



NAAIM Exposure Index

eResearch Corporation is pleased to provide a reading of the NAAIM Exposure Index.

NAAIM is the National Association of Active Investment Managers. This U.S. group's purpose is to promote the common interests of those investment advisors who provide active investment management services for clients using mutual funds and other appropriate investment vehicles. "Active investment management services" means taking an active role in investment selection and risk management with the objective of improving a portfolio's risk/reward relationship. Additional information on NAAIM is provided after the latest Index readings, provided below.

NAAIM, through its Exposure Index, provides a weekly reading of the average exposure to U.S. equities by its members.

The Association's website can be accessed at the following link: <http://www.naaim.org/>

The Exposure Index can be found here: <http://www.naaim.org/newsresources/naaim-exposure-index/>

NAAIM Exposure Index Reading: March 22, 2017

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|-----------------------|-------|
| Current Reading: | 68.68 |
| Last Quarter Average: | 84.15 |

On the following pages, we provide:

1. The last six months data of the Average Response of the Investment Managers;
2. The most bearish and the most bullish response for each week of data; and
3. Three quartiles showing 25% at or below, the median, and 25% at or above the average response number.

We follow that table with two charts with data over the last six months.

The first chart depicts the weekly Average Response, as of Wednesday. The second chart shows the corresponding Wednesday close of the S&P 500 Index.

There is fairly good correlation, not perfect, between the actions of the Investment Managers and the performance of the S&P 500.

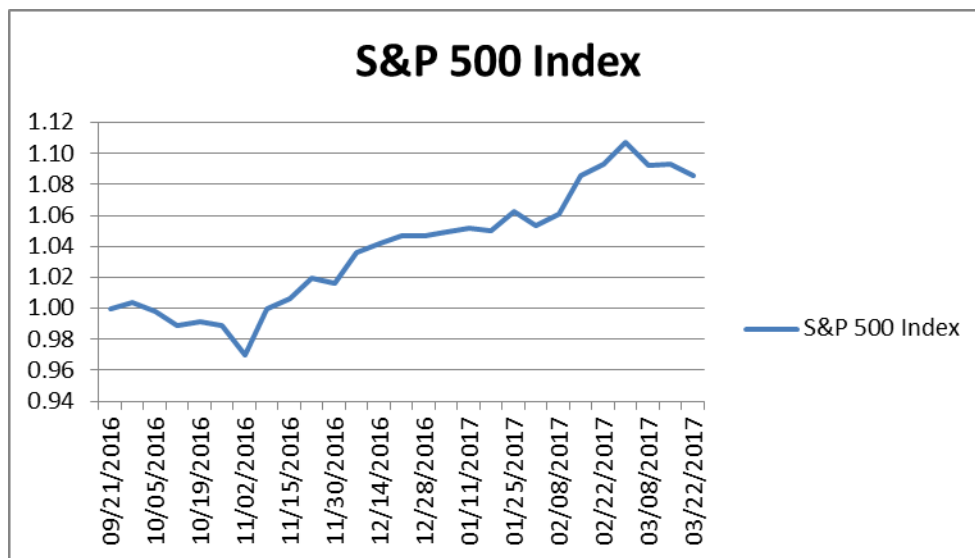
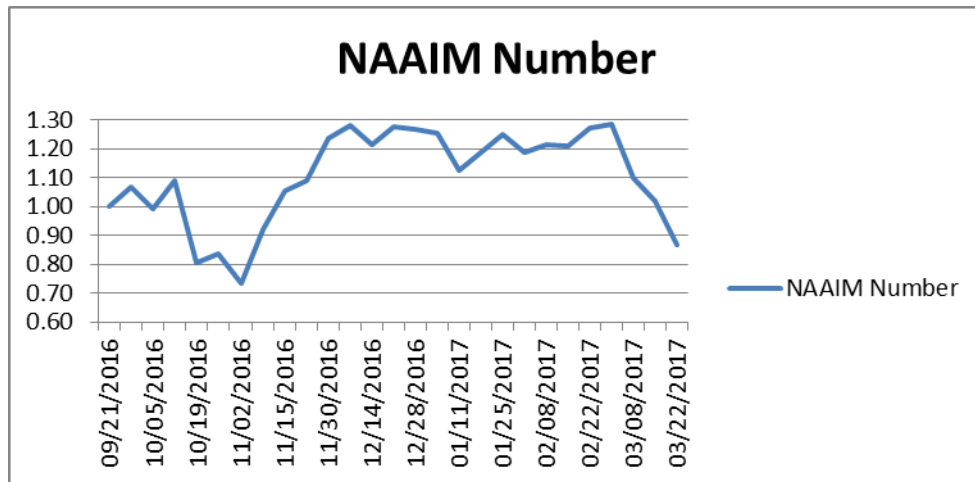


The last six months figures are shown in the table below.

| <u>Date of Response</u> | <u>Mean or Average Response</u> | <u>Most Bearish Response</u> | <u>Quartile 1 (25% at/below avg response)</u> | <u>Quartile 2 (median) response)</u> | <u>Quartile 3 (25% at/above avg response)</u> | <u>Most Bullish Response</u> |
|-------------------------|---------------------------------|------------------------------|---|--------------------------------------|---|------------------------------|
| 03/22/2017 | 68.68 | -100 | 50.00 | 82.00 | 100.00 | 150 |
| 03/15/2017 | 80.77 | -25 | 57.50 | 87.50 | 100.00 | 175 |
| 03/08/2017 | 87.09 | 0 | 65.00 | 99.00 | 100.00 | 177 |
| 03/01/2017 | 102.07 | 0 | 95.00 | 100.00 | 100.00 | 200 |
| 02/22/2017 | 100.83 | 0 | 85.00 | 100.00 | 100.00 | 200 |
| 02/15/2017 | 95.89 | 0 | 83.75 | 100.00 | 100.00 | 200 |
| 02/08/2017 | 96.26 | 0 | 80.25 | 100.00 | 100.00 | 200 |
| 02/01/2017 | 94.02 | 0 | 80.00 | 100.00 | 100.00 | 200 |
| 01/25/2017 | 99.28 | 0 | 80.00 | 99.00 | 100.00 | 200 |
| 01/18/2017 | 94.09 | 0 | 85.00 | 100.00 | 100.00 | 200 |
| 01/11/2017 | 89.29 | 0 | 69.00 | 93.50 | 100.00 | 200 |
| 01/04/2017 | 99.43 | 0 | 82.50 | 100.00 | 102.50 | 200 |
| 12/28/2016 | 100.60 | 25 | 81.25 | 99.00 | 100.00 | 200 |
| 12/21/2016 | 101.33 | 30 | 90.00 | 100.00 | 100.00 | 200 |
| 12/14/2016 | 96.23 | -50 | 75.75 | 99.50 | 100.00 | 200 |
| 12/07/2016 | 101.60 | 0 | 90.00 | 100.00 | 100.00 | 200 |
| 11/30/2016 | 98.02 | 5 | 87.50 | 100.00 | 100.00 | 200 |
| 11/23/2016 | 86.56 | 5 | 69.00 | 91.75 | 100.00 | 150 |
| 11/15/2016 | 83.42 | -50 | 67.50 | 98.50 | 100.00 | 200 |
| 11/09/2016 | 72.96 | -150 | 45.00 | 95.00 | 100.00 | 200 |
| 11/02/2016 | 58.08 | -150 | 29.00 | 77.50 | 100.00 | 200 |
| 10/26/2016 | 66.47 | -150 | 50.00 | 90.00 | 100.00 | 200 |
| 10/19/2016 | 63.70 | -150 | 45.00 | 90.00 | 100.00 | 200 |
| 10/12/2016 | 86.53 | -100 | 70.50 | 90.00 | 100.00 | 200 |
| 10/05/2016 | 78.49 | -50 | 65.00 | 95.00 | 100.00 | 200 |
| 09/28/2016 | 84.52 | -50 | 69.25 | 94.25 | 100.00 | 200 |
| 09/21/2016 | 79.31 | -50 | 69.00 | 93.50 | 100.00 | 185 |

<continued>

The relative performances over the last six months of the NAAIM Number and the S&P 500 Index are shown in the charts below. The starting point six months ago is set to 1.00. The latest NAAIM Number is 0.87, and for the S&P 500 Index, it is 1.09.



<continued: for information on NAAIM and how it works>



What Is The NAAIM Exposure Index?

The NAAIM Exposure Index represents the average exposure to U.S. equity markets reported by NAAIM members.

It is important to recognize that the NAAIM Exposure Index is not predictive in nature and is of little value in attempting to determine what the stock market will do in the future. The primary goal of most active managers is to manage the risk/reward relationship of the stock market and to stay in tune with what the market is doing at any given time. As the name indicates, the NAAIM Exposure Index provides insight into the actual adjustments active risk managers have made to client accounts over the past two weeks.

How Does It Work?

NAAIM member firms who are active money managers are asked each week to provide a number which represents their overall equity exposure at the market close on a specific day of the week, currently Wednesdays. Responses can vary widely as indicated below.

Responses are tallied and averaged to provide the average long (or short) position of all NAAIM managers, as a group.

Range of Responses:

200% Leveraged Short
100% Fully Short
0% (100% Cash or Hedged to Market Neutral)
100% Fully Invested
200% Leveraged Long

Data collection issues that may affect the statistical significance of this data include:

- Use of a single, composite number for each adviser may not accurately represent the market view of a manager who has short-term and long-term strategies that are providing conflicting signals, or a manager who uses both contra-trend and trend-following strategies for different portfolios.
- Investment Styles vary widely among managers participating in this survey. They may include managers that trade very frequently and can switch long and short positions daily. Other managers stay fully invested at all times and only change allocations among market segments or sectors. Still others trade around core positions and only a portion of their portfolios change, but that portion could potentially go from long to short very quickly.
- Sample size: Although the number of participating managers, known as NAAIM Trend-Setters, is steadily growing the sample size is not large and, therefore, may be less reflective of actual market conditions.

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