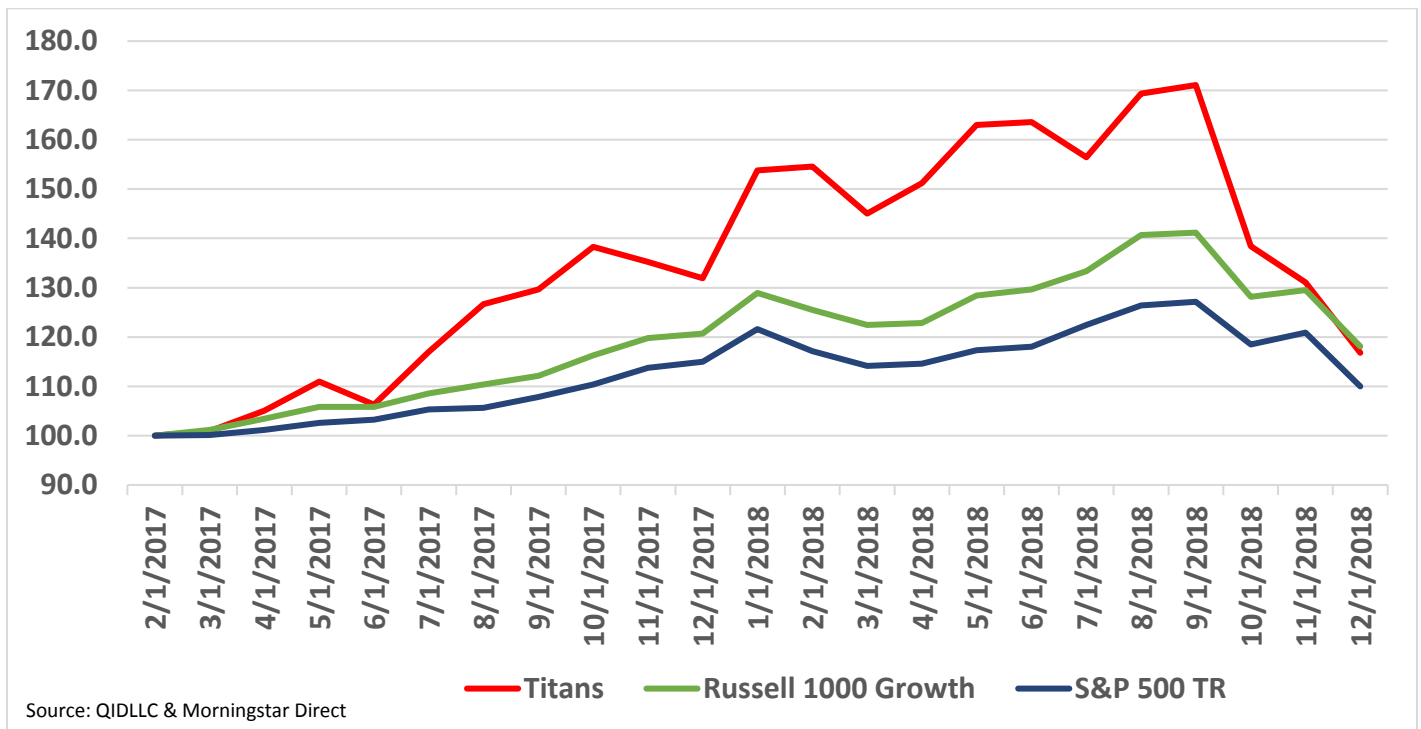
4Q2018 – U.S. Titans Strategy

The Titans Strategy is designed to maximize growth through investing in industry Titans. The strategy is concentrated by stock and sectors. The strategy is a high beta investment that we believe is well positioned based on our belief that we are in a secular bull market that can last another 5-10 years.

As with any high beta investment market volatility is a two-edge sword, major upside or downside moves. 4q2018 return was -31.75 versus -14.71% for Russell 1000 Growth Index. Calendar 2018 return was -11.35% versus -0.01%, respectively.

Titans is an Alpha investment. A look at the growth of the strategy since inception notes tremendous outperformance during positive markets but difficult performance when the market depreciates., see exhibit 1 below.

Exhibit 2. QID Titans Performance from Inception



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 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.

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, CFA at 239.631.8912 or by emailing Ron at ron.santangelo@qidllc.com.

Disclosures

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 suite of portfolios has 5 “sleeves” which represent United States Markets, International Markets, a Blend of the two sleeves (United States and International markets), as well as a fixed income and alternative investment models contributed by Santangelo Research and Investments, LLC, now rolled into QID. The charts above show the total return, including reinvestment of all coupons.

Performance data shown is current actual performance and past back-tested model performance. All past performance is denoted by a @ in their respective column. 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. All indices presented are comparative market proxies to the TRS strategies. All returns shown for the TRS strategies are net of management and transaction fees. All indices shown are total return calculations which include dividend reinvestment.

All performance figures are represented in United States Dollars (USD \$).

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.



End of Report