

Positions for 2017 Issue #3

Long

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
ARLP	ALLIANCE RES	22.85	45.77%	COAL
CR	CRANE CO	72.29	3.39%	DIVERSIFIED OPERATIONS
DAN	DANA INC	18.89	18.00%	AUTO/TRUCK-ORIGINAL EQP
DV	DEVRY EDUCATION	32.15	19.42%	SCHOOLS
ENDP	ENDO INTL PLC	13.65	16.38%	MEDICAL-DRUGS
EVTC	EVERTEC INC	16.85	11.56%	FINANCIAL TRANSACTION
GCI	GANNETT CO INC	8.72	5.61%	PUBLISHING-NEWSPAPERS
GNC	GNC HOLDINGS	8.30	15.14%	RETAIL-DRUG STORES
IDCC	INTERDIGITL INC	84.05	19.63%	WIRELESS EQUIPMENT
OFG	OFG BANCORP	12.90	20.37%	BANKS-NORTHEAST
OI	OWENS-ILLINOIS	19.80	14.58%	GLASS PRODUCTS
PGEM	PLY GEM HOLDING	17.40	12.20%	BLDG & CONST PROD-MISC
SBS	SABESP -ADR	10.59	21.78%	UTILITY-WATER SUPPLY
TECK	TECK RESOURCES	20.01	46.12%	MINING-MISC
TGI	TRIUMPH GRP INC	27.80	6.57%	AEROSPACE/DEFENSE EQUIP
TGP	TEEKAY LNG PTNR	18.70	29.48%	TRANSPORTATION-SHIP

Buy: ARLP, DAN, DV, EVTC, GCI, GNC, IDCC, OFG, PGEM, TGI

Hold: CR, ENDP, OI, SBS, TECK, TGP

Sell: ABG, AHT, AXL, CAR, EGL, MDP, SXCP, TLRD, TMHC, TTMI

Short

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
ATHN	ATHENAHEALTH IN	117.93	-20.41%	MEDICAL INFORMATION
CF	CF INDUS HLDGS	31.42	-30.55%	FERTILIZERS
CLB	CORE LABS NV	114.42	-18.31%	OIL & GAS-FIELD SERVICES
CLH	CLEAN HARBORS	57.96	-14.09%	WASTE REMOVAL SVCS
CMPR	CIMPRESS NV	80.21	-28.31%	PRINTING-COMMERCIAL
COT	COTT CORP QUE	10.66	-22.94%	BEVERAGES-SOFT DRINKS
EADSY	AIRBUS GROUP NV	18.30	-13.65%	AEROSPACE/DEFENSE
ECHO	ECHO GLOBAL LOG	21.85	-20.33%	TRANSPORTATION-SVCS
GPC	GENUINE PARTS	95.71	-3.38%	AUTO/TRUCK-REPLACE PRTS
ITG	INVEST TECH-NEW	20.02	-23.28%	FINANCE-INVESTMENT BKRS
LE	LANDS END INC	18.55	-33.30%	RETAIL-MAIL ORDER & DIRECT
MIC	MACQUARIE INFRA	76.94	-8.04%	DIVERSIFIED OPERATIONS
PRIM	PRIMORIS SERVCS	24.86	-11.48%	BLDG-HEAVY CONST
SEAS	SEAWORLD ENTERT	19.27	-20.89%	LEISURE & RECREATION SVCS
SHEN	SHENANDOAH TELE	28.10	-22.14%	DIVERSIFIED COMM SERVICES
TYPE	MONOTYPE IMAGNG	20.15	-26.61%	COMPUTER-SOFTWARE

Short: CLB, CLH, EADSY, ITG, LE, PRIM, SEAS, SHEN, TYPE

Hold: ATHN, CF, CMPR, COT, ECHO, GPC, MIC

Cover: CREE, IMAX, NCMI, OII, PEGI, RAD, RBS, RTN, WMS

Positions for 2017 Issue #3 (continue)

Alternative Long

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
APO	APOLLO GLOBAL-A	22.74	20.28%	FINANCE-INVESTMENT MGMT
AXL	AMER AXLE & MFG	19.82	17.94%	AUTO/TRUCK-ORIGINAL EQP
CAR	AVIS BUDGET GRP	34.58	11.39%	BUSINESS SERVICE
GPI	GROUP 1 AUTO	77.69	11.45%	RETAIL/WHOLESALE
HON	HONEYWELL INTL	124.50	0.59%	DIVERSIFIED OPERATIONS
MHO	M/I HOMES INC	23.60	11.16%	BLDG-RESIDENT/COMMRCL
MSGN	MSG NETWORKS	21.80	17.35%	MOVIE/TV PRODUCTION/DISTRIB
MT	ARCELOR MITTAL	8.78	37.95%	STEEL-PRODUCERS
NRG	NRG ENERGY INC	16.56	14.06%	UTILITY-ELECTRIC POWER
NUS	NU SKIN ENTERP	49.54	5.27%	COSMETICS & TOILETRIES
SPR	SPIRIT AEROSYS	61.61	5.61%	AEROSPACE/DEFENSE EQUIP
SXCP	SUNCOKE ENERGY	16.70	21.95%	COAL
TOO	TEEKAY OFFSHORE	5.11	16.90%	TRANSPORTATION-SHIP
TTMI	TTM TECHNOLOGIE	16.16	18.37%	ELEC-MISC COMPONENTS
UEPS	NET 1 UEPS TECH	13.30	11.99%	PROTECTION-SFTY EQ & SVC
VRX	VALEANT PHARMA	14.38	16.38%	MEDICAL-DRUGS

Alternative Short

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
AMAG	AMAG PHARMA INC	22.45	-18.11%	MEDICAL-BIOMED/GENETICS
BUD	ANHEUSER-BU ADR	109.49	-12.55%	BEVERAGES-ALCOHOLIC
CCJ	CAMECO CORP	11.09	-24.19%	MINING-MISC
CNHI	CNH INDUSTRIAL	9.24	-3.25%	AUTO MFRS-FOREIGN
CPG	CRESCENT PT EGY	11.01	-17.98%	OIL & GAS-CDN EXP & PROD
CREE	CREE INC	27.14	-26.31%	SEMI-DISCRETES
HEI	HEICO CORP	82.15	-5.14%	AEROSPACE/DEFENSE EQUIP
HTLD	HEARTLAND EXP	20.74	-14.01%	TRANSPORTATION-TRUCK
KBR	KBR INC	15.05	-10.38%	ENGINEERING/R&D SVCS
MPEL	MELCO CROWN ENT	16.37	-17.67%	GAMING
PEGI	PATTERN ENERGY	20.79	-18.96%	UTILITY-ELECTRIC POWER
PRLB	PROTO LABS INC	54.60	-12.68%	RUBBER & PLASTIC PRODUCTS
RAD	RITE AID CORP	6.00	-27.38%	RETAIL-DRUG STORES
RAVN	RAVEN INDS INC	29.55	-5.92%	DIVERSIFIED OPERATIONS
ROL	ROLLINS INC	36.56	-11.14%	BLDG-MAINTENANCE & SVC
WETF	WISDOMTREE INV	9.11	-20.39%	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 #2

Long Stock Performance

Ticker	Company Name	Entry Price	Dividend	Exit Price	1-M Return
ABG	ASBURY AUTO GRP	65.60	-	65.15	-0.69%
AHT	ASHFORD HOSPTLY	7.60	-	6.57	-13.55%
AXL	AMER AXLE & MFG	20.40	-	19.82	-2.84%
CAR	AVIS BUDGET GRP	37.22	-	34.58	-7.09%
CR	CRANE CO	72.04	0.33	72.29	0.81%
EGL	ENGILITY HLDGS	29.33	-	31.31	6.75%
ENDP	ENDO INTL PLC	12.24	-	13.65	11.52%
MDP	MEREDITH CORP	61.30	0.52	62.70	3.13%
OI	OWENS-ILLINOIS	18.90	-	19.80	4.76%
SBS	SABESP -ADR	9.96	-	10.59	6.33%
SXCP	SUNCOKE ENERGY	16.45	0.59	16.70	5.13%
TECK	TECK RESOURCES	24.54	-	20.01	-18.46%
TGP	TEEKAY LNG PTNR	18.20	0.14	18.70	3.52%
TLRD	TAILORED BRANDS	21.25	-	23.11	8.75%
TMHC	TAYLOR MORRISON	19.40	-	20.13	3.76%
TTMI	TTM TECHNOLOGIE	14.83	-	16.16	8.97%

Short Stock Performance

Ticker	Company Name	Short Price	Dividend	Cover Price	1-M Return
ATHN	ATHENAHEALTH IN	125.99	-	117.93	6.40%
CF	CF INDUS HLDGS	35.29	0.30	31.42	10.12%
CMPR	CIMPRESS NV	84.39	-	80.21	4.95%
COT	COTT CORP QUE	10.60	-	10.66	-0.57%
CREE	CREE INC	27.58	-	27.14	1.60%
ECHO	ECHO GLOBAL LOG	23.75	-	21.85	8.00%
GPC	GENUINE PARTS	96.81	-	95.71	1.14%
IMAX	IMAX CORP	32.60	-	32.35	0.77%
MIC	MACQUARIE INFRA	74.99	-	76.94	-2.60%
NCMI	NATL CINEMEDIA	14.66	-	12.83	12.48%
OII	OCEANEERING INT	27.85	0.15	28.32	-2.23%
PEGI	PATTERN ENERGY	19.74	-	20.79	-5.32%
RAD	RITE AID CORP	5.62	-	6.00	-6.76%
RBS	ROYAL BK SC-ADR	5.62	-	5.88	-4.63%
RTN	RAYTHEON CO	144.16	-	154.15	-6.93%
WMS	ADV DRAINAG SYS	24.10	0.06	22.05	8.26%

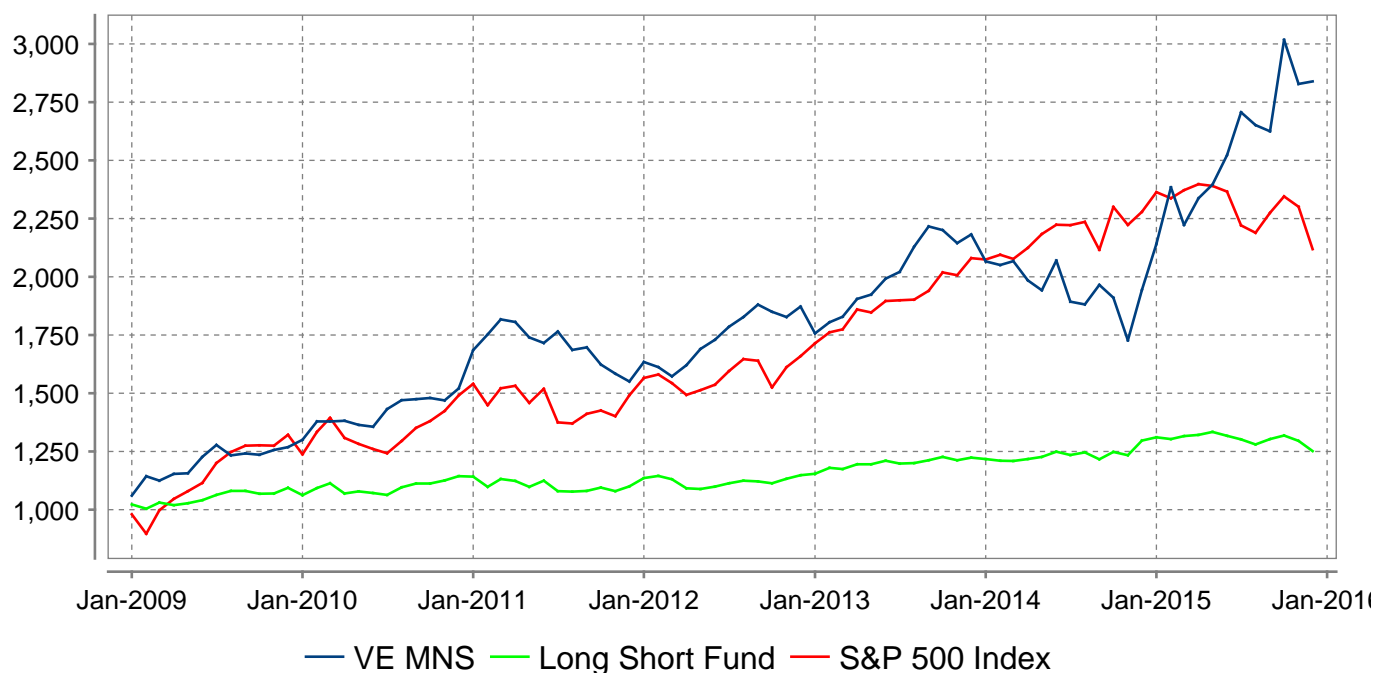
Portfolio and Benchmark Performance

Ticker	Name	Entry Level*	Exit Level	1-M Return
	VE Market Neutral Strategy			2.84%
MLSAX	Long Short Fund	8.00	8.05	0.63%
	S&P 500 Index	2278.87	2363.64	3.72%

* 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	30.14%	-16.76%	-23.37%
2003	35.29%	26.36%	26.38%
2004	25.52%	5.21%	8.99%
2005	39.91%	6.42%	3.00%
2006	6.43%	6.07%	13.62%
2007	-1.14%	14.40%	3.53%
2008	-23.53%	-13.93%	-38.49%
2009	103.69%	7.21%	23.45%
2010	31.81%	4.64%	12.78%
2011	11.52%	-3.44%	-0.00%
2012	7.38%	3.59%	13.41%
2013	15.13%	9.49%	29.60%
2014	-7.26%	5.59%	11.39%
2015	-10.98%	-0.86%	-0.73%
2016	3.83%	2.17%	9.54%
2017 YTD	5.49%	1.51%	5.57%

Performance Summary

	VE MNS	Long Short Fund	S&P 500 Index
Last 12-Month Return	13.27%	8.66%	22.33%
Last 3-Year Return	-7.55%	10.49%	27.11%
Last 5-Year Return	-3.77%	18.20%	73.07%
Average Monthly Return	1.35%	0.29%	0.48%
Average Annual Return	17.50%	3.59%	5.96%
Annual Volatility	21.19%	7.34%	14.29%
Maximum Drawdown	-41.03%	-20.12%	-52.56%
Sharpe Ratio	0.826	0.489	0.417
Sortino Ratio	1.277	0.727	0.533
Correlation with S&P 500	0.463	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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