

Positions for 2017 Issue #2

Long

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
ABG	ASBURY AUTO GRP	65.60	11.77%	RETAIL/WHOLESALE
AHT	ASHFORD HOSP TLY	7.60	20.30%	REIT-EQTY TRUST - OTHER
AXL	AMER AXLE & MFG	20.40	21.77%	AUTO/TRUCK-ORIGINAL EQP
CAR	AVIS BUDGET GRP	37.22	13.69%	BUSINESS SERVICE
CR	CRANE CO	72.04	4.88%	DIVERSIFIED OPERATIONS
EGL	ENGILITY HLDGS	29.33	9.45%	AEROSPACE/DEFENSE
ENDP	ENDO INTL PLC	12.24	11.32%	MEDICAL-DRUGS
MDP	MEREDITH CORP	61.30	8.00%	PUBLISHING-PERIODICALS
OI	OWENS-ILLINOIS	18.90	19.74%	GLASS PRODUCTS
SBS	SABESP -ADR	9.96	27.22%	UTILITY-WATER SUPPLY
SXCP	SUNCOKE ENERGY	16.45	36.71%	COAL
TECK	TECK RESOURCES	24.54	41.86%	MINING-MISC
TGP	TEEKAY LNG PTNR	18.20	27.74%	TRANSPORTATION-SHIP
TLRD	TAILORED BRANDS	21.25	18.16%	TEXTILE-APPAREL MFG
TMHC	TAYLOR MORRISON	19.40	17.52%	BLDG-RESIDENT/COMMRCL
TTMI	TTM TECHNOLOGIE	14.83	17.93%	ELEC-MISC COMPONENTS

Buy: ABG, AHT, AXL, CAR, EGL, ENDP, MDP, OI, SXCP, TECK, TGP, TLRD, TMHC, TTMI

Hold: CR, SBS

Sell: ACTG, ANIP, BDC, CORR, DLNG, ICON, PCMI, TRNC, TSE, UPLMQ, URI, WAIR, WNC, YRD

Short

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
ATHN	ATHENAHEALTH IN	125.99	-27.59%	MEDICAL INFORMATION
CF	CF INDUS HLDGS	35.29	-14.69%	FERTILIZERS
CMPR	CIMPRESS NV	84.39	-19.88%	PRINTING-COMMERCIAL
COT	COTT CORP QUE	10.60	-19.18%	BEVERAGES-SOFT DRINKS
CREE	CREE INC	27.58	-29.18%	SEMI-DISCRETES
ECHO	ECHO GLOBAL LOG	23.75	-10.63%	TRANSPORTATION-SVCS
GPC	GENUINE PARTS	96.81	-3.67%	AUTO/TRUCK-REPLACE PRTS
IMAX	IMAX CORP	32.60	-19.73%	MOVIE/TV PRODUCTION/DISTRIB
MIC	MACQUARIE INFRA	74.99	-12.26%	DIVERSIFIED OPERATIONS
NCMI	NATL CINEMEDIA	14.66	-15.92%	ADVERTISING/MKTG SVCS
OII	OCEANEERING INT	27.85	-33.02%	OIL & GAS-FIELD SERVICES
PEGI	PATTERN ENERGY	19.74	-27.90%	UTILITY-ELECTRIC POWER
RAD	RITE AID CORP	5.62	-30.09%	RETAIL-DRUG STORES
RBS	ROYAL BK SC-ADR	5.62	-26.34%	BANKS-FOREIGN
RTN	RAYTHEON CO	144.16	-5.10%	AEROSPACE/DEFENSE EQUIP
WMS	ADV DRAINAG SYS	24.10	-10.98%	BLDG & CONST PROD-MISC

Short: ATHN, CF, CMPR, COT, CREE, ECHO, GPC, IMAX, MIC, NCMI, OII, PEGI, RAD, RBS, RTN, WMS

Cover: AVAV, CALM, CONN, DDC, HDP, HMHC, IEP, JE, MTW, NVCR, OCN, PACD, SHLD, TGH, VC, WY

Positions for 2017 Issue #2 (continue)

Alternative Long

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
ATW	ATWOOD OCEANICS	12.16	23.54%	OIL & GAS-DRILLNG
BT	BT GRP PLC-ADR	19.36	9.13%	DIVERSIFIED COMM SERVICES
DV	DEVRY EDUCATION	33.50	12.87%	SCHOOLS
GPI	GROUP 1 AUTO	80.79	11.57%	RETAIL/WHOLESALE
HA	HAWAIIAN HLDGS	50.95	16.67%	TRANSPORTATION-AIRLINE
IDCC	INTERDIGITL INC	93.40	17.80%	WIRELESS EQUIPMENT
LNC	LINCOLN NATL-IN	67.51	19.64%	INSURANCE-LIFE
PGEM	PLY GEM HOLDING	16.15	16.19%	BLDG & CONST PROD-MISC
TEN	TENNECO INC	67.45	19.67%	AUTO/TRUCK-ORIGINAL EQP
TUP	TUPPERWARE BRND	60.36	6.09%	CONSUMER PROD - MISC
TX	TERNIUM SA-ADR	22.86	33.87%	STEEL-PRODUCERS
UTX	UTD TECHS CORP	109.67	2.54%	DIVERSIFIED OPERATIONS
VRX	VALEANT PHARMA	13.78	11.26%	MEDICAL-DRUGS
WAIR	WESCO AIRCRAFT	15.15	8.84%	AEROSPACE/DEFENSE
WOR	WORTHINGTON IND	47.79	10.44%	METAL PROC & FABRICATION
XRX	XEROX CORP	6.93	10.29%	BUSINESS SERVICE

Alternative Short

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
AR	ANTERO RESOURCE	24.41	-18.97%	OIL & GAS-U S EXPLOR & PROD
CCC	CALGON CARBON	15.85	-11.25%	POLLUTION CONTROL EQ & SVCS
CLH	CLEAN HARBORS	55.50	-14.43%	WASTE REMOVAL SVCS
CNHI	CNH INDUSTRIAL	8.96	-3.41%	AUTO MFRS-FOREIGN
GE	GENL ELECTRIC	29.70	-5.30%	DIVERSIFIED OPERATIONS
GPRE	GREEN PLAINS	22.50	-11.00%	CHEMICALS-SPECIALTY
HEI	HEICO CORP	76.95	-3.74%	AEROSPACE/DEFENSE EQUIP
LGND	LIGAND PHARMA-B	106.01	-20.26%	MEDICAL-BIOMED/GENETICS
MPEL	MELCO CROWN ENT	16.84	-17.31%	GAMING
PAC	GRUPO AEROP-PAC	77.32	-10.04%	TRANSPORTATION-SVCS
PRIM	PRIMORIS SERVCS	24.82	-9.75%	BLDG-HEAVY CONST
SFS	SMART&FINAL STR	14.35	-17.00%	FOOD-MISC/DIVERSIFIED
SHEN	SHENANDOAH TELE	27.25	-18.36%	DIVERSIFIED COMM SERVICES
TRIP	TRIPADVISOR INC	52.90	-26.64%	INTERNET COMMERCE
TYPE	MONOTYPE IMAGNG	21.90	-26.77%	COMPUTER-SOFTWARE
WETF	WISDOMTREE INV	10.30	-22.30%	FINANCE-INVESTMENT BKRS

Fund Summary

The Market Neutral Strategy Portfolio consists of 16 long and 16 short positions. One long and one short are selected from each of our 16 sectors. These stocks are selected using ValuEngine's quantitative models. The portfolio is rebalanced once per month near the middle of the month. Minimum price and liquidity requirements are used to insure that components can be easily traded.

Results for 2017 Issue #1

Long Stock Performance

Ticker	Company Name	Entry Price	Dividend	Exit Price	1-M Return
ACTG	ACACIA RESEARCH	6.50	-	5.85	-10.00%
ANIP	ANI PHARMACEUT	60.62	-	60.45	-0.28%
BDC	BELDEN INC	74.77	-	76.47	2.27%
CORR	COREENERGY INFRA	34.88	-	35.90	2.92%
CR	CRANE CO	72.12	-	72.04	-0.11%
DLNG	DYNAGAS LNG PTR	15.98	0.42	16.42	5.40%
ICON	ICONIX BRAND GP	9.34	-	10.29	10.17%
PCMI	PCMI INC	22.50	-	22.45	-0.22%
SBS	SABESP -ADR	8.68	-	9.96	14.75%
TRNC	TRONC INC	13.87	-	13.26	-4.40%
TSE	TRINSEO SA	59.30	0.30	64.75	9.70%
UPLMQ	ULTRA PETRO CP	7.23	-	7.65	5.81%
URI	UTD RENTALS INC	105.58	-	126.51	19.82%
WAIR	WESCO AIRCRAFT	14.95	-	15.15	1.34%
WNC	WABASH NATIONAL	15.82	0.06	17.65	11.95%
YRD	YIRENDAI LTD	20.72	-	21.13	1.98%

Short Stock Performance

Ticker	Company Name	Short Price	Dividend	Cover Price	1-M Return
AVAV	AEROVIRONMENT	26.83	-	26.19	2.39%
CALM	CAL-MAINE FOODS	44.17	-	41.70	5.60%
CONN	CONNS INC	12.65	-	10.55	16.60%
DDC	DOMINION DIAMND	9.68	-	10.01	-3.41%
HDP	HORTONWORKS INC	8.31	-	9.70	-16.73%
HMHC	HOUGHTON MIFFLN	10.85	-	11.30	-4.15%
IEP	ICAHN ENTERPRIS	59.92	-	59.33	0.98%
JE	JUST ENERGY GRP	5.46	-	5.94	-8.79%
MTW	MANITOWOC INC	5.98	-	6.83	-14.21%
NVCR	NOVOCURE LTD	7.85	-	6.35	19.11%
OCN	OCWEN FINL CORP	5.39	-	5.27	2.23%
PACD	PACIFIC DRILLNG	4.06	-	3.30	18.72%
SHLD	SEARS HLDG CP	9.29	-	6.98	24.87%
TGH	TEXTAINER GROUP	7.45	-	14.40	-93.29%
VC	VISTEON CORP	80.34	-	89.57	-11.49%
WY	WEYERHAEUSER CO	30.09	-	31.33	-4.12%

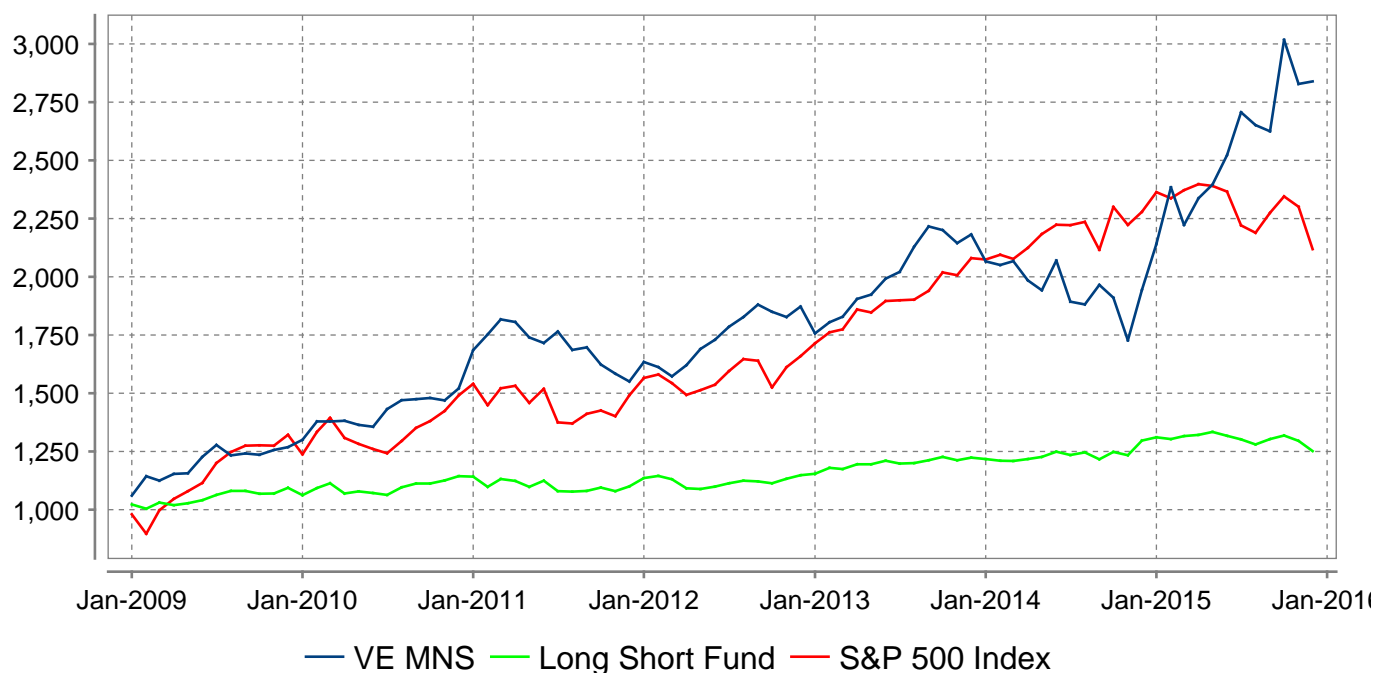
Portfolio and Benchmark Performance

Ticker	Name	Entry Level*	Exit Level	1-M Return
	VE Market Neutral Strategy			0.33%
MLSAX	Long Short Fund	7.93	8.00	0.88%
	S&P 500 Index	2238.83	2278.87	1.79%

* MLSAX entry level may be adjusted by dividend

Tracking Historical Performance

Wealth Accumulation (Starting \$1000 in January 2009)



Annual Returns

Year	VE MNS	Long Short Fund	S&P 500 Index
2009	26.84%	9.39%	32.15%
2010	19.87%	4.57%	12.80%
2011	1.97%	-3.84%	0.04%
2012	20.75%	4.36%	11.26%
2013	16.54%	6.58%	25.37%
2014	-10.92%	5.99%	9.57%
2015	46.07%	-3.48%	-7.03%

Performance Summary

	VE MNS	Long Short Fund	S&P 500 Index
Last 12-Month Return	46.07%	-3.48%	-7.03%
Last 3-Year Return	51.65%	9.02%	27.71%
Last 5-Year Return	86.72%	9.41%	42.14%
Average Monthly Return	1.35%	0.28%	0.98%
Average Annual Return	17.44%	3.45%	12.35%
Annual Volatility	15.61%	6.16%	13.68%
Maximum Drawdown	-22.07%	-6.17%	-11.63%
Sharpe Ratio	1.117	0.560	0.903
Sortino Ratio	2.069	0.861	1.257
Correlation with S&P 500	0.023	0.813	1.000

Backtesting Historical Performance

Annual Returns

Year	VE MNS	Long Short Fund	S&P 500 Index
2002	29.83%	-16.76%	-23.37%
2003	35.87%	26.36%	26.38%
2004	25.16%	5.21%	8.99%
2005	41.77%	6.42%	3.00%
2006	7.10%	6.07%	13.62%
2007	-1.04%	14.40%	3.53%
2008	-24.61%	-13.93%	-38.49%
2009	94.93%	7.21%	23.45%
2010	35.43%	4.64%	12.78%
2011	10.88%	-3.44%	-0.00%
2012	9.12%	3.59%	13.41%
2013	12.18%	9.49%	29.60%
2014	-6.94%	5.59%	11.39%
2015	-11.42%	-0.86%	-0.73%
2016	-2.07%	2.17%	9.54%
2017 YTD	-0.25%	0.88%	1.79%

Performance Summary

	VE MNS	Long Short Fund	S&P 500 Index
Last 12-Month Return	11.12%	5.84%	17.45%
Last 3-Year Return	-18.38%	11.10%	27.84%
Last 5-Year Return	-12.65%	19.98%	73.64%
Average Monthly Return	1.28%	0.29%	0.47%
Average Annual Return	16.48%	3.57%	5.74%
Annual Volatility	21.16%	7.36%	14.31%
Maximum Drawdown	-41.42%	-20.12%	-52.56%
Sharpe Ratio	0.779	0.485	0.401
Sortino Ratio	1.200	0.723	0.512
Correlation with S&P 500	0.455	0.770	1.000

This is a long term historical backtest of this portfolio. Returns are calculated using historical data, and include dividends but not trading costs. For recent actual traded returns starting January 2017, please visit www.ValuEngineCapital.com.

DISCLAIMER

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