



The U.S. stock market presented challenges in 2015. While major U.S. indices ended the year relatively flat, the average stock ended in negative territory. When the markets closed on December 31, the S&P 500 Index produced an annual return of +0.74%, while RSP (Guggenheim S&P 500 Equal Weight ETF), a gauge of the average stock price, ended -2.7%. The difference highlights that a majority of the slight gain was attributed to the largest market-cap names.

Global equities fared worse. The ACWI ex-U.S. declined with a -5.7% return. Bonds didn't help either. U.S. bonds (Barclays U.S. Bond Aggregate) provided only modest relief at +0.6% while global bonds (JP Morgan Global Aggregate Bond Index) ended -2.7%.

Many of our tactical strategies adjusted allocation to a more conservative posture as 2016 approached. CAN SLIM® reduced equity exposure from 85% in mid-December to 70% by year-end. The 30% cash position provides protection should equities decline to start 2016, and also the liquidity to invest should new opportunities arise. As always, we continue to monitor the risk metrics daily, and if and when the data warrants a change, we'll adjust our exposure accordingly.

TECHNICAL	SENTIMENT	MACROECONOMIC	VALUATION
<p>S&P 500 Index ended the month -1.6% and 2015 +0.7%, with the ACWI ex-U.S. -1.9% in December and -5.7% YTD</p> <p>Volatility (VIX) rose in December ended the year 18.2 as other technical fear indicators turned bullish</p> <p>Market oversold metrics flipped to a positive position</p>	<p>Equity (SPY) flows increased +3.1% in December</p> <p>The UM Consumer Sentiment Survey ticked up for a 4th consecutive month to 92.6, its highest level since August</p> <p>Short Interest decreased to 2.2 from November 3.2</p> <p>The AAll sentiment survey displayed more retail investors turned bearish over the last month</p>	<p>The Federal Reserve raised lending rates for the first time in almost 10 years, providing confidence in the U.S. economy</p> <p>The historic move comes after years of quantitative easing followed by a continued decrease in unemployment and jobless claims, while incomes rose</p> <p>According to chair, Janet Yellen, further moves will be gradual and dependent on higher inflation</p>	<p>S&P 500 P/E levels remained relatively unchanged at 18.3 with forward P/E at 17.4</p> <p>Size mattered in 2015, as large-cap U.S. equities outperformed their mid and small-cap counterparts. In particular, the largest 50 companies provided much of the gain</p> <p>Growth stocks outperformed their value counterparts in 2015</p>

As of 12/31/2015. Data provided by Bloomberg, GoldmanSachs, Morningstar, Bureau of Economic Analysis.

The NorthCoast Navigator is a market "barometer" displaying NorthCoast's current equity outlook. This aggregate metric is determined by multiple data points across four broad dimensions including Technical, Sentiment, Macroeconomic, and Valuation indicators. The daily result determines equity exposure in our tactical strategies.

STRATEGY	DESCRIPTION	COMMENTARY	EQUITY EXPOSURE (END OF MONTH)
CAN SLIM®	All-Cap Tactical Growth	CAN SLIM® ended the month with 30% cash position. The cash was beneficial to the portfolio as equities declined to close out the year. A year-end review of the strategy will be available in the coming weeks.	71%
CAN SLIM® INTERNATIONAL	All-Cap International Tactical Growth	International equities experienced another negative month in December and closed the year in negative territory. Central banks aimed to bolster lagging economic growth with accommodative policies.	95%
LEGENDS VALUE	All-Cap Value	Value stocks underperformed their growth counterparts in December, applying pressure to NorthCoast's deep-value strategy. The price action provided an opportunity to replace positions with higher-ranked stocks displaying greater risk-adjusted return potential.	100% (no cash scaling)
TACTICAL GROWTH	Dynamic ETF Allocation Growth	Japan equities (EWJ) provided the biggest gains in Tactical Growth for the year thanks in part to its quantitative easing program. The strategy also benefited from a tactical move in emerging markets (EEM).	88%
TACTICAL INCOME	Dynamic ETF Allocation Income	Municipal bonds (MUB) were the bright spot for Tactical Income in 2015, a year in which general equity and bond market performance was mostly flat or even negative. The strategy currently produces a 4% yield.	15%

The securities shown are for informational purposes only. They can change and are not a recommendation to buy or sell any of these securities or to allocate a portfolio in this manner. Data and performance shown is through 12/31/2015. Provided by Bloomberg, Investor's Business Daily, NorthCoast Asset Management.

This information contained herein has been prepared by NorthCoast Asset Management, LLC ("NorthCoast") on the basis of publicly available information, internally developed data and other third party sources believed to be reliable. NorthCoast has not sought to independently verify information obtained from public and third party sources and makes no representations or warranties as to accuracy, completeness or reliability of such information. All opinions and views constitute judgments as of the date of writing without regard to the date on which the reader may receive or access the information, and are subject to change at any time without notice and with no obligation to update. This material is for informational and illustrative purposes only and is intended solely for the information of those to whom it is distributed by NorthCoast. No part of this material may be reproduced or retransmitted in any manner without the prior written permission of NorthCoast. NorthCoast does not represent, warrant or guarantee that this information is suitable for any investment purpose and it should not be used as a basis for investment decisions. PAST PERFORMANCE DOES NOT GUARANTEE OR INDICATE FUTURE RESULTS.

This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or investment products or to adopt any investment strategy. The reader should not assume that any investments in companies, securities, sectors, strategies and/or markets identified or described herein were or will be profitable and no representation is made that any investor will or is likely to achieve results comparable to those shown or will make any profit or will be able to avoid incurring substantial losses. Performance differences for certain investors may occur due to various factors, including timing of investment. Investment return will fluctuate and may be volatile, especially over short time horizons. INVESTING ENTAILS RISKS, INCLUDING POSSIBLE LOSS OF SOME OR ALL OF THE INVESTOR'S PRINCIPAL.

The investment views and market opinions/analyses expressed herein may not reflect those of NorthCoast as a whole and different views may be expressed based on different investment styles, objectives, views or philosophies. To the extent that these materials contain statements about the future, such statements are forward looking and subject to a number of risks and