Intelligent Index **First Quarter Review**
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To: Interested Parties

An unexpectedly strong March rally allowed the U.S. equity markets to recover from double digit losses earlier in the year and finish marginally positive. For the quarter, the benchmark S&P 500 gained 1.35% while the Intelligent Index Model Portfolio advanced 2.29% largely on the strength of small-cap and mid-cap value indices.

Below is a breakdown of the relevant indices:[1]

As of March 31, 2016

	Q1 2016	YTD 2016	1-Year	3-Year	5-Year	10-Year	Inception*
Intelligent Index (Gross)	**2.61%**	**2.61%**	**(1.74%)**	**10.37%**	**10.08%**	**7.49%**	**7.86%**
Intelligent Index (Net)	**2.29%**	**2.29%**	**(2.96%)**	**8.99%**	**8.71%**	**6.16%**	**6.52%**
S&P 500 Index	1.35%	1.35%	1.78%	11.82%	11.58%	7.01%	5.01%
Russell 3000 EW Index	(0.62%)	(0.62%)	(9.36%)	7.08%	7.48%	7.28%	8.69%
S&P Citi Small-Cap Value Index	5.19%	5.19%	(3.08%)	9.78%	10.13%	6.28%	9.01%
S&P Citi Small-Cap Growth Index	0.38%	0.38%	(3.22%)	10.96%	10.71%	7.68%	8.71%
S&P Citi Mid-Cap Value Index	6.36%	6.36%	(3.45%)	9.17%	9.67%	7.14%	9.32%
S&P Citi Mid-Cap Growth Index	1.24%	1.24%	(3.97%)	9.57%	9.30%	8.34%	7.43%
S&P Citi Large-Cap Value Index	2.20%	2.20%	(0.32%)	9.45%	9.99%	5.42%	4.74%
S&P Citi Large-Cap Growth Index	0.53%	0.53%	3.53%	13.96%	13.06%	8.48%	5.12%

*Inception date 1/1/2001
Source: Morningstar Direct

The Intelligent Index Model Portfolio equal weight between growth and value was maintained for the second quarter of 2016. [2]

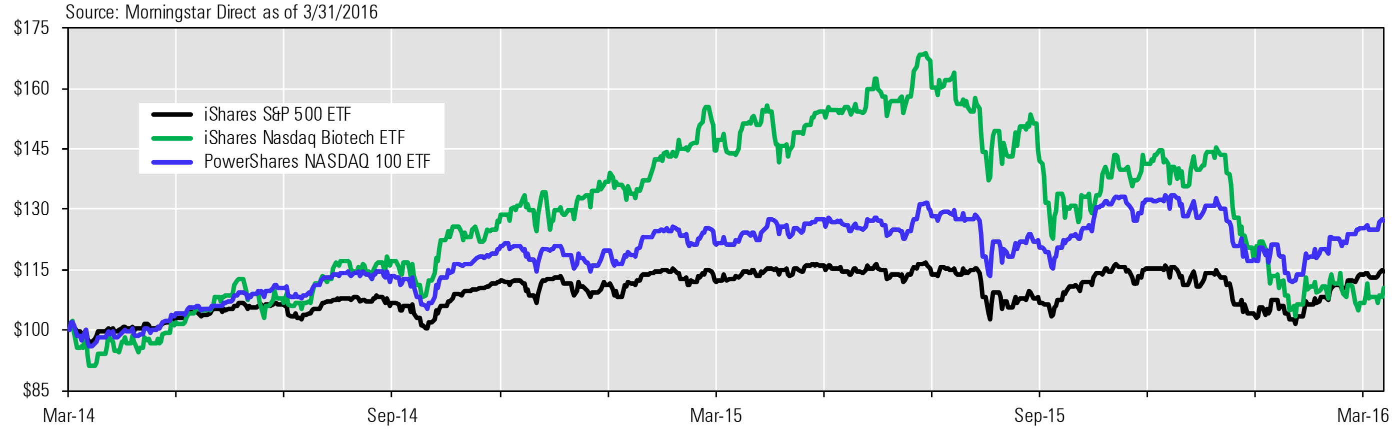
Quarter & Year in Review

Concern over the impact of negative interest rates and ongoing weakness in the global economy served as catalysts for a market correction that by mid-February saw the averages decline by over 11%. Reassurance from Fed Chairwoman Yellen and the Federal Open Market Committee that a more dovish approach to interest rates would be maintained calmed investors' nerves and set the stage for March's rally.

The first quarter correction was particularly hard felt for the formerly beloved mega-cap growth and technology companies whose presumed meteoric growth became increasingly suspect. Discussed many times in prior quarterly updates, chasing performance in many high flying cult names is a juggling act of almost impossible proportions and one that we have found no value in engaging in.

[1] Please see disclosure on final page for description of fees.
[2] The Intelligent Index Model Portfolio considers changes of less than 50 basis points, either positive or negative, to be statistically irrelevant, as such small variations can be the result of bid-ask spreads only or other last minute quarter-end institutional trading for proprietary purposes.

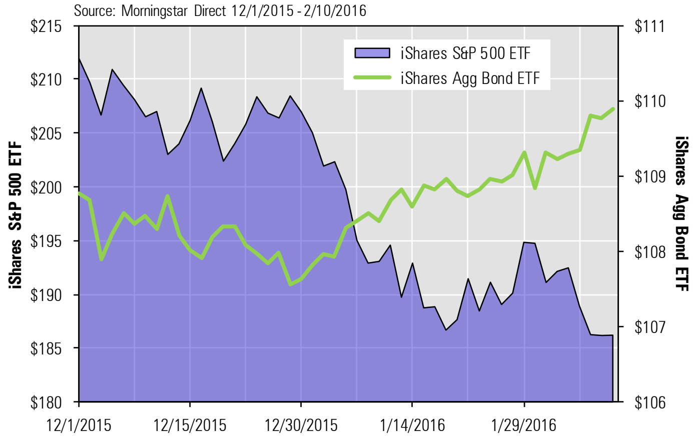
Leading Sectors Have Given Up Ground vs. the Broad Market
Source: Morningstar Direct as of 3/31/2016



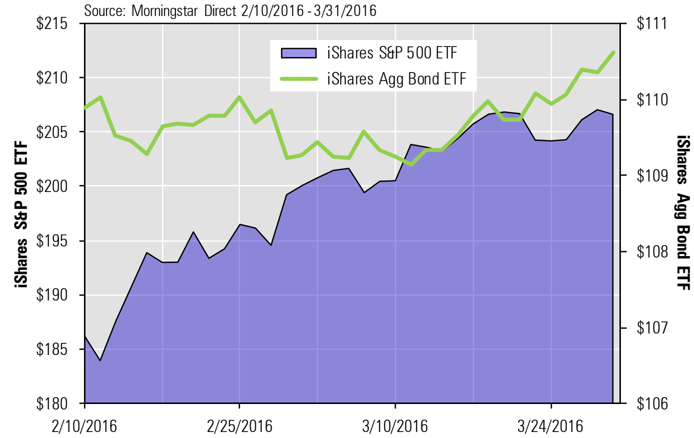
When overvalued companies such as the handful above become “market leaders” it’s generally an indication of potentially bad things to come and highlights the importance of a well-constructed portfolio such as the Intelligent Index Model Portfolio blended with a meaningful representation in fixed income and complementary strategies. Fixed income, while lackluster, is akin to homeowners insurance. You never know if and when you’ll need it but when you do, you’re glad you have it.

Last quarter’s correction and subsequent recovery was about as v-shaped as we’ve seen since 2009; the following charts illustrate just how easy it is for volatility to shake investors out of the market. It’s often said that volatility is the investor’s Achilles heel, but having a fixed income allocation provides a measure of stability.

Stocks fall to start the quarter . . .
Source: Morningstar Direct 12/1/2015 - 2/10/2016

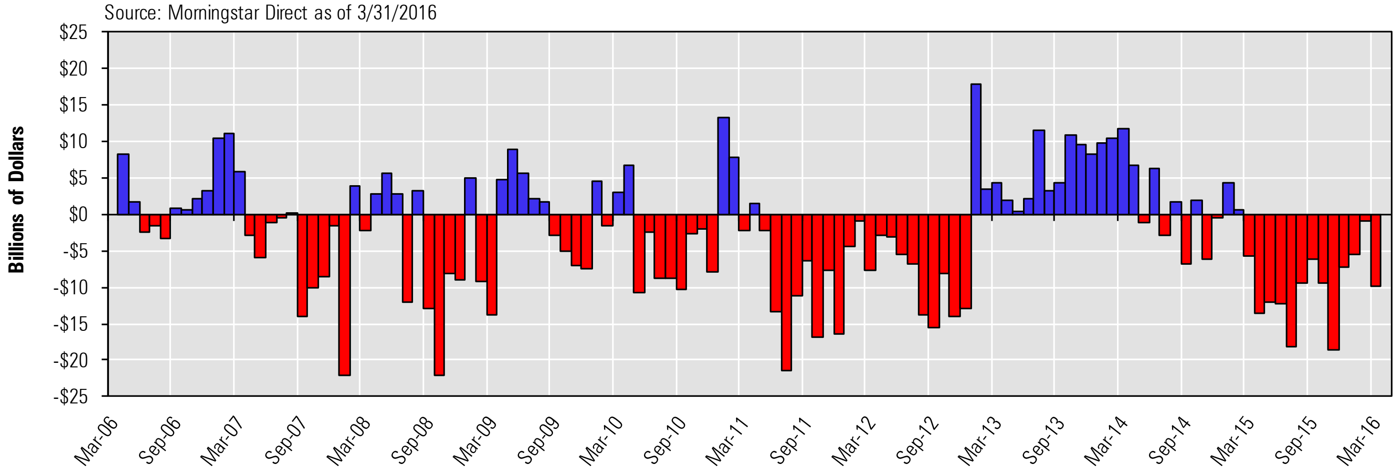


. . . then rally hard into quarter end
Source: Morningstar Direct 2/10/2016 - 3/31/2016



A strong investment discipline must be paired with an “all-weather” portfolio to allow investors to prosper through volatility. The chart below exhibits what happens when investors succumb to behavioral urges and allow emotions to drive investment decisions rather than long-term discipline:

US Equity Fund Flows
Source: Morningstar Direct as of 3/31/2016

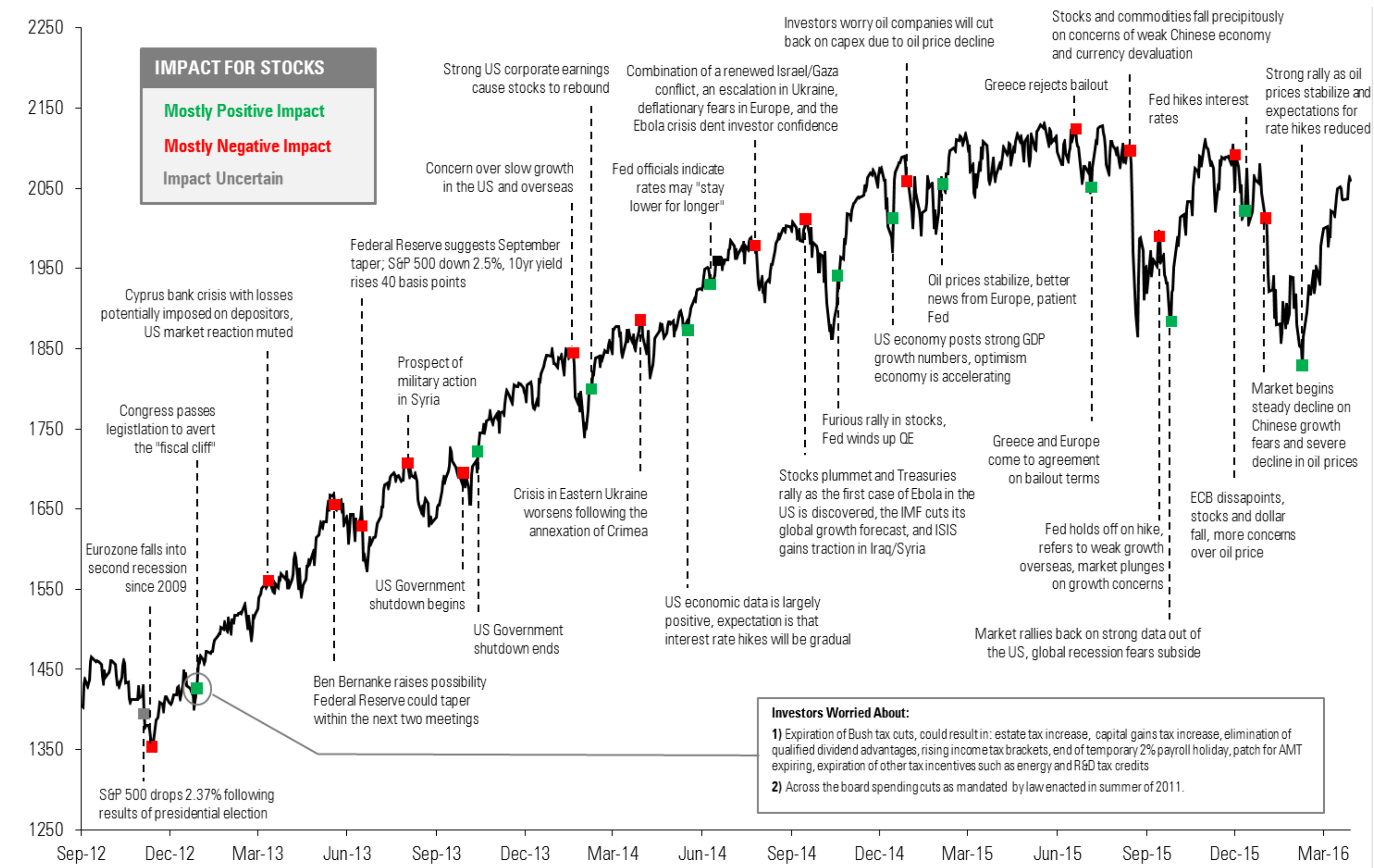


As the chart above illustrates, investors who sell their equity positions as a result of fear tend to perform poorly over time. The market has rallied strongly out of the 2008 financial crisis, but fund flows were negative a large portion of this period.

Looking Forward

After the rollercoaster ride that equity markets took investors on for the quarter, stocks are marginally positive year-to-date. While we would consider the stock market to be within a range one would consider to be "fairly valued", the fact is that the future is unknown. The US economy could accelerate with strong earnings driving equity valuations higher, or global growth could disappoint with stock valuation flat or falling. However, given the relatively strong positive inflation-adjusted long-term return potential that investing in the stock market carries, and given the inability to generate yield in returns elsewhere, investors need to remain invested and take a long-term perspective with their assets.

As the fund flows chart illustrated, making investment decisions on emotions often leads to poor results over time. Below is a chart that shows how the market has overcome a wall of worry over the past few years, with the market marching higher. Despite the numerous events and concerns that caused market participants to worry about future growth, investors who remained invested would have ended up with very acceptable results.



Source: Centerpoint Advisors, LLC and Thomson Reuters

Conclusion

We look forward to updating you at the end of the second quarter. As always, please feel free to contact us with any thoughts or questions you may have.

Sincerely,

Richard W. Greene
Managing Principal Emeritus

Clients of Centerpoint should contact us if there have been any changes to your financial situation or investment objectives, or wish to place or modify any restrictions on the management of your accounts.

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The Intelligent Index Model Portfolio allocates its investments in BlackRock iShares ETF index funds designed to track the following indexes: S&P 600 Small Cap Value Index, S&P 600 Small Cap Growth Index, S&P 400 Mid-Cap Value Index, S&P 400 Mid-Cap Growth Index, S&P 500 Large Cap Value Index, and S&P 500 Large Cap Growth Index. The portfolio is systematically rebalanced to maintain the target weightings of its asset allocations based on a rule-based formula and determined on a quarterly basis. There can be no guarantee that rebalancing will achieve its intended result. The risks associated with an investment in the Intelligent Index Model Portfolio and equities in general may not be suitable for all investors.

Performance results for the Intelligent Index Model Portfolio are based on the performance results of the BlackRock iShares ETF index funds. All annualized return figures consist of both capital appreciation and dividends reinvested. "Gross" returns refer only to the deduction of the underlying ETF administrative fees charged by BlackRock. "Net" returns refer to the deduction of 1) the underlying ETF administrative fees charged by BlackRock, and 2) advisory fees charged by Centerpoint Advisors, which assumes a maximum annual rate of 1.25% for Intelligent Index Model Portfolio clients. Advisory fees for other types of investments vary depending upon the market value of the assets under management and the type of investments managed. Please see our Firm Disclosure Brochure for more information. The only source of compensation from client investments for discretionary accounts is obtained from asset based advisory fees paid by the client. All Intelligent Index Model Portfolio clients are fee based only and execution for these clients will not result in commission compensation. In addition to our advisory fee and BlackRock's administrative fee, you may also incur certain charges imposed by additional unaffiliated third parties, including, but not limited to, custodial fees, transaction fees, or other expenses charged by broker-dealers, which reduce returns.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's principal amount of invested shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Investing involves risk, including possible loss of principal. Diversification does not protect against loss.

S&P 500 Index: Measures the performance of the largest 500 U.S. common equity securities. S&P 500 Large Cap Growth Index: An unmanaged index consisting of stocks within the S&P 500 Index that exhibit strong growth characteristics. The S&P 500 Large Cap Value Index: An unmanaged index consisting of stocks within the S&P 500 Index that exhibit strong value characteristics. The S&P 400 Mid Cap Growth Index: An unmanaged index consisting of stocks within the S&P 400 Index that exhibit strong growth characteristics. The S&P 400 Mid Cap Value Index: An unmanaged index consisting of stocks within the S&P 400 Index that exhibit strong value characteristics. The S&P 600 Small Cap Growth Index: An unmanaged index consisting of stocks within the S&P 600 Index that exhibit strong growth characteristics. The S&P 600 Small Cap Value Index: An unmanaged index consisting of stocks within the S&P 600 Index that exhibit strong value characteristics. Russell 3000 EW (equal weight) Index: An unmanaged index consisting of the largest 3,000 US stocks my market capitalization. The index is equally weighted among its constituents.