

**Portfolio Strategies, Inc.**  
**Absolute Return**  
**ANNUAL DISCLOSURE PRESENTATION**

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	Annual Performance Results Composite		HFRX Absolute Return Index	Composite Dispersion (Net)	Composite 3-Yr Std Dev (Net)	Benchmark 3-Yr Std Dev
				(Gross)	(Net)				
2016	\$113.29	\$0.36	16	0.38%	-1.58%	0.31%	2.11%	3.74%	1.55%
2015	\$129.14	\$0.42	16	-7.42%	-9.00%	2.86%	0.39%	3.08%	1.65%
2014	\$176.82	\$2.37	59	2.25%	0.20%	0.79%	0.90%	2.98%	1.55%
2013	\$121.62	\$0.33	12	0.08%	-1.85%	3.57%	0.60%	n/a <sup>2</sup>	n/a <sup>2</sup>
2012	\$145.54	\$1.54	28	-0.43%	-2.38%	0.88%	2.08%	n/a <sup>2</sup>	n/a <sup>2</sup>
2011	\$207.18	\$0.22	7	-0.26%	-0.60%	-0.77%	n/a <sup>1</sup>	n/a <sup>2</sup>	n/a <sup>2</sup>

\*Composite and benchmark performance are for the period September 1, 2011 through December 31, 2016.

n/a<sup>1</sup> - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

n/a<sup>2</sup> - The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

The three-year annualized standard deviation is not presented for 2011, 2012, and 2013 due to less than 36 months of composite and benchmark data.

**Absolute Return:** Absolute Return seeks to provide absolute positive capital appreciation in both bull and bear markets with low volatility. The Absolute Return program can invest in all market segments including large cap and small cap equities, bonds, sectors, international, and inverse securities. The HFRX Absolute Return Index (100%) is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. As a component of the optimization process, the index selects constituents which characteristically exhibit lower volatilities and lower correlations to standard directional benchmarks of equity market and hedge fund industry performance. The Absolute Return composite was created September 1, 2011. Portfolio Strategies, Inc. (PSI) is a registered investment adviser with United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940.

Portfolio Strategies, Inc. (“PSI”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. PSI has been independently verified for the periods January 1, 2004 through December 31, 2016. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The firm’s list of composite descriptions is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite is 2.50% from \$20,000 to \$250,000, 2.25% \$250,001 to \$500,000, 2.00% \$500,001 to \$1,000,000, 1.75% \$1,000,001 to \$1,500,000, 1.60% \$1,500,001 and above. Actual investment advisory fees incurred by clients may vary.