

## ***Table of Contents***

<u><a href="#">VE View Newsletter</a></u>	
<u><a href="#">Performance Report Summary</a></u> .....	<u><a href="#">1</a></u>
<u><a href="#">Strategy Description</a></u> .....	<u><a href="#">3</a></u>
<u><a href="#">Benchmark Description</a></u> .....	<u><a href="#">3</a></u>
<u><a href="#">Report Parameters</a></u> .....	<u><a href="#">4</a></u>
<u><a href="#">Return and Volatility Table</a></u> .....	<u><a href="#">4</a></u>
<u><a href="#">Annual Return Table</a></u> .....	<u><a href="#">4</a></u>
<u><a href="#">Wealth Accumulation Charts</a></u> .....	<u><a href="#">5</a></u>
<u><a href="#">February 2010-January 2015 Last Five Years</a></u> .....	<u><a href="#">5</a></u>
<u><a href="#">February 2012-January 2015 Last Three Years</a></u> .....	<u><a href="#">6</a></u>
<u><a href="#">February 2014-January 2015 Last Twelve Months</a></u> .....	<u><a href="#">7</a></u>
<u><a href="#">Monthly Return Table</a></u> .....	<u><a href="#">8</a></u>

March 5, 2015

# ***VE View Newsletter Performance Report Summary***

ValuEngine has created and tracked a variety of newsletters which reflect varying investment objectives. VE Newsletters allow self-directed investors to select a basket of stocks provided by ValuEngine's cutting-edge research.

This performance report covers the VE View Newsletter. All of our newsletters and strategies feature stocks selected according to specific criteria designed to meet the overall goals for return and risk. All selections are based on calculations made by ValuEngine's proprietary stock valuation and forecast models as well as additional fundamental data—market capitalization, e/p ratio, momentum, dividend schedules—where applicable, as well as other factors.

A research team of Ivy League academics and Wall St. investment professionals created ValuEngine's proprietary financial models and investment tools. This four-year effort required a team of 12 PhDs and a budget of more than \$4 million. Each ValuEngine model takes a view of the market from a different perspective and then the various outputs are combined in order to rate and rank each ticker in our universe of 5000 stocks--of which @ 500 are ADRs and foreign companies that trade on US exchanges. The two main models utilize complex mathematical modeling formulas as well as computer simulation techniques to compute what stock prices should be if the market were totally rational and efficient and what stock prices will be given the actual state of the market today.<sup>1</sup>

---

1 For additional information on the academic research that serves as the basis for ValuEngine's equity research and investment tools, please see the following papers: [Stock Valuation in Dynamic Economies](#), Bakshi, Chen, 2001; [A Generalized Earnings-Based Stock Valuation Model](#), Dong, Hirshleifer, 2004; [Stock Valuation and Investment Strategies](#), Chen, Dong, 2001; [Investing With a Stock Valuation Model](#), Chang, Chen and Dong, 1999.

The research effort resulted in the publication of a variety of theoretical research in leading academic journals. The cutting-edge theoretical financial research behind ValuEngine is often cited by other academics working in the field of quantitative finance. Because ValuEngine is an independent research provider, conflicts of interest are avoided and the attempts of investor relations people and others to garner "optimistic" coverage are mitigated. These models are fast, efficient, systematic, and--above all--*objective*.

One must always remember that despite the proven robustness and performance of the ValuEngine models and the scientific rigor of our research and back testing program, there is no foolproof manner of predicting market performance. ValuEngine provides an avenue to better than average returns because it applies cutting-edge financial theory to a very large universe of stocks in a manner that human beings simply cannot replicate.

ValuEngine systems evaluate fundamental data 24 hours a day, 7 days a week. However, they do have limitations. No research provider can quantify an unannounced M&A deal, an SEC action, a crooked CFO, an Enron, an accident, storm, or any other act of god. They certainly cannot factor the fanaticism that so many users have vis-a-vis their Macs or their iPods. They are also dependent on the quality of the financial data on which they rely--"garbage in, garbage out!"

The best way to utilize ValuEngine research is to take the data and combine it with your own analysis and read of market conditions. ValuEngine's research and tools are not meant to be utilized as a "black box," they demand human oversight and decision making. Always take model recommendations into account, but make sure you consider the sorts of qualitative data that they cannot quantify.

#### **DISCLAIMER**

STOCK TRADING involves high risks and YOU can LOSE a significant amount of money. ANY PERFORMANCE RESULTS LISTED ABOVE AND IN ALL MARKETING MATERIALS REPRESENT SIMULATED COMPUTER RESULTS OVER PAST HISTORICAL DATA, AND NOT THE RESULTS OF AN ACTUAL ACCOUNT. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. TESTIMONIAL OR ACTUAL ACCOUNT RESULTS PRESENTED DO NOT NECESSARILY REFLECT THE RESULTS OF ALL USERS OF THE PROGRAM AND ALL USERS SHOULD NOT EXPECT TO EXPERIENCE SIMILAR RESULTS. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. CURRENT PERFORMANCE MAY BE LOWER THAN PERFORMANCE STATED. PLEASE READ CUSTOMER DISCLOSURE DOCUMENT BEFORE PURCHASING. VALUENGINE, INC. IS NOT A REGISTERED INVESTMENT ADVISOR, AND DOES NOT PROVIDE INVESTMENT ADVICE. NEITHER THE SOFTWARE, WEBSITE, NOR ANY DEMONSTRATION OF ITS OPERATION SHOULD BE CONSTRUED AS AN INVESTMENT RECOMMENDATION OR AN OFFER TO BUY OR SELL SECURITIES. ALL PURCHASERS MUST DETERMINE WHICH SECURITIES TO USE WITH THE SOFTWARE, WEBSITE OR OTHER SERVICES. OUR SALES DEMONSTRATIONS AND CUSTOMER SUPPORT DEPARTMENT ARE STRICTLY LIMITED TO INSTRUCTIONS RELATING TO OPERATION AND USE OF THE SOFTWARE, WEBSITE, AND SERVICES.

## ***Strategy Description***

The VE View Newsletter is based on a hybrid model strategy derived from both our Valuation and Forecast Models. The VE View Newsletter is designed to provide investors with strong returns, relatively low trading costs, and the relative security of larger cap stocks.

For the VE View Newsletter, the top stock selections of our Valuation and Forecast models are combined to select an initial basket of @50 equities.

Stock selections are further refined by creating a composite scoring system for all equities in the basket. Composite scores are based on valuation, one month forecast return, p/e ratio, momentum, and company size.

Stocks in the initial basket who score in the top-twenty in terms of composite score for the month are selected for the newsletter with 15 stocks are primary picks and 5 provided as alternates.

## **Benchmark Description**

The benchmark for the VE View is the Standard & Poor's 500 Index (S&P 500)

An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index - each stock's weight is proportionate to its market value. The S&P 500 is one of the most commonly used benchmarks for the overall U.S. stock market.

## Report Parameters

VE VIEW NEWSLETTER	
Report Date	March, 2015
Time Frame	May 2005-March 2015
Strategy	View Hybrid
Size Ranking	> 60 Market Cap @ \$476 Million
Rebalancing	Monthly
Portfolio Size	15
Market Price	> \$5.00

## Return and Volatility Table

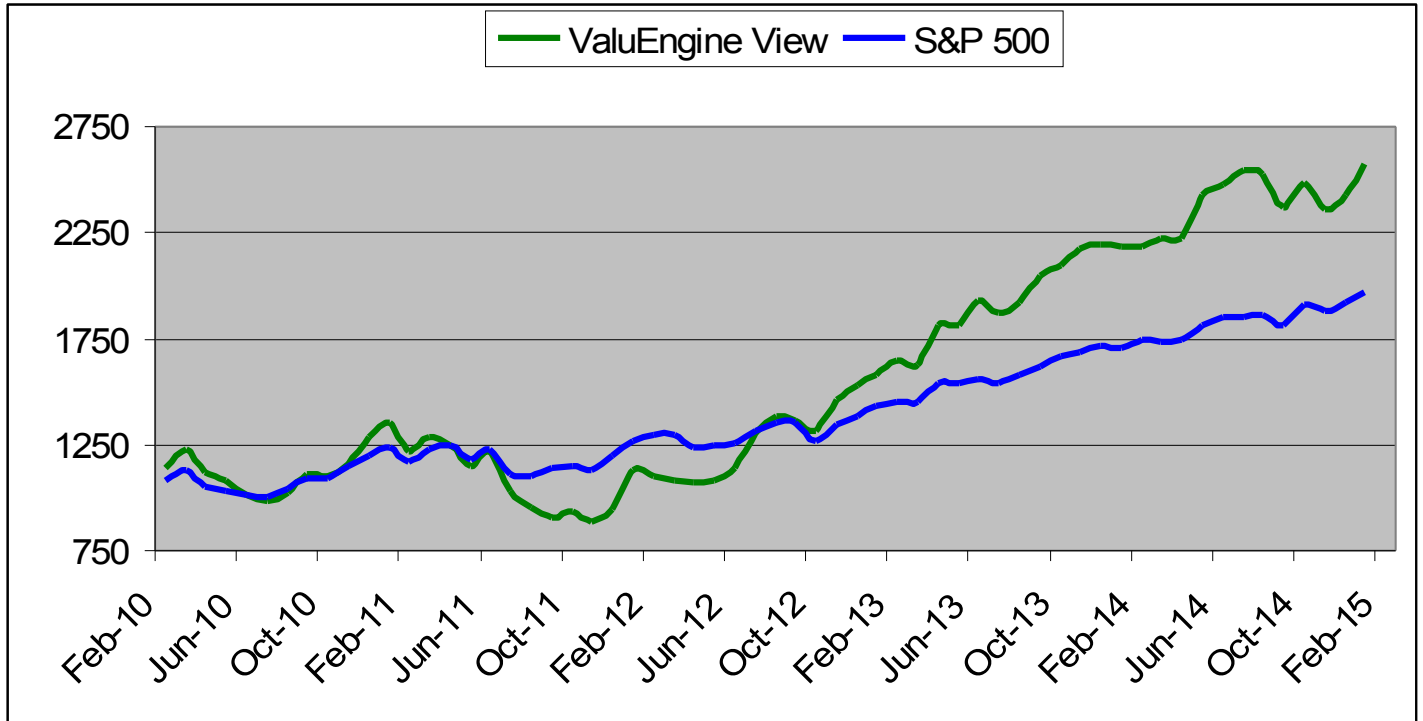
	ValuEngine View	S&P 500
Last 1-Yr Return	18.03%	15.68%
Last 3-Yr Return	128.01%	55.94%
Last 5-Yr Return	157.72%	97.36%
Avg Monthly Return	1.10%	0.65%
Avg Annual Return	14.04%	8.11%
Annual Volatility	28.11%	16.35%
Max Drawdown	-72.02%	-51.34%
Sharpe Ratio	0.50	0.50
Sortino Ratio	0.54	0.52
Correlation with Benchmark	0.87	1.00

## Annual Return Table

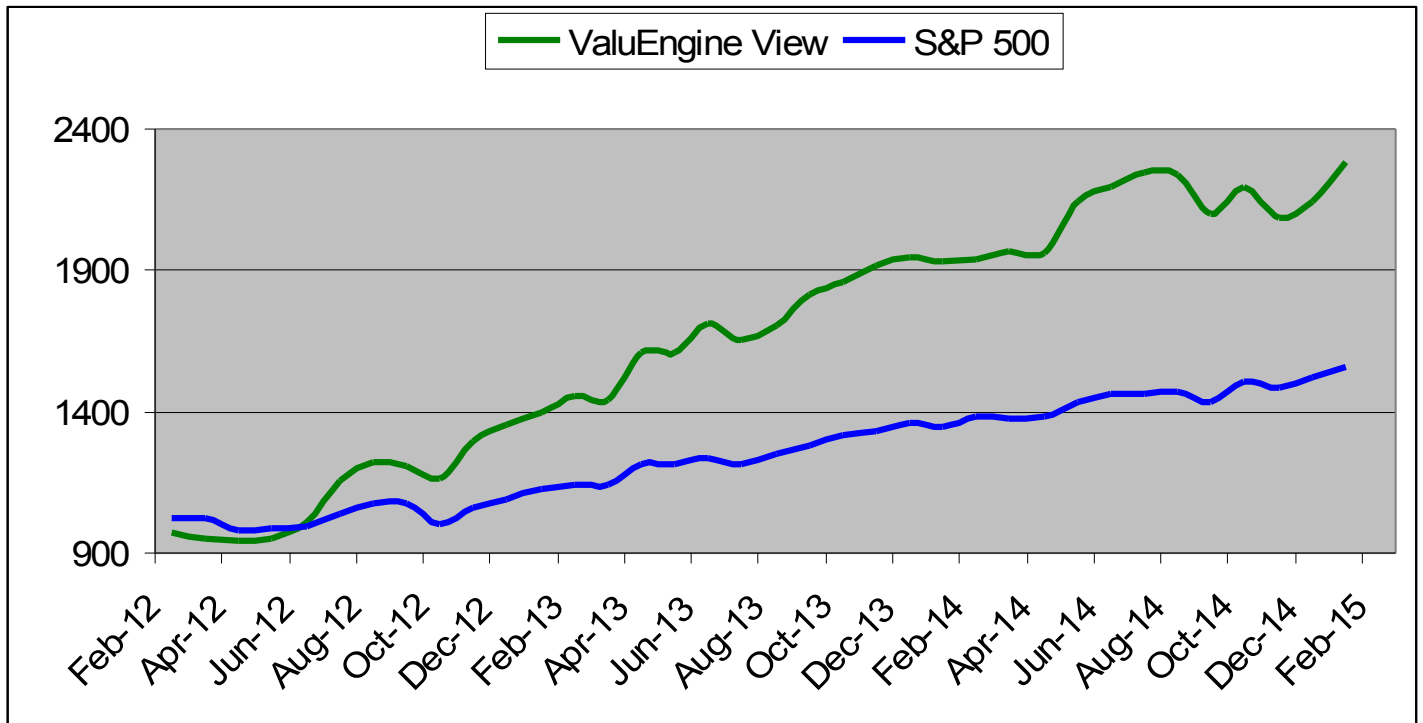
Year	ValuEngine View	S&P 500
2006	11.14%	11.11%
2007	6.90%	-2.87%
2008	-58.44%	-39.00%
2009	31.25%	36.12%
2010	25.36%	13.84%
2011	-26.19%	-0.32%
2012	61.26%	15.27%
2013	43.61%	24.50%
2014	10.50%	11.90%
2015 YTD	6.20%	2.54%

## Wealth Accumulation Charts

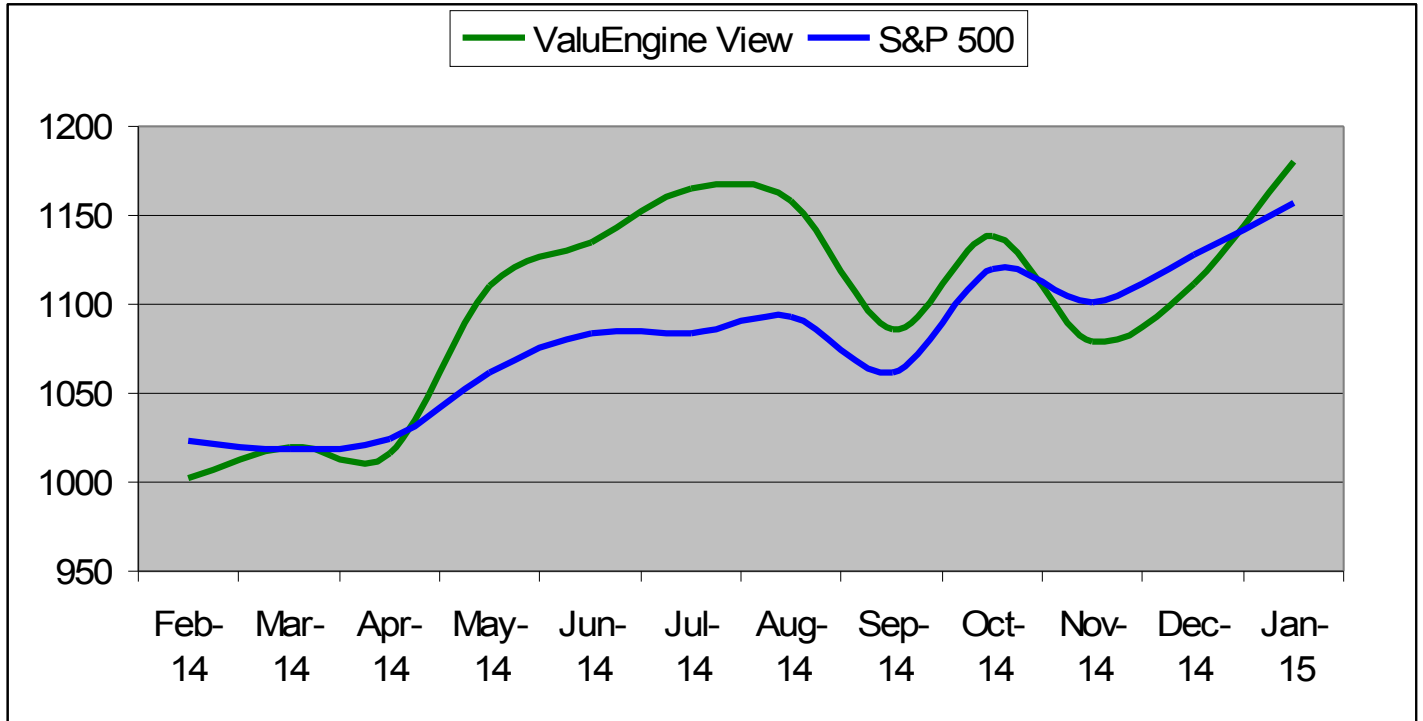
### February 2010-January 2015 Last Five Years



### February 2012-January 2015 Last Three Years



### February 2014-January 2015 Last Twelve Months



## Monthly Return Table

Month	ValuEngine View	S&P 500
May-05	8.61%	4.32%
Jun-05	8.18%	1.99%
Jul-05	5.10%	0.20%
Aug-05	3.93%	0.61%
Sep-05	-4.25%	-4.15%
Oct-05	3.37%	4.06%
Nov-05	7.44%	2.93%
Dec-05	4.97%	1.31%
Jan-06	0.78%	-0.59%
Feb-06	2.67%	1.80%
Mar-06	2.80%	-1.07%
Apr-06	-0.07%	0.42%
May-06	-12.41%	-2.96%
Jun-06	-1.77%	-1.59%
Jul-06	7.99%	4.00%
Aug-06	0.86%	2.39%
Sep-06	10.84%	3.75%
Oct-06	1.43%	2.02%
Nov-06	1.99%	2.43%
Dec-06	-2.69%	0.25%
Jan-07	6.04%	1.82%
Feb-07	-2.76%	-4.43%
Mar-07	9.73%	4.35%
Apr-07	1.83%	3.98%
May-07	4.94%	2.11%
Jun-07	4.01%	1.28%
Jul-07	-15.50%	-9.10%
Aug-07	11.46%	5.17%



Sep-07	7.21%	4.34%
Oct-07	-10.04%	-6.30%
Nov-07	1.73%	1.16%
Dec-07	-8.01%	-5.93%
Jan-08	8.59%	-2.24%
Feb-08	-4.83%	-4.58%
Mar-08	2.89%	3.59%
Apr-08	16.23%	6.51%
May-08	-2.83%	-4.46%
Jun-08	-9.26%	-10.67%
Jul-08	-2.27%	6.86%
Aug-08	-17.14%	-6.52%
Sep-08	-46.75%	-25.19%
Oct-08	-11.53%	-3.81%
Nov-08	5.90%	4.57%
Dec-08	-5.61%	-7.60%
Jan-09	-8.54%	-2.00%
Feb-09	-9.02%	-8.50%
Mar-09	11.39%	12.62%
Apr-09	5.64%	3.62%
May-09	-1.13%	4.63%
Jun-09	5.71%	1.84%
Jul-09	1.96%	6.73%
Aug-09	8.52%	4.83%
Sep-09	6.70%	4.17%
Oct-09	-1.96%	-0.28%
Nov-09	1.84%	1.32%
Dec-09	8.82%	3.66%
Jan-10	-2.42%	-5.33%
Feb-10	13.94%	7.81%
Mar-10	7.72%	4.41%
Apr-10	-8.54%	-6.19%
May-10	-3.26%	-1.80%
Jun-10	-7.08%	-1.80%
Jul-10	-2.30%	-1.45%
Aug-10	4.24%	4.21%

Sep-10	7.68%	4.58%
Oct-10	-0.20%	0.18%
Nov-10	5.42%	4.83%
Dec-10	10.35%	4.70%
Jan-11	5.77%	2.78%
Feb-11	-10.68%	-5.44%
Mar-11	6.05%	5.00%
Apr-11	-2.96%	1.37%
May-11	-8.02%	-5.24%
Jun-11	6.04%	3.83%
Jul-11	-15.52%	-9.37%
Aug-11	-6.82%	-0.34%
Sep-11	-5.20%	3.02%
Oct-11	2.68%	1.01%
Nov-11	-5.30%	-1.39%
Dec-11	7.27%	5.69%
Jan-12	19.19%	5.60%
Feb-12	-2.91%	2.43%
Mar-12	-1.77%	-0.25%
Apr-12	-0.84%	-4.32%
May-12	0.94%	1.06%
Jun-12	6.03%	0.66%
Jul-12	14.41%	4.77%
Aug-12	5.48%	2.90%
Sep-12	-0.89%	0.11%
Oct-12	-3.63%	-6.92%
Nov-12	11.24%	6.39%
Dec-12	4.25%	2.71%
Jan-13	3.51%	3.38%
Feb-13	4.13%	1.38%
Mar-13	-0.98%	-0.01%
Apr-13	11.32%	6.34%
May-13	0.02%	0.08%
Jun-13	6.47%	1.48%
Jul-13	-3.39%	-1.43%
Aug-13	2.87%	2.74%

Sep-13	6.56%	2.09%
Oct-13	2.33%	3.16%
Nov-13	3.52%	1.27%
Dec-13	1.17%	1.83%
Jan-14	-0.58%	-0.82%
Feb-14	0.20%	2.38%
Mar-14	1.72%	-0.53%
Apr-14	-0.24%	0.56%
May-14	9.23%	3.69%
Jun-14	2.18%	2.04%
Jul-14	2.62%	0.00%
Aug-14	-0.53%	0.88%
Sep-14	-6.26%	-2.89%
Oct-14	4.81%	5.53%
Nov-14	-5.22%	-1.75%
Dec-14	3.03%	2.50%
Jan-15	6.20%	2.54%

## VALUENGINE'S METHODOLOGY

ValuEngine's research combines the most advanced academic concepts with real world Wall Street practice. The result is state-of-the-art fair market valuation and price forecasting technologies.

ValuEngine's stock valuation employs a sophisticated, three-factor approach. Fundamental variables, such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimate of the company's future 12-month EPS, and the 30-year Treasury yield, are all used to create a more accurate reflection of a company's fair value. Together with eleven additional variables, ValuEngine paints a detailed picture of a company's fair value, represented by the model price.

ValuEngine's stock forecasts examine, among other things, short-term price reversals, intermediate-term momentum continuation, and long-term price reversals over six time horizons for every industry to ensure forecasts are established relative to a stock's proper peer groups. Advanced statistical/econometric techniques are used to run thousands of simulations estimating the probability of a double in stock price, as well as the probability of meeting and exceeding any given portfolio or stock investment target.

The stock's engine rating is an assessment of its overall attractiveness. It combines valuation, risk-return trade-off, momentum, market capitalization and forecasted future returns. Only two percent of the stock universe receives the highest 5-engine rating. The lowest rating is a single engine.

For more information on ValuEngine, its models and performance, go to [www.ValuEngine.com](http://www.ValuEngine.com)

Engine Rating and Average Annual Return  
(Jan 1990 - Jul 2008)



## DISCLOSURES

ValuEngine offers equity recommendations and related return estimates to investors and their advisors. It uses a three-class Buy-Hold-Sell rating system. This is a consolidated version of the firm's five class rating system: most favorable and favorable ratings are buys; neutral ratings are holds and the categories unfavorable and most unfavorable are sells.

**STOCK RATINGS:** The terms below are used to rate a stock's 12-month performance:

1. Buy: Expected to outperform the SP500 producing above average returns.
2. Hold: Expected to perform in line with the SP500 with average returns.
3. Sell: Expected to underperform the SP500 producing below-average returns.

ValuEngine does not offer brokerage or investment banking services. ValuEngine adheres to professional standards and abides by formal codes of ethics that put the interests of clients ahead of their own. The following are specific disclosures made by ValuEngine with regards to this research report:

1. ValuEngine, Inc. does not make a market in this security.
2. ValuEngine, Inc. has not received compensation from the companies discussed above in the last 12 months.
3. ValuEngine has not managed or co-managed a public offering for any companies in the above report in the past twelve months.
4. None of ValuEngine's management, the analysts involved, nor a member of the research analyst's household serves as an officer, director or advisory board member of the companies discussed in this report.
5. The research analyst over this company or members of his/her household do not have a financial interest in these companies discussed in this report.
6. ValuEngine, Inc. or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject companies.
7. Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: a). all of the views expressed accurately reflect his or her personal views about those securities or issuers; and b). no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

## DISCLAIMERS

This report is intended for informational purposes only and does not constitute a recommendation, or an offer, to buy or sell any securities or related financial instruments. The report has no regard to the specific investment objectives, financial situation, or particular needs of any specific recipient. The information contained herein accurately reflects the opinion of ValuEngine at the time the report was released. The opinions of ValuEngine are subject to change at any time without notice and without obligation of notification. ValuEngine does not provide investment banking or consulting services to the companies mentioned in this report. ValuEngine does not receive any compensation from companies mentioned in this report. The author, officers, or affiliates of ValuEngine do not hold positions in the securities of the companies mentioned in this report. No warranty is made as to the accuracy of the information contained herein. This information is intended for the sole use of clients of ValuEngine, Inc. Any other use, distribution, or reproduction is strictly prohibited.