

February 17, 2011



Current Results	Gain/Loss
VE Forecast 16 LONGS	6.7
VE Forecast 16 SHORTS	4.12
Portfolio Total	10.82
S&P 500	3.33
Excess Gain/Loss	7.49

Standard Strategy	Long-Bias		MNS		Short-Bias
No Stops	(70-30)	(60-40)	(50-50)	(40-60)	(30-70)
50/50 Allocation	11.85	11.34	10.82	10.3	9.79

Recommended Strategy	Long-Bias		X		Short-Bias
Stopped Out (10%/5%)	(70-30)	(60-40)	(50-50)	(40-60)	(30-70)
50/50 Allocation	7.56	7.1	6.64	6.18	5.72

Analysis

Our Forecast Model Market Neutral Strategy Newsletter portfolio posted a whopping gain of 10.82% versus the S&P 500's gain of 3.33%. **We TRIPLED the S&P 500's return!** Our recommended stop-lossed/equally-biased allocation lagged our standard strategy by a margin of 438 bps as market volatility saw some stopped-out tickers rebound and provide substantial gains. Since inception, the newsletter's compounded return to date stands at 57.05%. The trailing 12 month percentage gain is 27.45% for the newsletter and 24.25% for the S&P 500 index.

Our longs were led by a huge gain of 48% for MTW and a 20% return for LNG. VMC and LDSH also provided support. On the short side, we made substantial gains from CCME, FBP, MNI, PHM, and GNK—35%, 29%, 15%, 14%, and 10.5%. **Since inception, this was the best performance ever posted by our newsletter.**

We have retained 3M, Ahold, and Portugal Telecom on our long side and Fuel Systems, ARM Holdings, Textron, Barnes and Noble, and Calpine as shorts. Subscribers seeking to reduce transaction costs may retain long picks H, LDSH, and VMC and short holdings AVAV, RBY, and PHM in lieu of the new picks in their respective sectors. Primary short picks ANV, SSYS, CLDA, BKS, TGH, and CPN demand extra scrutiny and alternates may be more suitable in some cases.

We currently maintain a Valuation WARNING due to market fundamentals. Our overall universe valuation figures are at extremely high levels. This means that investors should be watching for a correction. Of course, by design the MNS portfolio already provides a hedge.

We recommend a 50/50 allocation for the next 30 days.

Stop losses--5% for shorts and 10% for longs—will also help to reduce risk and volatility.

The Next VE Forecast Model MNS Portfolio Newsletter Will Be Published On March 17th, 2011

Questions and Comments may be sent to SHach@ValuEngine.com



January Results



Ticker	Company Name	01/18/11	Current Price	Change	%Change	Sector
LDSH	LADISH COMPANY	50.11	54.83	4.72	9.42	AEROSPACE
CFFN	CAPITOL FEDL FN	11.68	12.23	0.55	4.71	AUTO TIRES TRUCKS
TRE	TANZANIAN ROYAL	6.63	7.07	0.44	6.64	BASIC MATERIALS
LAMR	LAMAR ADVER CO	38.03	41.3	3.27	8.60	BUSINESS SERVICES
SCMR	SYCAMORE NTWKS	23.87	22.01	-1.86	-7.79	COMPUTERS TECHNOLOGY
VMC	VULCAN MATLS CO	41.06	45.42	4.36	10.62	CONSTRUCTION
H	HYATT HOTELS CP	48.16	49.52	1.36	2.82	CONSUMER DISCRETIONARY
BRFS	BRF-BRASIL FOOD	16.96	17.23	0.27	1.59	CONSUMER STAPLES
FAF	FIRST AMER FINL	15.02	15.96	0.94	6.26	FINANCE
MTW	MANITOWOC INC	13.90	20.65	6.75	48.56	INDUSTRIAL PRODUCTS
VPHM	VIROPHARMA	18.41	17.04	-1.37	-7.44	MEDICAL
MMM	3M CO	87.57	92.33	4.76	5.44	MULTI-SECTOR CONGLOMERATES
LNG	CHENIERE ENERGY	7.48	8.97	1.49	19.92	OILS ENERGY
AHONY	AHOLD N V ADR	12.90	13.2	0.3	2.33	RETAIL WHOLESALE
EXM	EXCEL MARITIME	5.59	5.09	-0.5	-8.94	TRANSPORTATION
PT	PORTUGAL TELCOM	11.10	11.6	0.5	4.50	UTILITIES
	LONG PORTFOLIO				6.70	
GSPC	S&P500	1293.24	1336.32	43.08	3.33	



Ticker	Company Name	01/18/11	Current Price	Change	%Change	Sector
AVAV	AEROVIRONMENT	28.48	29.14	-0.66	-2.32	AEROSPACE
FSYS	FUEL SYSTEM SOL	30	28.05	1.95	6.50	AUTO TIRES TRUCKS
RBV	RUBICON MNRLS	5.68	5.35	0.33	5.81	BASIC MATERIALS
CCME	CHINA MEDIAEXPR	19.63	12.65	6.98	35.56	BUSINESS SERVICES
ARMH	ARM HOLDNGS ADR	25.97	30.92	-4.95	-19.06	COMPUTERS TECHNOLOGY
PHM	PULTE GROUP ONC	8.69	7.48	1.21	13.92	CONSTRUCTION
LYV	LIVE NATION ENT	11.83	11.48	0.35	2.96	CONSUMER DISCRETIONARY
MNI	MCCLATCHY CO-A	5.07	4.32	0.75	14.79	CONSUMER STAPLES
FBP	FIRST BNCRP P R	7.1	5.02	2.08	29.30	FINANCE
RURL	RURAL/METRO CP	14.51	14.42	0.09	0.62	INDUSTRIAL PRODUCTS
SRZ	SUNRISE SENIOR	7.91	9.03	-1.12	-14.16	MEDICAL
TXT	TEXTRON INC	25.34	27.96	-2.62	-10.34	MULTI-SECTOR CONGLOMERATES
USU	USEC INC	5.93	5.84	0.09	1.52	OILS ENERGY
BKS	BARNES & NOBLE	16.88	18.77	-1.89	-11.20	RETAIL WHOLESALE
GNK	GENCO SHPG&TRDG	14.29	12.79	1.5	10.50	TRANSPORTATION
CPN	CALPINE CORP	14.65	14.43	0.22	1.50	UTILITIES
	SHORT PORTFOLIO				4.12	
GSPC	S&P500	1293.24	1336.32	43.08	3.33	

February Portfolios



VE Datapoints

Ticker	Company Name	Mkt Price	Valuation (%)	Forecast 1-Mon Retn(%)	Forecast 1-Yr Retn(%)	Last 12-Mon Retn (%)	P/E Ratio	Sector
ATK	ALLIANT TECHSYS	72.13	6.22	5.26	22.75	-6.48	7.63	AEROSPACE
TM	TOYOTA MOTOR CP	93.68	29.54	2.79	8.09	23.25	23.83	AUTO TIRES TRUCKS
FCX	FREET MC COP-B	55.43	-42.26	4.73	11.42	48.01	5.87	BASIC MATERIALS
RRR	RSC HOLDINGS	13.31	86.2	9.42	14.2	86.68	N/A	BUSINESS SERVICES
CALX	CALIX INC	19.84	32.44	3.22	7.62	N/A	N/A	COMPUTERS TECHNOLOGY
MDC	MDC HLDGS	27.45	-25.37	16.26	72.26	-19.74	N/A	CONSTRUCTION
TTWO	TAKE-TWO INTER	16.59	9.62	14.85	75.82	70.15	16.85	CONSUMER DISCRETIONARY
PEET	PEETS COFFE&TEA	43	14.36	1.84	9.31	22.44	32.16	CONSUMER STAPLES
MTG	MGIC INVSTMT CP	9.79	-57.47	33.32	400	42.09	N/A	FINANCE
CENX	CENTURY ALUM CO	17.38	12.45	4.19	17.47	30.09	33.06	INDUSTRIAL PRODUCTS
DNDN	DENDREON CORP	34.04	130.21	2.73	10.23	5.88	N/A	MEDICAL
MMM	3M CO	92.33	7.31	2.37	4.31	17.68	16.04	MULTI-SECTOR CONGLOMERATES
ATPG	ATP OIL & GAS	18.87	31.35	4.46	41.32	6.31	N/A	OILS ENERGY
AHONY	AHOLD N V ADR	13.2	-52.82	2.01	6.82	9.18	12.85	RETAIL WHOLESALE
OSG	OVERSEAS SHIPHO	34.87	-12.27	4.52	-0.5	-18.22	N/A	TRANSPORTATION
PT	PORTUGAL TELCOM	11.6	-0.48	15.21	119.87	23.8	1.23	UTILITIES

NOTE: NEW Buys are in BOLD.

Business Descriptions

Ticker	Company Name	Description	Sector
ATK	ALLIANT TECHSYS	ATK is an aerospace and defense company with leading market positions in munitions, smart weapons and precision capabilities, propulsion, and composite structures.	AEROSPACE
TM	TOYOTA MOTOR CP	Toyota Motor Corporation operates in the automotive industry worldwide. It engages in the design, manufacture, assembly, and sale of passenger cars, minivans, and trucks and related parts and accessories.	AUTO TIRES TRUCKS
FCX	FREET MC COP-B	Freeport-McMoRan is engaged in mineral exploration and development, mining and milling of copper, gold, and silver in Indonesia, and the smelting and refining of copper concentrates in Spain and Indonesia.	BASIC MATERIALS
RRR	RSC HOLDINGS	RSC Holdings, Inc. operates as an equipment rental provider in North America. The company rents equipment to industrial and non-residential construction companies.	BUSINESS SERVICES
CALX	CALIX INC	Calix Networks, Inc. manufactures and markets telecommunication and access network management solutions.	COMPUTERS TECHNOLOGY
MDC	MDC HLDGS	M.D.C. HOLDINGS, INC. is engaged in the construction, sale and related financing of residential housing and the acquisition and development of land for use in its homebuilding activities and sale to others.	CONSTRUCTION
TTWO	TAKE-TWO INTER	Take-Two Interactive Software, Inc. engages in publishing, developing, and distributing interactive entertainment software, hardware and accessories.	CONSUMER DISCRETIONARY
PEET	PEETS COFFE&TEA	Peet's Coffee & Tea is a specialty coffee roaster and marketer of branded fresh roasted whole bean coffee sold under strict freshness standards through multiple channels of distribution.	CONSUMER STAPLES
MTG	MGIC INVSTMT CP	MGIC Investment Corporation, through its subsidiary, Mortgage Guaranty Insurance Corporation, provides private mortgage insurance to the home mortgage lending industry in the United States.	FINANCE
CENX	CENTURY ALUM CO	Century Aluminum Company produces primary aluminum. The company's primary aluminum facilities produce value-added and standard-grade primary aluminum products.	INDUSTRIAL PRODUCTS
DNDN	DENDREON CORP	Dendreon Corporation, a biotechnology company, engages in the discovery, development and commercialization of therapeutics that improve cancer treatment options for patients.	MEDICAL
MMM	3M CO	3M Company is a diversified technology company with leading positions in consumer and office; display and graphics; electronics and telecommunications; health care; industrial; safety, security and protection services; transportation and other businesses.	MULTI-SECTOR CONGLOMERATES
ATPG	ATP OIL & GAS	ATP OIL & GAS is engaged in the acquisition, development and production of natural gas and oil properties in the outer continental shelf of the Gulf of Mexico, in the shallow-deep waters of the Gulf of Mexico and in the Southern Gas Basin of the U.K. North Sea.	OILS ENERGY
AHONY	AHOLD N V ADR	Koninklijke Ahold N.V (Ahold) NV retails food through supermarkets, hypermarkets, and discount stores. The Company operates through subsidiaries and joint ventures of retail trade stores in the United States and Europe and a foodservice business in the United States.	RETAIL WHOLESALE
OSG	OVERSEAS SHIPHO	Overseas Shipholding Group, Inc. (OSG) operates as a bulk shipping company. The company engages in the ocean transportation of crude oil and petroleum products.	TRANSPORTATION
PT	PORTUGAL TELCOM	Portugal Telecom Group is the largest telecommunications and multimedia company in Portugal. At national level, the company offers the local, long distance and international telephone service, as well as circuit rental. In areas of free competition, the services include cellular phones, paging, cable TV, data communication, value added and broadcasting.	UTILITIES

NOTE: NEW Buys are in BOLD.



VE Datapoints

Ticker	Company Name	Mkt Price	Valuation (%)	Forecast 1-Mon Retn(%)	Forecast 1-Yr Retn(%)	Last 12-Mon Retn (%)	P/E Ratio	Sector
TDG	TRANSDIGM GROUP	81.81	19.61	1.26	-0.72	68.44	35.2	AEROSPACE
FSYS	FUEL SYSTEM SOL	28.05	9.16	-1.29	-7.65	-7.97	14.64	AUTO TIRES TRUCKS
ANV	ALLIED NEV GOLD	29.76	47.63	-0.04	1.57	105.38	63.33	BASIC MATERIALS
EM	EMDEON INC-A	15.87	27.52	-0.33	-5.52	3.05	17.25	BUSINESS SERVICES
ARMH	ARM HOLDNGS ADR	30.92	265.41	-2.03	-12.74	228.59	118.17	COMPUTERS TECHNOLOGY
KBH	KB HOME	14.64	-43.1	-13.11	-40.55	-12.07	N/A	CONSTRUCTION
BYD	BOYD GAMING CP	11.62	300	-4.48	-17.32	44.53	97.92	CONSUMER DISCRETIONARY
GCI	GANNETT INC	16.97	36.87	-0.5	-20.47	15.92	7.06	CONSUMER STAPLES
RF	REGIONS FINL CP	7.76	0.64	-4.14	-25.97	17.93	N/A	FINANCE
SSYS	STRATASYS INC	45.45	73.44	-0.09	-1.29	75.89	81.65	INDUSTRIAL PRODUCTS
CLDA	CLINICAL DATA	33.47	43.95	-0.95	-8.66	98.28	-9999	MEDICAL
TXT	TEXTRON INC	27.96	39.46	0.25	-7.64	47.16	34.26	MULTI-SECTOR CONGLOMERATES
PCX	PATRIOT COAL CP	25.25	94.01	-0.56	-19.41	50.75	N/A	OILS ENERGY
BKS	BARNES & NOBLE	18.77	183.59	-0.78	-5.64	-6.1	N/A	RETAIL WHOLESALE
TGH	TEXTAINER GROUP	35.16	28.57	-0.08	-6.87	90.47	13.87	TRANSPORTATION
CPN	CALPINE CORP	14.43	37.47	-0.58	-8.92	26.58	110.06	UTILITIES

NOTE: NEW Buys are in BOLD.

Business Descriptions

Ticker	Company Name	Description	Sector
TDG	TRANSDIGM GROUP	TransDigm Group, through its wholly-owned subsidiaries, including TransDigm Inc., is a leading global designer, producer and supplier of highly engineered components for use on nearly all commercial and military aircraft in service today.	AEROSPACE
FSYS	FUEL SYSTEM SOL	Fuel Systems Solutions, Inc. engages in the design, manufacturing, and supply of alternative fuel components and systems for use in the transportation, industrial, and power generation industries.	AUTO TIRES TRUCKS
ANV	ALLIED NEV GOLD	ALLIED NEVADA GOLD CORP. is engaged in the evaluation, acquisition, exploration and advancement of gold exploration and development projects in Nevada.	BASIC MATERIALS
EM	EMDEON INC-A	Emdeon is a leading provider of revenue and payment cycle management solutions, connecting payers, providers and patients in the U.S. healthcare system.	BUSINESS SERVICES
ARMH	ARM HOLDNGS ADR	ARM HOLDINGS designs high performance, low-cost, power-efficient RISC microprocessors and related technology and software.	COMPUTERS TECHNOLOGY
KBH	KB HOME	KB Home constructs and sells homes in the United States. The company builds single-family homes, townhomes and condominiums in Arizona, California, Colorado, Florida, Nevada, North Carolina, South Carolina and Texas.	CONSTRUCTION
BYD	BOYD GAMING CP	BOYD GAMING CORP. is a multi-jurisdictional gaming company which currently owns or operates ten casino entertainment facilities.	CONSUMER DISCRETIONARY
GCI	GANNETT INC	Gannett Co., Inc. is an international news and information company that publishes daily newspapers in the USA, including USA TODAY, the nation's largest-selling daily newspaper.	CONSUMER STAPLES
RF	REGIONS FINL CP	Regions Financial Corporation is a regional bank holding company and has banking-related subsidiaries engaged in mortgage banking, credit life insurance, leasing, and securities brokerage activities with offices in various Southeastern states.	FINANCE
SSYS	STRATASYS INC	STRATASYS, INC. develops, manufactures and markets a family of rapid prototyping devices that enable engineers and designers to create physical models, tooling and prototypes out of plastic and other materials directly from computer aided design workstations.	INDUSTRIAL PRODUCTS
CLDA	CLINICAL DATA	Clinical Data, Inc. develops targeted therapeutics. The Company is advancing its late-stage drug candidates for central nervous system disorders, cardiovascular diseases, oncology, and inflammatory diseases.	MEDICAL
TXT	TEXTRON INC	Textron, Inc. operates in the aircraft, industrial, and finance businesses worldwide.	MULTI-SECTOR CONGLOMERATES
PCX	PATRIOT COAL CP	Patriot Coal Corporation produces and markets thermal coal in the United States. The company operates mines and various contractor-operated mines in Appalachia and the Illinois Basin.	OILS ENERGY
BKS	BARNES & NOBLE	Barnes & Noble, Inc. is engaged in the retail sale of books.	RETAIL WHOLESALE
TGH	TEXTAINER GROUP	TEXTAINER GROUP is the worlds largest lessor of intermodal containers with a total fleet of more than 1.3 million containers, representing over 2,000,000 TEU. They lease containers to more than 400 shipping lines and other lessees, including each of the world's top 20 container lines.	TRANSPORTATION
CPN	CALPINE CORP	Calpine Corporation, an independent wholesale power generation company, engages in the ownership and operation of natural gas-fired and geothermal power plants in North America.	UTILITIES

NOTE: NEW Buys are in BOLD.

Alternates



Ticker	Company Name	Mkt Price	Valuation (%)	Forecast 1-Mon Retn(%)	Forecast 1-Yr Retn(%)	Last 12-Mon Retn (%)	P/E Ratio	Sector
TGI	TRIUMPH GRP INC	89.91	26.32	4.7	16.35	77.48	13.99	AEROSPACE
SPW	SPX CORP	85.2	12.26	2.56	0.38	48.54	23.62	AUTO TIRES TRUCKS
MERC	MERCER INTL SBI	13.05	23.35	3.97	9.36	230.38	6.83	BASIC MATERIALS
ENOC	ENERNOC INC	19.3	-33.59	3.62	11.19	-34.93	63.67	BUSINESS SERVICES
TKLC	TEKELEC INC	8.15	-39.23	3.21	11.11	-51.72	19.33	COMPUTERS TECHNOLOGY
RYL	RYLAND GRP INC	18.76	-17.24	8.82	36.36	-20.41	N/A	CONSTRUCTION
H	HYATT HOTELS CP	49.52	20.87	7.64	30.94	66.79	178.5	CONSUMER DISCRETIONARY
THS	TREEHOUSE FOODS	51.55	15.14	1.68	6.8	21.55	18.44	CONSUMER STAPLES
MI	MARSHALL&ILSLEY	7.46	-34.02	3.81	22.59	13.55	N/A	FINANCE
SLT	STERLITE INDUST	14.33	-8.87	2.55	5.75	-14.19	26	INDUSTRIAL PRODUCTS
MITI	MICROMET INC	5.85	20.16	2.05	7.36	-26.69	N/A	MEDICAL
GFF	GRIFFON CORP	12.4	-1.23	2.32	-3.04	3.42	31.53	MULTI-SECTOR CONGLOMERATES
BPZ	BPZ RESOURCES	6.21	-69.94	3.54	20.42	-9.48	N/A	OILS ENERGY
EXPE	EXPEDIA INC	21.19	-31.94	1.77	4.86	-3.59	13.27	RETAIL WHOLESALE
AMR	AMR CORP	7.55	-41.83	3.88	8.45	-16.57	-9999	TRANSPORTATION
SBS	SABESP -ADR	51.53	27.44	4.04	20.51	47.86	6.19	UTILITIES

NOTE: Current Holdings are in BOLD.



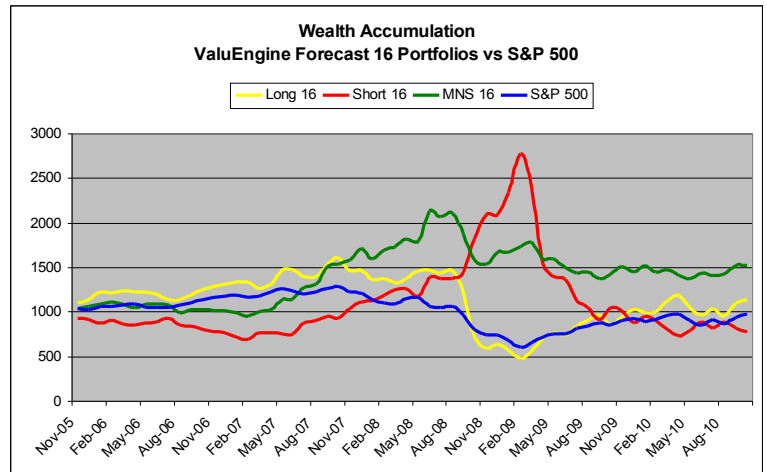
Ticker	Company Name	Mkt Price	Valuation (%)	Forecast 1-Mon Retn(%)	Forecast 1-Yr Retn(%)	Last 12-Mon Retn (%)	P/E Ratio	Sector
AVAV	AEROVIRONMENT	29.14	11.22	1.45	1.12	19.08	31.17	AEROSPACE
FDML	FEDERAL MOGUL-A	21.29	25.63	-0.99	-11.82	29.82	14.94	AUTO TIRES TRUCKS
RBY	RUBICON MNRLS	5.35	N/A	0.26	0.54	10.77	N/A	BASIC MATERIALS
AH	ACCRETIVE HLTH	20.3	20.81	0.04	2.34	N/A	118.71	BUSINESS SERVICES
TMRK	TERREMARK WRLWD	18.94	192.62	-1.63	-11.44	188.28	N/A	COMPUTERS TECHNOLOGY
TOL	TOLL BROTHERS	21.9	11.56	-3.23	-16.62	9.23	N/A	CONSTRUCTION
WMG	WARNER MUSIC GP	5.91	300	-3.76	-12.04	7.65	N/A	CONSUMER DISCRETIONARY
CLMT	CALUMET SPECLTY	23.27	69.41	0.14	-7.47	27.86	19.8	CONSUMER STAPLES
GRT	GLIMCHER REALTY	9.02	300	-2.56	-18.49	164.52	12.36	FINANCE
VCI	VALASSIS COMMS	33.07	4.08	-0.06	-3.46	27.83	16.05	INDUSTRIAL PRODUCTS
AKRX	AKORN INC	5.32	48.59	0.19	-5.7	234.59	N/A	MEDICAL
LUK	LEUCADIA NATL	34.16	N/A	0.82	-3.72	53.53	30.5	MULTI-SECTOR CONGLOMERATES
CLD	CLOUD PEAK EGY	22.53	1.32	-0.19	-16.08	42.78	11.28	OILS ENERGY
ODP	OFFICE DEPOT	5.82	157.83	-0.62	-5.16	-10.05	N/A	RETAIL WHOLESALE
AAWW	ATLAS AIR WORLD	69.4	17.91	-0.04	-7.9	71.82	12.77	TRANSPORTATION
NGG	NATL GRID -ADR	46.03	N/A	-0.02	-4.35	-2.62	N/A	UTILITIES

NOTE: Current Holdings are in BOLD.

Why Market Neutral?

Market neutral investing allows lower volatility—at the cost of absolute returns—and will provide steadier, more consistent returns over time. In essence, when you run a market neutral portfolio you are operating your own hedge fund minus the hefty fees for management and performance—not to mention the restrictive and onerous “qualified investor” requirements. In addition, the use of the short-side stocks to pay for the longs provides leverage in the ratio of 1:1 and over time allows for great advantages in terms of total return.

The attached back test graph illustrates the wealth accumulation profiles of the VE Forecast 16 MNS portfolio versus the S&P 500, the VE Forecast 16 long-side, and the VE Forecast 16 short-side. As you can see, the VE Forecast 16 MNS portfolio—green line—has provided slow and steady returns over the past three years despite the roiled markets.



How to Use this Portfolio

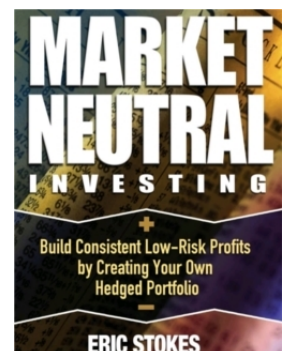
Our research and development program has extensively tested the VE Forecast Model MNS portfolios in a variety of sizes and configurations. Typically, we run them as an equally allocated portfolio—all stocks garnering equal investment capital—and we re-balance monthly. However, this portfolio can be used in long, short, or MNS configurations. Flexibility can be achieved by varying the portfolio allocation according to your view of market conditions. If the markets are strong and you are a more aggressive investor, increase the ratio between the long and short side—and vice versa. Experienced investors may want to run just one side of the portfolio under certain conditions. Prudent stop losses may help boost performance—especially on the short side.

You should always carefully research the stock picks provided in this newsletter for information on dividend payment schedules, mergers, stock splits, corporate actions, SEC activities, “acts of God,” etc. ValuEngine’s proprietary models cannot always calculate the impact of such events on portfolio picks and all investment targets should be subjected to an additional human “sanity check.”

If you are seeking to save on transaction costs, then remember to retain picks that appear on the alternate list or as recommended for that month rather than closing the position. Stocks identified for retention are in the top-three of that particular sector for the month and may drift in and out of portfolio inclusion.

Additional Information on MNS

Longtime ValuEngine View Portfolio Manager Eric Stokes’ book “Market Neutral Investing” provides both a theoretical and practical guide to the market neutral approach and is a valuable guide for investors seeking to hedge their portfolios. It is available [here](#).



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.

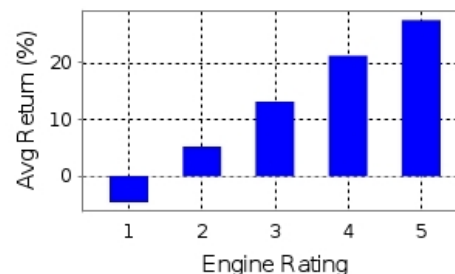
ValuEngine's stock valuation employs a sophisticated, three-factor approach. Fundamental variables, such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimate of the company's future 12-month EPS, and the 30-year Treasury yield, are all used to create a more accurate 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

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.

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