NorthCoast Asset Management

NorthCoast Navigator

April 2016 (3/31/2016)

U.S. equities (S&P 500) opened the year with an almost 6% decline in January, remained flat with a down-then-up February, and have since rallied over 6% in March to end the quarter +1.2% YTD. International equities (ACWI ex-U.S.) experienced even greater gains in March with a +8.1% return, paring earlier losses and sit -0.4% YTD.

Much of the rally can be attributed to investors' favorable reaction to a rise in oil prices and a lack of negative headlines across global markets. Fed Chair Janet Yellen recently stated that the economy might not yet be ready for another rate hike, which was welcomed news for the market in the short-term. While economic growth prospects in the U.S. and abroad remains stable yet sluggish, stocks extended their 7th straight year in positive territory since the March 2009 low. The late February-into-March rally elevated prices and raised valuations, thereby reducing the attractiveness of entering new positions. Much of our concern surrounding market-moving indicators in early March still exist as we move into Q2. Consumer sentiment, producer sentiment and economic surprise indices remain soft. Technical indicators remain stable, yet neutral. In the face of weaker sentiment and valuation data, macroeconomic indicators remain bullish.

Moving into Q2

In our tactical equities, we continue to hedge against the aforementioned market risks with a healthy cash position. We ended March with just over 60% equity exposure in our U.S. tactical strategies and 85% in our international portfolios. The almost 40% cash hedge in the U.S. strategies can be attributed to weakened valuation and sentiment metrics.

Technical	Sentiment	Macroeconomic	Valuation
S&P 500 Index ended the month +6.7% and +1.2% YTD with the ACWI ex-U.S. +8.1% in March and -0.4% YTD Volatility (VIX) dropped to its lowest level in almost two years and over 30% since February The S&P 500 jumped to 5% above 50-day moving average while 3% above the 100-day and 2% above the 200-day	Equity (SPY) flows increased 1.6% in March The UM Consumer Sentiment Survey experienced a downtick for a third straight month Short Interest increased for a third straight month to 2.5 The U.S. Purchasing Managers Index (PMI), an indicator in business confidence ticked up to 51.8 in March	Global growth continues to be a concern as oil prices remain low and the export-heavy economies struggle with lower demand U.S. leading indicators remain at positive levels Activity in China's factory sector unexpectedly expanded in March, marking the first increase in manufacturing in over a year	S&P 500 P/E levels increased their highest level in almost six months at 18.7 and forward P/E at 17.4 Small-cap and Mid-cap stocks outperformed large-cap stocks by almost 2% in March, with mid-cap stocks almost +4% for the year Quarterly revenue and profit earnings reports will be a highly watched "barometer" of the strength of the rally

As of 3/31/2016. 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.

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 uncertainties.