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**Market may rest before continuing marathon move.**

**Flat market predicted for remainder of 2018, although long-term we remain positive.** All four asset class models have become more cautious. Only 6 of 9 sectors remain positive for U.S. Equities. International equities have become very defensive with 87% cash. Fixed Income hasn't changed, and alts had only energy and REITS on as of July 31<sup>st</sup>.

Exhibit 1 Asset Class Sector "On/Off" Signals

U.S. Sector	On/Off	Intl Sector	On/Off	Fixed Income	On/Off	Alternative Asset Class	On/Off
Basic Materials	Off	Asia-Pac ex-Japan	Off	Corporate Bd. Inv./HY	On	Agriculture/S&P 500	Off/On
Cons Disc	On	Canada	On	Converts	On	Energy	On
Cons Staples	Off	Emerging Markets	Off	Intl Bd.	On	Metals	Off
Energy	On	Europe	Off	Mortgage	Off	Real Estate	On
Financials	On	Japan	On	Municipals	Off		
Healthcare	On			TIPS	Off		
Industrials	On			Treasury-Intermediate	Off		
Technology	On			Cash/Equiv.	On		
Utilities	Off						
% Invested	100%		13%		100%		64%

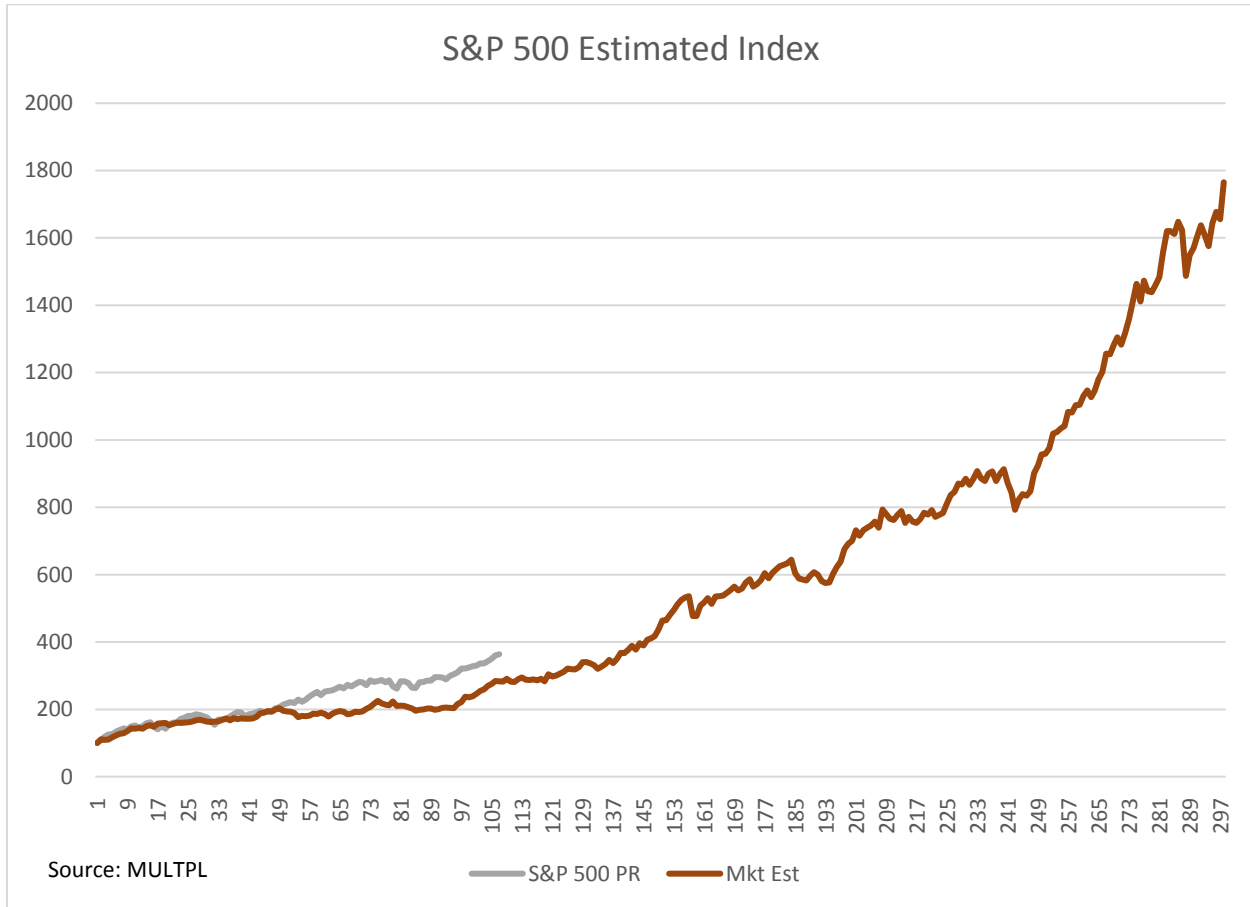
Source: QID

**QID believes that the stock market is not over extended.** The trailing twelve-month P/E ratio appears to be high relative to history at 22.74X versus a 50-year average of 18.9X. The projected S&P 500 forward earnings P/E is 17.7. Below the historical level if earnings deliver as expected. With companies giving mixed views of future earnings, investors may pause to see how trade tariffs and stronger dollar impact future earnings growth. Earnings for 2018 are estimated at 17.7%, well above 2017's 6.8% and the 50-year average of 14.57% with a median growth of 11.37%.

**What about inflation?** The real earnings average and median growth over the last 50 years was 12.64% and 8.48%, respectively. If we were to have 3.0% inflation for 2018 and average earnings growth of 17.22% than the real earnings growth would be around 14.22% (17.22-3.00). At this level, the inflation adjusted 50-year average growth would be above average, one of the few growth rates since the economic rebound. Are we in a period of catch-up that will provide above average growth ahead?

**QID believes we are most likely in a secular bull market!** If one were to look at history of market rebounds off their recession lows, the expected rebound has much more room to go. In exhibit 3 below we provide an estimate of expected growth of the S&P 500, based on the recovery of past recessions.

## Exhibit 3.



Because we believe we are in the early stages of a bull market QID has added growth strategies to its line-up. However, we continue to wrap each strategy with our downside protected algorithm as we continue to believe that the best long-term plan for investors is to provide them with comfort to stay fully invested with us. As we all know the market does not go straight up and therefore if we can give comfort to investors that we are prepared for rough periods, investors should stay fully invested with our strategies. Quantitative Investment Decisions, LLC was founded with one objective in mind – to help investors protect assets in the event of an extended market downturn. While no investment model can predict the unexpected, QID’s strategies help remove emotional and irrational behavior from the investment decision process. By limiting downside risk and participating in the market upside, the intent is to outperform an appropriate benchmark over a market cycle. QID strategies are built using 100% quantitative, proprietary algorithms that identify and react to changing market conditions. Our strategies tend to provide a more asymmetric risk profile with reduced left tail risk, a feature absent from buy and hold portfolios. QID provides investors the diversification that they need with the downside protection that they desire.

**Diversification is important with a twist!** The industry preaches diversification of asset classes to reduce risk by adding asset classes together that have a low correlation to one another. Correlation is a term that indicates how much one asset class will move with another. A correlation near 1.0 would mean one would expect the two factors to move in the same direction with the same magnitude.

Negative one would indicate that each factor would tend to move in opposite directions with same magnitude. Anything in between +1.0 and -1.0 the asset classes would move in same direction but different magnitude. The belief is that if you combine asset classes that have a low correlation to one another that you may reduce risk overtime and perform better than being invested in only one asset class. Although this may be theoretically true, the issue is that when there is an unexpected negative event, correlations converge to one and there are few if any places to hide besides cash. Human behavior indicates that **investors are loss averse not risk averse**. When losses start to exceed high teen low 20 percent levels investors run to cash and stay there for extended periods of time. The result is that they tend to miss the market rebounds, hindering their long-term investment returns. That is why QID's proprietary algorithm determines when excess risk persists and moves investors to the sidelines either in intermediate treasuries or a cash equivalent. By making the cash decision for investors, we believe we may be able to keep them fully invested through market cycles.

**QID provides the diversification that investors need with the downside protection that investors desire.** We currently offer the following suite of strategies to fill one's risk profile:

Asset Class	Sector Strategy	Growth Strategy	Concentrated Growth Strategy
U.S. Equity	QID U.S. Equity Sector	U.S. equity Growth	Titans
Intl - Non-U.S. Equity	QID International Equity		
Fixed-Income	QID U.S. Fixed-Income	Global Fixed-Income	
Alternative Strategy	QID Alternative Assets		Commodities
Retirement Series	Moderate Risk	Growth Risk	Aggressive Growth
Global Balanced	Moderate Risk	Growth Risk	Aggressive Growth

By providing investors exposure to U.S. equity, international equity, fixed-income as well as alternative asset classes such as agriculture, energy, metals, and real estate we believe we provide investors the ability to diversify their risk as per academic research. For U.S. equity we provide investors a sector based ETF strategy that equal weights the sectors that the model determines are "on" as well as two new growth stock portfolios. Titans focuses on selecting the companies deemed to be dominant in their industry. This portfolio typically contains 10 stocks or less. Therefore, it can be highly concentrated by stock as well as industry that introduces another level of risk. However, the strategy does have our protective algorithm overlay to decrease potential extreme loss. The U.S. Large Cap Growth strategy selects the fastest 15 growing stocks in America and equal weights those that the model determines are "on". This portfolio may also be very concentrated by stock and sector as well. It too is wrapped with the QID protective algorithm. It does not mean we will not occur losses from time to time, but the algorithm was developed to reduce extreme loss.

**Provide your clients the comfort to stay fully invested by using the QID strategies that provide investor's the diversification they need with downside protection they desire.**

#### Disclosures

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

#### Firm Definition

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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.**