



# HAYS ADVISORY

A disciplined approach to investing

## Hays Advisory LLC

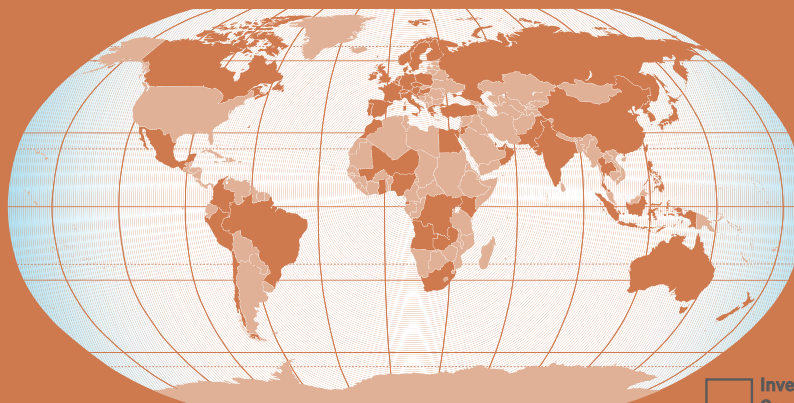
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### ABOUT HAYS ADVISORY LLC

- Established 1999 in Nashville, Tennessee
- Independent, Employee Owned
- Over 40 combined years of Market/Economic Analysis
- Disciplined, long-term investment approach
- Total Firm Assets Under Management: \$595.33 million (12/31/2016)
- Total Assets Under Advisement: 1.05 Billion (12/31/2016)
- Dedicated to client education and communication

## International ETF Portfolio Highlights



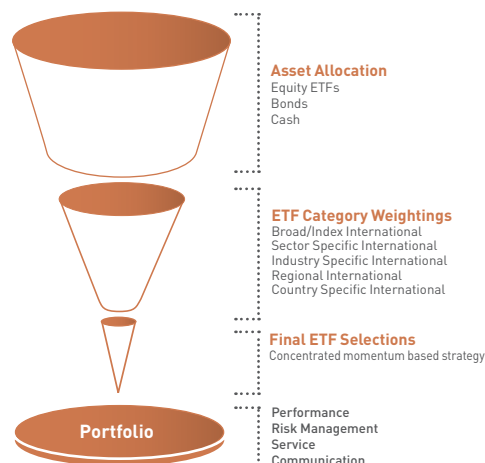
- Broad investable universe includes both developed and emerging foreign economies
- Quantitative selection process targets top performing international ETFs
- Proprietary, Tactical Asset Allocation Model designed to take advantage of major market turning points & remove emotions from investing
- Portfolio can move to cash and/or bonds when model deems appropriate
- Actively managed, concentrated portfolio with typically 7-15 positions
- Upside and downside sell discipline

### Performance: Annualized Returns\* (inception 1/31/06)

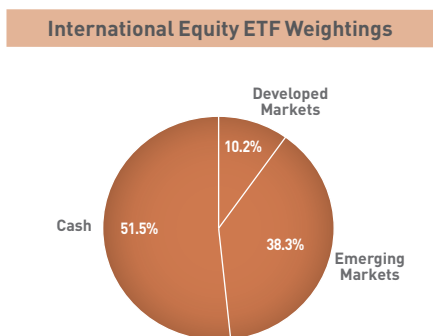
	QTR*	YTD*	1 Year	3 Year	5 Year	7 Year	10 Year	Inception
International ETF Portfolio – Net	-4.56%	-4.26%	-4.26%	-5.34%	-0.14%	-0.66%	0.40%	1.84%
International ETF Portfolio – “Pure” Gross**	-4.24%	-2.95%	-2.95%	-4.14%	1.00%	0.49%	1.57%	3.01%
MSCI All Country World Ex US	-1.25%	4.50%	4.50%	-1.78%	5.00%	2.93%	0.96%	2.44%

Portfolio Constraints		Asset Allocation	
Equity ETF Constraints:	0-100%	Developed Market ETFs	10.2%
Fixed Income Constraints:	0-100%	Emerging Market ETFs	38.3%
Cash Constraints:	0-100%	Cash	51.5%
		Fixed Income	0.00%

### The Hays Process



### Portfolio Composition†



### Top Holdings (by portfolio weighting): 12/31/16†

CASH	cash-1	51.5%
FIRST TRUST DEVELOPED MARKETS ETF	fdt	10.2%
FIRST TRUST BRAZIL	fbz	10.1%
ISHARES MSCI RUSSIA CAPPED ETF	erus	9.8%
ISHARES MSCI INDONESIA INVESTABLE MARKET INDEX FUND	eido	9.5%
ISHARES MSCI NEW ZEALAND CAPPED INVESTABLE MARKET INDEX FUND	enzl	8.9%



## International ETF Performance Disclosures

Hays Advisory, LLC is a registered investment advisor registered pursuant to the provisions of the Investment Advisors Act of 1940 as amended. The firm is a distinct business unit with distinct investment processes and procedures relating to the management of investment portfolios for clients and specializes in a strategic and tactical asset allocation management style.

The recommended asset class portfolio constraints for the International ETF Composite strategy allow for a client's portfolio to be invested in as much as 100% ETF equities with a minimum of 0% when market risk rises. While Hays Advisory's goal is to always adhere to the maximum and minimum constraints, market conditions or other special situations may cause a greater variance.

Total assets under advisement includes both composite assets as defined by GIPS and assets under advisement to which Hays provides model portfolio recommendations.

International ETF composite assets as of December 31, 2016 were \$1.74 million, which represented less than 1% of the firm's total assets under management. 18.15% of the assets in the composite were non-fee paying assets. Returns are calculated in U.S. dollars. Client's returns will be reduced by the advisory fees and any other expenses it may incur in the management of its investment accounts. Hays Advisory's investment advisory fees are described in detail in Part 2A of its Form ADV.

Hays Advisory, LLC has received a firm-wide GIPS verification for the period July 1, 1998 through December 31, 2015.

Hays Advisory, LLC claims compliance with the Global Investment Performance Standards (GIPS®)

To receive a complete list and description of Hays Advisory, LLC's composites and/or a presentation that adheres to the GIPS standards, contact us at 615-467-6070, or write Hays Advisory, LLC, 105 Continental Place, Suite 150, Brentwood, TN 37027, or email [info@haysadvisory.com](mailto:info@haysadvisory.com).

\*All returns for periods less than one year have NOT been annualized.

\*\*"Pure" gross of fees returns are supplemental to net returns. For wrap accounts, "pure" gross-of fees returns do not reflect the deduction of any expenses, including trading costs. For non-wrap accounts, which represent 22.63% of the composite assets at the end of the period, gross of fees returns do not reflect the deduction of fees and expenses but do include trading costs.

†The Top Holdings and Portfolio Composition are representative of a model account and are presented as supplemental information to the GIPS compliant presentation, which is available upon request. Holdings and asset allocation are subject to change. This is not a recommendation to buy or sell any of the securities listed and should not be considered investment advice.

The market value of Hays Advisory's portfolios' investments will fluctuate as the stock and bond markets fluctuate. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Stock market conditions vary from year to year, and can result in a decline in market value due to material market or economic conditions. The net performance results portrayed reflect the deduction of advisory fees and other expenses, which the client would have paid during the periods shown. Prior to 2008, the composite contained a single, non-fee paying account. Net performance results were calculated hypothetically by deducting a 1% annual fee billed at 0.25% per quarter – Hays Advisory's highest applicable management fee during the period – to reflect what a client may have paid during the periods shown. The results portrayed reflect the reinvestment of dividends, capital gains and other earnings when appropriate. Dividends and capital gains may be invested in money market funds or other cash equivalents pending reinvestment in other portfolio securities. Clients and prospective clients should understand that past performance is no guarantee of future results. There is always the chance that market conditions or portfolio performance might deteriorate in the future, and clients may experience real capital losses in their managed accounts. There were no investment strategies employed to obtain the results portrayed other than those strategies disclosed in Hays Advisory, LLC's Form ADV or other disclosure brochure. The results portrayed are derived from the composite performance of all the discretionary International ETF accounts managed by Hays Advisory, including both the equity and fixed income portions of such accounts.

### Portfolio Inception Date

International ETF – January 31, 2006

### Benchmark

The International ETF portfolio composite results portrayed during the periods are compared to the performance of MSCI All Country World X US Index. On December 31, 2009, the benchmark returns for the composite were changed retroactively to reflect the deduction of withholding taxes – from MSCI ACWI Ex US Gross Returns Index to MSCI ACWI Ex US Net Returns Index. The change was made retroactively, because the firm feels that using benchmark returns net of withholding taxes offers a more appropriate comparison across the history of the composite. The MSCI ACWI (All Country World Index) ex-USA is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. The volatility of the MSCI ACWI X US Index may be materially different from that of the performance composite. In addition, the composite's holdings may differ significantly from the securities that comprise the MSCI ACWI X US Index. The MSCI ACWI X US Index has not been selected to represent the most appropriate benchmark to compare the composite's performance, but rather is disclosed to allow for comparison of the composite's performance to that of a well-known and widely recognized index. An index is unmanaged and not available for direct investment.

