

Monthly Valuation Report

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Key Takeaways:

- **We predicted the market's run last month** and suggested our clients align their portfolios appropriately.
- Heeding our own advice, **our portfolio significantly outperformed** the Russell 1000 **by 488 bps** (15.94% vs. 11.06% for R1K). **YTD we are winning by 30 bps** (-0.3439% vs. -0.6443% for R1K).
- **At 2.38x**, our Reward/Risk metric still indicates the **market is attractive**, but our **"Breadth"** indicator suggests the market may be **due for a pause** digesting previous month's gains.

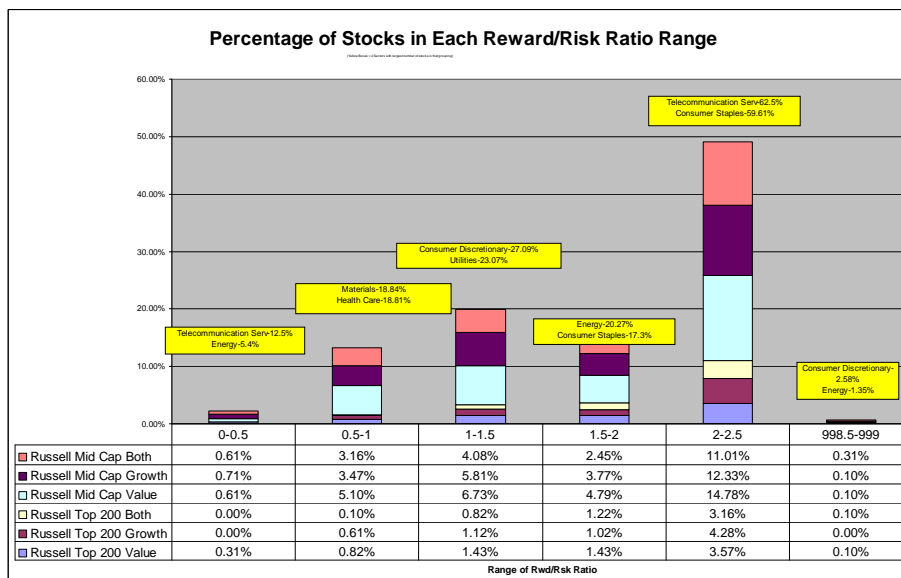
| Sector Rankings | |
|--------------------------------|------|
| by Average Reward / Risk Ratio | |
| Market Cap-Weighted | |
| Telecommunication Serv | 4.24 |
| Health Care | 3.10 |
| Consumer Staples | 2.70 |
| Industrials | 2.56 |
| Consumer Discretionary | 2.32 |
| Information Technology | 2.15 |
| Financials | 2.12 |
| Materials | 1.93 |
| Energy | 1.86 |
| Utilities | 1.76 |
| Grand Total | 2.38 |

Source: BRV Research

Summary & Latest Sector Ranking:

The **Telecommunication Services sector is our top ranked sector** with a 4.24x Reward/Risk Ratio. The Health Care sector trails in 2nd place with a ratio of 3.10x.

The **Telecommunication Services sector** has the **largest number of bargains** with approximately **62.5% of the number of stocks** in that sector labeled as **"Low" risk** by our Reward/Risk metric. The Consumer Staples sector has the second highest number of stocks (59.61%) that are labeled as "Low" risk, which is our most attractive moniker. The second bar from the right within the stacked bar graph, below, highlights this observation.



November 2011

Current Portfolio of 100 Equal Weighted Stocks

| Sector | Ticker | CompanyName | Rsk/Rwd |
|------------------------|--------|------------------------------|----------|
| Consumer Discretionary | BYI | BALLY TECHNOLOGIES INC | 320.000 |
| | CVC | CABLEVISION SYS CORP -CL A | 83.810 |
| | HOG | HARLEY-DAVIDSON INC | 25.424 |
| | HD | HOME DEPOT INC | 21.639 |
| | VIA.B | VIACOM INC | 19.615 |
| | WPO | WASHINGTON POST -CL B | 17.647 |
| | PCLN | PRICELINE.COM INC | 15.068 |
| | HAR | HARMAN INTERNATIONAL INDS | 14.478 |
| | HRB | BLOCK H & R INC | 13.548 |
| | JW.A | WILEY (JOHN) & SONS -CL A | 12.136 |
| | LCAPA | LIBERTY MEDIA CAPITAL GROUP | 10.000 |
| | FDML | FEDERAL-MOGUL CORP | 7.213 |
| Consumer Staples | PG | PROCTER & GAMBLE CO | 15.070 |
| | K | KELLOGG CO | 12.683 |
| | AVP | AVON PRODUCTS | 10.219 |
| | MKC | MCCORMICK & CO INC | 7.105 |
| | PEP | PEPSICO INC | 6.735 |
| Energy | DRC | DRESSER-RAND GROUP INC | 228.571 |
| | ACI | ARCH COAL INC | 28.333 |
| | HAL | HALLIBURTON CO | 24.867 |
| | CRXO | CONCHO RESOURCES INC | 15.707 |
| | KMI | KINDER MORGAN INC | 11.240 |
| | NBL | NOBLE ENERGY INC | 10.775 |
| | RDC | ROTARY COS INC | 9.290 |
| | ATW | ATWOOD OCEANICS | 9.103 |
| | BTU | PEABODY ENERGY CORP | 7.112 |
| Financials | CPT | CAMDEN PROPERTY TRUST | 494.000 |
| | AHL | ASPEN INSURANCE HOLDINGS LTD | 83.810 |
| | JNS | JANUS CAPITAL GROUP INC | 73.571 |
| | SNH | SENIOR HOUSING PPTYS TRUST | 51.667 |
| | AIV | APARTMENT INVST & MGMT CO | 40.133 |
| | ANAT | AMERICAN NATIONAL INSURANCE | 36.154 |
| | BRK.B | BERKSHIRE HATHAWAY | 32.333 |
| | O | REALTY INCOME CORP | 29.286 |
| | ARE | ALEXANDRIA R E EQUITIES INC | 27.600 |
| | JOE | ST JOE CO | 24.857 |
| | CSE | CAPITALSOURCE INC | 20.500 |
| | MAC | MACERICH CO | 16.963 |
| | WDR | WADDELL&REED FINL INC -CL A | 16.857 |
| | PBCT | PEOPLE'S UNITED FINL INC | 13.371 |
| | BAC | BANK OF AMERICA CORP | 11.078 |
| | OFC | CORP OFFICE PPTYS TR INC | 10.145 |
| | RYN | RAYONIER INC | 10.000 |
| | RNR | RENAISSANCE HOLDINGS LTD | 9.273 |
| | NYX | NYSE EURONEXT | 7.821 |
| | CBOE | CBOE HOLDINGS INC | 7.539 |
| | USB | U S BANCORP | 6.220 |
| Health Care | COV | COVIDIEN PLC | 1220.000 |
| | BAX | BAXTER INTERNATIONAL INC | 104.545 |
| | CI | CIGNA CORP | 57.273 |
| | CHSI | CATALYST HEALTH SOLUTIONS | 31.837 |
| | AET | AETNA INC | 14.944 |
| | GILD | GILEAD SCIENCES INC | 8.908 |
| | DVA | DAVITA INC | 8.447 |
| | UTHR | UNITED THERAPEUTICS CORP | 8.249 |
| | THC | TENET HEALTHCARE CORP | 7.153 |
| Industrials | TYC | TYCO INTERNATIONAL LTD | 71.667 |
| | AWI | ARMSTRONG WORLD INDUSTRIES | 49.455 |
| | SRCL | STERICYCLE INC | 37.073 |
| | CTAS | CINTAS CORP | 34.737 |
| | GDI | GARDNER DENVER INC | 29.138 |
| | IR | INGERSOLL-RAND PLC | 27.843 |
| | ATK | ALLIANT TECHSYSTEMS INC | 12.308 |
| | EFX | EQUIFAX INC | 12.079 |
| | CBT | CHICAGO BRIDGE & IRON CO | 11.406 |
| | BBG | REGAL BELLOIT CORP | 10.939 |
| | ROP | ROPER INDUSTRIES INC/DE | 10.000 |
| | LSTR | LANDSTAR SYSTEM INC | 9.806 |
| | CPRI | COPIRY INC | 8.258 |
| | MMM | 3M CO | 7.756 |
| | KBR | KBR INC | 6.821 |
| | WM | WASTE MANAGEMENT INC | 6.761 |
| Information | BR | BROADRIDGE FINANCIAL SOLUTNS | 77.000 |
| | OCOM | QUALCOMM INC | 34.250 |
| | CTSH | COGNIZANT TECH SOLUTIONS | 21.299 |
| | SLH | SOLLERA HOLDINGS INC | 19.651 |
| | FIS | FIDELITY NATIONAL INFO SVCS | 17.041 |
| | FLIR | FLIR SYSTEMS INC | 16.705 |
| | YHOO | YAHOO INC | 16.250 |
| | EBAY | EBAY INC | 15.000 |
| | FDS | FACTSET RESEARCH SYSTEMS INC | 13.333 |
| | MCHP | MICROCHIP TECHNOLOGY INC | 12.340 |
| | HRS | HARRIS CORP | 12.182 |
| | MOLX | MOLIX INC | 11.346 |
| | TI | GARTNER INC | 10.429 |
| | LLTC | LINEAR TECHNOLOGY CORP | 8.605 |
| Materials | ATR | APTARGROUP INC | 31.667 |
| | X | UNITED STATES STEEL CORP | 18.980 |
| | CLF | CLIFFS NATURAL RESOURCES INC | 12.188 |
| | IFF | INTL FLAVORS & FRAGRANCES | 11.412 |
| | WLT | WALTER ENERGY INC | 11.324 |
| | PX | PRAXAIR INC | 10.156 |
| | SEE | SEALED AIR CORP | 9.524 |
| | SLGN | SILGAN HOLDINGS INC | 8.417 |
| Telecommunication Serv | WIN | WINDSTREAM CORP | 17.222 |
| | LEVEL3 | LEVEL 3 COMMUNICATIONS INC | 8.503 |
| | VZ | VERIZON COMMUNICATIONS INC | 6.786 |
| Utilities | WTR | WATIA AMERICA INC | 17.357 |
| | NST | NSTAR | 11.429 |
| | NU | NORTHEAST UTILITIES | 7.188 |

This month's **Reward/Risk Ratio of 2.3757x** indicates that the market appears to be slightly more attractive than it was last month when the figure was 2.3624x. Moreover, there are still some bargains. As we saw last month, with a clearing global economic environment, the market will trend up.

Universe Assessment of Aggregate Reward/Risk Ratios

| Size | Style | Cap-Weighted Reward/Risk number | | | All |
|---|-----------------|---------------------------------|-------|--------|--------|
| | | Both** | Value | Growth | |
| S | Russell Top 200 | 2.44 | 2.17 | 2.75 | 2.45 |
| | Russell Mid Cap | 2.53 | 2.06 | 2.62 | 2.38 |
| | | 2.24 | 2.07 | 2.26 | 2.19 |
| | | 2.22 | 2.19 | 2.31 | 2.24 |
| Total Sum of WtdAvgRwd/RskRatio | | 2.39 | 2.13 | 2.60 | 2.3757 |
| Total Average of Actual Reward / Risk Ratio | | 2.28 | 2.16 | 2.38 | 2.2651 |

***Both* refers to stocks that have representation in BOTH the Russell Growth and Value Indices

With all of the style/size combinations in the index having a Reward/Risk ratio greater than 2.0x, we would like to be an avid buyer, but we still see fundamental macro-economic factors hindering the push.

On a cap-weighted basis (green numbers above)

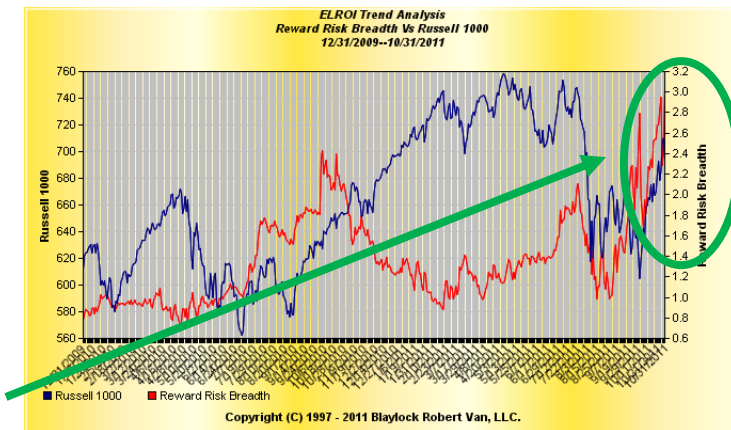
The **Top 200 Growth names look most attractive** compared to any other Size/Style category with a **Reward/Risk ratio of 2.75x** (vs. last month's top figure of 2.66x). The Top 200 Both names come in second with a 2.44x ratio. The least attractive Size/Style category would be the Mid Cap Value stocks having a ratio of 2.07x.

On an equal-weight basis (blue numbers)

The **Top 200 Growth stocks come in as the most attractive groups** on an equal weighted basis with **2.62x ratios**. The Top 200 Both names come in at second with a ratio of 2.53x. The Top 200 Value names would be the least attractive set of stocks possessing a ratio of 2.06x.

“Hold”...the Breadth Trend line has reconverged...

The attractiveness of the market that we predicted last month came to fruition as we saw the Russell 1000 Growth return 11.06% for the month (price return only). In October, investors were able to satiate their longing appetite for stocks by harvesting the abundance of bargains we pointed out in our September report. These bargains were “leftovers” from prior month’s downward moves in the markets. A lack of dismal domestic economic news coupled with growing clarity for a resolution in Europe’s bailout plan propelled much of the market’s run.



Our **Reward/Risk ratio trend line (red line) has re-converged with the trend line for the Russell 1000 (blue line)**. This is an indication that the **market may be due for another pause** via digesting the gains from the previous month. But,

Fear of being left behind...

Many fear being left behind as the market has rallied, but as we signaled last month with our buy recommendation, there may still be time to participate given that our Reward/Risk ratio is at an attractive 2.38x. Uncertainty in the global economy, notwithstanding the, we believe our Reward/Risk ratio trend line and our Sector Universe Heat Map (see below) both indicate the **market is still attractive and may present further entry points**.

Using the “Heat Map” below, we find additional entry points in **Telecom, Health Care, and Consumer Staples**, as these are our **top three sectors for October**. These 3 sectors offer the most attractive opportunities and allow for defensive positioning due to higher than average dividend yields thus assisting downside risk. We measure Sector and Group attractiveness using our Reward/Risk ratio mapped out over time. This Heat Map below, suggests those Sectors/Industries that are attractive areas to invest (top), and also further identifies areas to

| 11/30/2010 | 12/31/2010 | 1/31/2011 | 2/28/2011 | 3/31/2011 | 4/29/2011 | 5/31/2011 | 6/30/2011 | 7/29/2011 | 8/31/2011 | 9/30/2011 | 10/31/2011 |
|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Financials [3.21] | Consumer S [2.57] | Telecommuni [4.16] | Utilities [2.33] | Consumer D [2.01] | Consumer S [2.00] | Financials [2.03] | Industrials [2.29] | Financials [2.52] | Consumer S [2.21] | Telecommuni [3.74] | Telecommuni [4.33] |
| Information [1.99] | Utilities [2.48] | Consumer St [2.88] | Information [1.95] | Health Care [1.88] | Consumer D [1.93] | Industrials [1.97] | Materials [2.21] | Consumer S [2.47] | Information [2.09] | Consumer S [3.65] | Health Care [3.27] |
| Materials [1.94] | Health Care [2.40] | Utilities [2.44] | Telecommuni [1.92] | Utilities [1.86] | Utilities [1.92] | Consumer D [1.91] | Financials [2.01] | Consumer D [2.43] | Consumer D [1.94] | Industrials [3.06] | Consumer St [3.12] |
| Energy [1.92] | Financials [1.97] | Health Care [1.98] | Consumer S [1.85] | Consumer S [1.85] | Telecommuni [1.75] | Consumer S [1.85] | Information [1.98] | Information [2.36] | Telecommuni [1.80] | Information [2.84] | Industrials [2.65] |
| Health Care [1.92] | Information [1.92] | Consumer Dis [1.71] | Health Care [1.69] | Financials [1.57] | Financials [1.57] | Utilities [1.81] | Consumer D [1.75] | Utilities [2.35] | Health Care [1.68] | Health Care [2.83] | Consumer D [2.53] |
| Consumer S [1.90] | Consumer D [1.70] | Information T [1.65] | Consumer D [1.67] | Telecommuni [1.57] | Health Care [1.45] | Information [1.76] | Consumer S [1.74] | Materials [2.02] | Materials [1.67] | Financials [2.52] | Financials [2.45] |
| Consumer D [1.71] | Industrials [1.60] | Financials [1.60] | Financials [1.31] | Materials [1.46] | Information [1.30] | Materials [1.49] | Utilities [1.72] | Health Care [1.97] | Financials [1.31] | Consumer D [2.41] | Information [2.41] |
| Industrials [1.64] | Telecommuni [1.07] | Industrials [1.38] | Industrials [1.26] | Information [1.38] | Industrials [1.27] | Telecommuni [1.33] | Energy [1.63] | Energy [1.50] | Industrials [1.23] | Materials [2.05] | Materials [2.25] |
| Telecommuni [1.62] | Energy [1.02] | Materials [1.00] | Materials [0.93] | Industrials [1.27] | Materials [1.22] | Health Care [1.29] | Health Care [1.60] | Industrials [1.44] | Materials [1.18] | Utilities [1.89] | Energy [1.99] |
| Utilities [1.49] | Materials [0.99] | Energy [0.93] | Energy [0.67] | Energy [0.65] | Energy [0.73] | Energy [1.19] | Telecommuni [1.31] | Telecommuni [1.15] | Energy [0.63] | Energy [1.50] | Utilities [1.81] |

avoid (those toward bottom).

Referring to Table A on the following page, **over 90% of the weight** of the index is **in our three most attractive Reward/Risk categories**. There is a **fair abundance** of green highlights (i.e. “bargain areas”). This is congruent with our view that there seems to be ample amounts of buy opportunities in the market that have been avoided due to economic headwinds. With that said, we are attracted to bargains in robust sectors of the economy, such as:

- **Consumer Staples** sector and consumer orientated stocks within the **Information Technology sector** in the **Russell Top 200 Growth**.
- **Consumer Staples** stocks in the **Russell Top 200 Both** category.

Table B groups the stocks and weights of the index into each of its size/style segments and delivers a slightly better message. Comparing the amount of green in Table B to Table A, the reader will observe more Green highlighted values in the table representing ample concentrations of attractive stocks within each Size/Style portion of the index. Given the aforementioned, **we like Russell Top 200 Growth, Both and Mid Cap “Both”** categories.

The tables on the following pages show where significant weights lie within the Index based on our proprietary Reward/Risk metric. The left column identifies each Reward/Risk sub-category, along with its numeric value. The rows represent the GIC sectors and each column is a different Size/Style grouping within the Index. Red highlights are Speculative to High, i.e., very risky weights within each Sector by Size and Style, Yellow are Moderate Reward/Risk, i.e., less risky weights and Green are Low risk weights within each Sector by Size and Style.

Table A below identifies the weight distribution across the entire index and highlights those sectors (horizontal) that have the highest weight in each Reward/Risk category. **Go with Green & Run from Red!**

Table A

| Table A | | | | | | | | |
|---|------------------------|----------------------|------------------------|-----------------------|----------------------|------------------------|-----------------------|-------------|
| Aggregate Weight Distribution of Reward/Risk within Index | | | | | | | | |
| Reward Risk Range | SectorName | Russell Mid Cap Both | Russell Mid Cap Growth | Russell Mid Cap Value | Russell Top 200 Both | Russell Top 200 Growth | Russell Top 200 Value | Grand Total |
| Speculative (0-0.5x) | Consumer Discretionary | 0.04% | 0.02% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% |
| | Consumer Staples | 0.00% | 0.06% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% |
| | Energy | 0.03% | 0.00% | 0.03% | 0.00% | 0.00% | 0.14% | 0.21% |
| | Financials | 0.00% | 0.00% | 0.16% | 0.00% | 0.00% | 0.00% | 0.16% |
| | Health Care | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Industrials | 0.06% | 0.06% | 0.00% | 0.00% | 0.00% | 0.00% | 0.12% |
| | Information Technology | 0.00% | 0.04% | 0.06% | 0.00% | 0.00% | 0.00% | 0.10% |
| | Materials | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% | 0.25% | 0.26% |
| | Telecommunication Serv | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% | 0.06% |
| | Utilities | 0.00% | 0.00% | 0.06% | 0.00% | 0.00% | 0.00% | 0.06% |
| Speculative (0-0.5x) Total | | 0.13% | 0.19% | 0.31% | 0.00% | 0.00% | 0.45% | 1.08% |
| High (.5x-1x) | Consumer Discretionary | 0.15% | 0.42% | 0.16% | 0.00% | 0.00% | 0.00% | 0.73% |
| | Consumer Staples | 0.00% | 0.11% | 0.06% | 0.00% | 0.00% | 0.00% | 0.16% |
| | Energy | 0.26% | 0.11% | 0.12% | 0.58% | 0.00% | 0.15% | 1.22% |
| | Financials | 0.12% | 0.07% | 0.34% | 0.00% | 0.12% | 0.32% | 0.98% |
| | Health Care | 0.13% | 0.29% | 0.26% | 0.00% | 0.32% | 0.42% | 1.41% |
| | Industrials | 0.28% | 0.10% | 0.13% | 0.00% | 0.00% | 0.00% | 0.51% |
| | Information Technology | 0.13% | 0.15% | 0.27% | 0.00% | 0.39% | 0.00% | 0.94% |
| | Materials | 0.10% | 0.08% | 0.18% | 0.00% | 0.12% | 0.00% | 0.48% |
| | Telecommunication Serv | 0.00% | 0.00% | 0.05% | 0.00% | 0.00% | 0.00% | 0.05% |
| | Utilities | 0.00% | 0.00% | 0.51% | 0.00% | 0.00% | 0.81% | 1.32% |
| High (.5x-1x) Total | | 1.18% | 1.32% | 2.08% | 0.58% | 0.95% | 1.69% | 7.81% |
| Moderate (1x-1.5x) | Consumer Discretionary | 0.35% | 1.04% | 0.24% | 0.34% | 1.58% | 0.15% | 3.69% |
| | Consumer Staples | 0.23% | 0.15% | 0.19% | 0.00% | 0.00% | 0.00% | 0.57% |
| | Energy | 0.26% | 0.14% | 0.03% | 2.97% | 0.00% | 0.00% | 3.40% |
| | Financials | 0.06% | 0.05% | 0.80% | 0.14% | 0.00% | 1.65% | 2.69% |
| | Health Care | 0.03% | 0.14% | 0.15% | 0.02% | 0.12% | 0.00% | 0.47% |
| | Industrials | 0.43% | 0.54% | 0.08% | 0.00% | 0.32% | 0.12% | 1.50% |
| | Information Technology | 0.07% | 0.47% | 0.18% | 0.78% | 0.51% | 2.31% | 4.32% |
| | Materials | 0.12% | 0.14% | 0.07% | 0.08% | 0.34% | 0.00% | 0.76% |
| | Telecommunication Serv | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Utilities | 0.10% | 0.00% | 0.46% | 0.00% | 0.00% | 0.43% | 0.99% |
| Moderate (1x-1.5x) Total | | 1.64% | 2.68% | 2.21% | 4.33% | 2.87% | 4.66% | 18.39% |
| Moderate (1.5x-2x) | Consumer Discretionary | 0.14% | 0.39% | 0.14% | 0.46% | 0.17% | 0.00% | 1.29% |
| | Consumer Staples | 0.12% | 0.00% | 0.13% | 0.44% | 0.00% | 0.15% | 0.84% |
| | Energy | 0.18% | 0.09% | 0.27% | 1.93% | 0.00% | 1.14% | 3.60% |
| | Financials | 0.02% | 0.10% | 0.58% | 0.70% | 0.00% | 1.58% | 2.99% |
| | Health Care | 0.04% | 0.22% | 0.00% | 0.65% | 0.37% | 1.18% | 2.45% |
| | Industrials | 0.10% | 0.14% | 0.20% | 0.92% | 0.80% | 0.32% | 2.47% |
| | Information Technology | 0.15% | 0.34% | 0.07% | 0.00% | 5.12% | 0.00% | 5.68% |
| | Materials | 0.07% | 0.11% | 0.00% | 0.00% | 0.00% | 0.34% | 0.52% |
| | Telecommunication Serv | 0.00% | 0.09% | 0.00% | 0.00% | 0.00% | 0.17% | 0.26% |
| | Utilities | 0.00% | 0.00% | 0.33% | 0.00% | 0.00% | 0.00% | 0.33% |
| Moderate (1.5x-2x) Total | | 0.81% | 1.47% | 1.72% | 5.10% | 6.45% | 4.88% | 20.43% |
| Low (Greater Than 2x) | Consumer Discretionary | 0.37% | 0.63% | 0.60% | 1.27% | 1.60% | 1.44% | 5.91% |
| | Consumer Staples | 0.59% | 0.08% | 0.18% | 4.41% | 2.30% | 0.83% | 8.39% |
| | Energy | 0.41% | 0.49% | 0.04% | 0.53% | 1.33% | 0.35% | 3.15% |
| | Financials | 0.97% | 0.33% | 1.98% | 1.09% | 0.10% | 3.26% | 7.72% |
| | Health Care | 0.50% | 0.85% | 0.26% | 2.31% | 0.95% | 2.10% | 6.95% |
| | Industrials | 0.66% | 0.54% | 0.36% | 1.35% | 1.44% | 1.82% | 6.17% |
| | Information Technology | 0.29% | 1.42% | 0.41% | 0.48% | 5.04% | 0.33% | 7.98% |
| | Materials | 0.19% | 0.66% | 0.20% | 0.00% | 1.02% | 0.00% | 2.06% |
| | Telecommunication Serv | 0.13% | 0.05% | 0.02% | 0.81% | 0.17% | 1.34% | 2.52% |
| | Utilities | 0.02% | 0.03% | 0.61% | 0.00% | 0.00% | 0.45% | 1.11% |
| Low (Greater Than 2x) Total | | 4.14% | 5.07% | 4.65% | 12.25% | 13.95% | 11.91% | 51.97% |
| Current Price=Support Price | Consumer Discretionary | 0.01% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% |
| | Consumer Staples | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Energy | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.10% | 0.10% |
| | Financials | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Health Care | 0.00% | 0.00% | 0.00% | 0.18% | 0.00% | 0.00% | 0.18% |
| | Industrials | 0.00% | 0.00% | 0.02% | 0.00% | 0.00% | 0.00% | 0.02% |
| | Information Technology | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Materials | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Telecommunication Serv | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Utilities | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Current Price=Support Price Total | | 0.01% | 0.01% | 0.02% | 0.18% | 0.00% | 0.10% | 0.32% |
| Grand Total | | 7.91% | 10.75% | 10.99% | 22.45% | 24.22% | 23.69% | 100.00% |

Table B below identifies the same Reward/Risk weight distribution but WITHIN EACH STYLE & SIZE PORTION of the entire index (i.e., the column totals at the bottom of the page sum to 100 for that particular size/style). Like Table A, it highlights those sectors (horizontal) that have the highest weight in each Reward/Risk category, but by each SIZE and STYLE component of the index. **Go with Green** & **Run from Red!**

Table B:

| Table B | | | | | | | | |
|---|------------------------|----------------------|------------------------|-----------------------|----------------------|------------------------|-----------------------|-------------|
| Size & Style Reward/Risk Weight Distribution within Index | | | | | | | | |
| Reward Risk Range | SectorName | Russell Mid Cap Both | Russell Mid Cap Growth | Russell Mid Cap Value | Russell Top 200 Both | Russell Top 200 Growth | Russell Top 200 Value | Grand Total |
| Speculative (0-0.5x) | Consumer Discretionary | 0.47% | 0.19% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% |
| | Consumer Staples | 0.00% | 0.57% | 0.00% | 0.00% | 0.00% | 0.00% | 0.06% |
| | Energy | 0.44% | 0.00% | 0.28% | 0.00% | 0.00% | 0.60% | 0.21% |
| | Financials | 0.00% | 0.00% | 1.47% | 0.00% | 0.00% | 0.00% | 0.16% |
| | Health Care | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Industrials | 0.71% | 0.55% | 0.00% | 0.00% | 0.00% | 0.00% | 0.12% |
| | Information Technology | 0.00% | 0.36% | 0.52% | 0.00% | 0.00% | 0.00% | 0.10% |
| | Materials | 0.00% | 0.10% | 0.00% | 0.00% | 0.00% | 1.06% | 0.26% |
| | Telecommunication Serv | 0.03% | 0.00% | 0.00% | 0.00% | 0.00% | 0.25% | 0.06% |
| | Utilities | 0.00% | 0.00% | 0.54% | 0.00% | 0.00% | 0.00% | 0.06% |
| Speculative (0-0.5x) Total | | 1.65% | 1.78% | 2.79% | 0.00% | 0.00% | 1.91% | 1.08% |
| High (.5x-1x) | Consumer Discretionary | 1.86% | 3.88% | 1.47% | 0.00% | 0.00% | 0.00% | 0.73% |
| | Consumer Staples | 0.00% | 0.98% | 0.54% | 0.00% | 0.00% | 0.00% | 0.16% |
| | Energy | 3.33% | 1.00% | 1.12% | 2.60% | 0.00% | 0.62% | 1.22% |
| | Financials | 1.54% | 0.65% | 3.13% | 0.00% | 0.49% | 1.35% | 0.98% |
| | Health Care | 1.65% | 2.66% | 2.39% | 0.00% | 1.31% | 1.76% | 1.41% |
| | Industrials | 3.60% | 0.95% | 1.14% | 0.00% | 0.00% | 0.00% | 0.51% |
| | Information Technology | 1.67% | 1.36% | 2.48% | 0.00% | 1.60% | 0.00% | 0.94% |
| | Materials | 1.27% | 0.75% | 1.62% | 0.00% | 0.51% | 0.00% | 0.48% |
| | Telecommunication Serv | 0.00% | 0.00% | 0.48% | 0.00% | 0.00% | 0.00% | 0.05% |
| | Utilities | 0.00% | 0.00% | 4.60% | 0.00% | 0.00% | 3.43% | 1.32% |
| High (.5x-1x) Total | | 14.93% | 12.24% | 18.97% | 2.60% | 3.92% | 7.15% | 7.81% |
| Moderate (1x-1.5x) | Consumer Discretionary | 4.40% | 9.66% | 2.18% | 1.50% | 6.52% | 0.64% | 3.69% |
| | Consumer Staples | 2.92% | 1.40% | 1.72% | 0.00% | 0.00% | 0.00% | 0.57% |
| | Energy | 3.24% | 1.26% | 0.31% | 13.24% | 0.00% | 0.00% | 3.40% |
| | Financials | 0.64% | 0.50% | 7.28% | 0.62% | 0.00% | 6.95% | 2.69% |
| | Health Care | 0.37% | 1.34% | 1.39% | 0.11% | 0.48% | 0.00% | 0.47% |
| | Industrials | 5.48% | 5.06% | 0.77% | 0.00% | 1.31% | 0.52% | 1.50% |
| | Information Technology | 0.83% | 4.40% | 1.64% | 3.46% | 2.12% | 9.75% | 4.32% |
| | Materials | 1.54% | 1.35% | 0.65% | 0.35% | 1.42% | 0.00% | 0.76% |
| | Telecommunication Serv | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Utilities | 1.29% | 0.00% | 4.18% | 0.00% | 0.00% | 1.81% | 0.99% |
| Moderate (1x-1.5x) Total | | 20.71% | 24.97% | 20.12% | 19.28% | 11.86% | 19.67% | 18.39% |
| Moderate (1.5x-2x) | Consumer Discretionary | 1.73% | 3.62% | 1.24% | 2.07% | 0.68% | 0.00% | 1.29% |
| | Consumer Staples | 1.51% | 0.00% | 1.16% | 1.97% | 0.00% | 0.64% | 0.84% |
| | Energy | 2.26% | 0.86% | 2.44% | 8.58% | 0.00% | 4.80% | 3.60% |
| | Financials | 0.30% | 0.90% | 5.29% | 3.13% | 0.00% | 6.68% | 2.99% |
| | Health Care | 0.51% | 2.06% | 0.00% | 2.88% | 1.52% | 4.96% | 2.45% |
| | Industrials | 1.21% | 1.26% | 1.84% | 4.09% | 3.29% | 1.37% | 2.47% |
| | Information Technology | 1.89% | 3.12% | 0.61% | 0.00% | 21.15% | 0.00% | 5.68% |
| | Materials | 0.85% | 0.99% | 0.00% | 0.00% | 0.00% | 1.44% | 0.52% |
| | Telecommunication Serv | 0.00% | 0.86% | 0.00% | 0.00% | 0.00% | 0.70% | 0.26% |
| | Utilities | 0.00% | 0.00% | 3.04% | 0.00% | 0.00% | 0.00% | 0.33% |
| Moderate (1.5x-2x) Total | | 10.26% | 13.67% | 15.62% | 22.71% | 26.65% | 20.59% | 20.43% |
| Low (Greater Than 2x) | Consumer Discretionary | 4.67% | 5.91% | 5.48% | 5.66% | 6.59% | 6.06% | 5.91% |
| | Consumer Staples | 7.50% | 0.73% | 1.60% | 19.65% | 9.51% | 3.50% | 8.39% |
| | Energy | 5.22% | 4.51% | 0.36% | 2.38% | 5.00% | 1.47% | 3.15% |
| | Financials | 12.26% | 3.04% | 18.06% | 4.85% | 0.41% | 13.75% | 7.72% |
| | Health Care | 6.30% | 7.91% | 2.33% | 10.27% | 3.92% | 8.85% | 6.95% |
| | Industrials | 8.29% | 5.02% | 3.26% | 6.03% | 5.96% | 7.68% | 6.17% |
| | Information Technology | 3.70% | 13.22% | 3.75% | 2.15% | 20.81% | 1.40% | 7.98% |
| | Materials | 2.45% | 6.13% | 1.79% | 0.00% | 4.19% | 0.00% | 2.06% |
| | Telecommunication Serv | 1.65% | 0.48% | 0.15% | 3.60% | 0.70% | 5.66% | 2.52% |
| | Utilities | 0.30% | 0.27% | 5.57% | 0.00% | 0.00% | 1.89% | 1.11% |
| Low (Greater Than 2x) Total | | 52.33% | 47.21% | 42.34% | 54.60% | 57.58% | 50.26% | 51.97% |
| Current Price=Support Price | Consumer Discretionary | 0.13% | 0.13% | 0.00% | 0.00% | 0.00% | 0.00% | 0.02% |
| | Consumer Staples | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Energy | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.42% | 0.10% |
| | Financials | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Health Care | 0.00% | 0.00% | 0.00% | 0.80% | 0.00% | 0.00% | 0.18% |
| | Industrials | 0.00% | 0.00% | 0.16% | 0.00% | 0.00% | 0.00% | 0.02% |
| | Information Technology | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Materials | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Telecommunication Serv | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | Utilities | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Current Price=Support Price Total | | 0.13% | 0.13% | 0.16% | 0.80% | 0.00% | 0.42% | 0.32% |
| Grand Total | | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Sub-Industry analysis using the Reward / Risk ratio within each Sector

The summary table, below, shows the top 5 industries within each of our Top Ranked Sectors identified on the cover page (assuming no overlap between the Reward/Risk and Cash Flow Valuation tables).

At an aggregate level and not heeding the style component analysis of the index discussed above, this table highlights those industries we would favor within each of the Sectors ranked in the Summary section on the first page.

On subsequent pages, the reader will find full table rankings of all of the GIC Sectors (in alphabetical order) and GIC sub-industries. The full Reward/Risk table is followed by our CF Valuation metric table. In both full tables, the Sectors are sorted alphabetically, and within each Sector the GIC sub-industries are sorted in descending order with the highest Reward/Risk ratio (Cash Flow Valuation figures for the Cash Flow table) at the top. Conversely, the sub-industry with the least attractive figure is listed last.

Summary Table: Top 5 Industries_within the top Sectors

| Industry Evaluation of Recommended Sectors | | | | | |
|---|------------------------------|-------------|---|------------------------------|------|
| Top 5 Industries by Average Reward/Risk Ratio | | | Top 5 Industries by Average CF Valuation Level* | | |
| Market Cap-Weighted | | | | | |
| Telecommunication Serv | Alternative Carriers | 6.49 | Utilities | Water Utilities | 7.00 |
| | Integrated Telecommunication | 4.46 | | Electric Utilities | 7.00 |
| | Wireless Telecomm Svcs | 2.74 | | Gas Utilities | 7.00 |
| Health Care | Biotechnology | 4.55 | | Multi-Utilities | 7.00 |
| | Health Care Distrib & Svcs | 4.31 | | Independent Power Producers | 4.88 |
| | Health Care Services | 3.60 | Consumer Staples | Soft Drinks | 7.00 |
| | Health Care Supplies | 3.14 | | Agricultural Products | 7.00 |
| | Pharmaceuticals | 3.01 | | Brewers | 7.00 |
| Consumer Staples | Soft Drinks | 5.36 | | Drug Retail | 7.00 |
| | Brewers | 4.79 | | Food Distributors | 7.00 |
| | Drug Retail | 4.11 | Household Products | 7.00 | |
| | Personal Products | 2.71 | Telecommunication Serv | Integrated Telecommunication | 7.00 |
| | Food Retail | 2.56 | | Wireless Telecomm Svcs | 5.66 |
| Industrials | Trucking | 3.70 | | Alternative Carriers | 3.50 |
| | Industrial Conglomerates | 3.57 | Health Care | Health Care Distrib & Svcs | 7.00 |
| | Construction & Engineering | 3.38 | | Health Care Services | 7.00 |
| | Research & Consulting Servc | 3.26 | | Pharmaceuticals | 6.99 |
| | Environmental Services | 3.22 | | Health Care Equipment | 6.49 |
| Grand Total | 3.81 | Grand Total | | 6.88 | |

Sub-Industry Average of Color Indicator for Valuation

| | |
|-------------|--|
| 0.0 To 1.39 | |
| 1.4 To 2.79 | |
| 2.8 To 4.19 | |
| 4.2 To 5.59 | |
| 5.6 To 7.00 | |

Full Table follows on the next page

(Note: the Sector averages presented below are calculated using each individual observation at the stock level.)

| Industry Rankings by Average Reward / Risk Ratio | | Sub-Ind Average |
|--|------------------------------|-------------------------|
| GIC Sector | GIC SubIndustry | of Reward-to-Risk Ratio |
| Market Cap-Weighted | | |
| Consumer Discretionary | | |
| | Catalog Retail | 5.29 |
| | Broadcasting & Cable TV | 3.72 |
| | Movies & Entertainment | 3.67 |
| | Internet Retail | 3.62 |
| | Casinos & Gaming | 3.09 |
| | Department Stores | 2.98 |
| | Cable & Satellite | 2.86 |
| | Home Furnishings | 2.64 |
| | Publishing & Printing | 2.58 |
| | Tires & Rubber | 2.48 |
| | Specialty Stores | 2.41 |
| | Homebuilding | 2.35 |
| | Homefurnishing Retail | 2.25 |
| | Auto Parts & Equipment | 2.09 |
| | Hotels | 2.01 |
| | Household Appliances | 1.98 |
| | Restaurants | 1.95 |
| | Computer & Electronics Rtl | 1.87 |
| | Education Services | 1.68 |
| | General Merchandise Stores | 1.49 |
| | Automobile Manufacturers | 1.43 |
| | Leisure Products | 1.43 |
| | Apparel Retail | 1.36 |
| | Automotive Retail | 1.36 |
| | Distributors | 1.35 |
| | Specialized Consumer Service | 1.34 |
| | Apparel & Accessories | 1.19 |
| | Footwear | 1.16 |
| | Housewares & Specialties | 1.10 |
| | Home Improvement Retail | 1.10 |
| | Consumer Electronics | 1.08 |
| | Advertising | 1.06 |
| | Motorcycle Manufacturers | - |
| Consumer Discretionary Total | | 2.32 |
| Consumer Staples | | |
| | Soft Drinks | 5.36 |
| | Brewers | 4.79 |
| | Drug Retail | 4.11 |

| | | |
|------------------------|------------------------------|------|
| | Personal Products | 2.71 |
| | Food Retail | 2.56 |
| | Packaged Foods | 2.55 |
| | Food Distributors | 2.44 |
| | Agricultural Products | 2.35 |
| | Tobacco | 2.15 |
| | Hypermarkets & Super Centers | 2.14 |
| | Distillers & Vintners | 1.84 |
| | Household Products | 0.66 |
| Consumer Staples Total | | 2.70 |
| Energy | | |
| | Coal & Consumable Fuels | 3.84 |
| | Oil & Gas Drilling | 3.38 |
| | Oil & Gas Equipment & Svcs | 2.88 |
| | Oil & Gas Exploration & Prod | 2.08 |
| | Oil & Gas Storage & Transpor | 1.80 |
| | Integrated Oil & Gas | 1.39 |
| | Oil & Gas Refining & Mktg | 1.00 |
| Energy Total | | 1.86 |
| Financials | | |
| | Residential REITs | 4.50 |
| | Banks | 4.24 |
| | Multi-Sector Holdings | 3.88 |
| | Diversified REITs | 3.64 |
| | Specialized Finance | 3.45 |
| | Office REITs | 3.32 |
| | Reinsurance | 2.64 |
| | Specialized REITs | 2.55 |
| | Insurance Brokers | 2.34 |
| | Asset Management & Cust Bank | 2.31 |
| | Investment Banking & Brokera | 2.15 |
| | Regional Banks | 2.00 |
| | Multi-line Insurance | 1.76 |
| | Retail REITs | 1.75 |
| | Consumer Finance | 1.65 |
| | Life & Health Insurance | 1.55 |
| | Real Estate Operating Compan | 1.54 |
| | Real Estate Development | 1.39 |
| | Thrift & Mortgage Finance | 1.25 |
| | Diversified Financial Svcs | 1.22 |
| | Real Estate Services | 1.20 |
| | Property & Casualty Insur | 1.20 |
| | Mortgage REITs | 0.96 |
| | Industrial REITs | 0.83 |
| | Real Estate Management & Dev | - |
| Financials Total | | 2.12 |

| Health Care | | |
|-------------------------------|------------------------------|------|
| | Biotechnology | 4.55 |
| | Health Care Distrib & Svcs | 4.31 |
| | Health Care Services | 3.60 |
| | Health Care Supplies | 3.14 |
| | Pharmaceuticals | 3.01 |
| | Managed Health Care | 2.87 |
| | Life Sciences Tools & Servic | 2.86 |
| | Health Care Technology | 2.74 |
| | Health Care Facilities | 2.22 |
| | Health Care Equipment | 1.99 |
| Health Care Total | | 3.10 |
| Industrials | | |
| | Trucking | 3.70 |
| | Industrial Conglomerates | 3.57 |
| | Construction & Engineering | 3.38 |
| | Research & Consulting Servic | 3.26 |
| | Environmental Services | 3.22 |
| | Railroads | 3.16 |
| | Heavy Electrical Equipment | 2.92 |
| | Electrical Components & Equi | 2.75 |
| | Aerospace & Defense | 2.24 |
| | Construction & Farm Mach | 2.21 |
| | Air Freight & Couriers | 2.19 |
| | Office Services & Supplies | 2.19 |
| | Diversified Support Services | 2.12 |
| | Airlines | 1.77 |
| | Marine | 1.57 |
| | Building Products | 1.56 |
| | Industrial Machinery | 1.43 |
| | Human Resource & Employment | 1.40 |
| | Commercial Printing | 1.30 |
| | Trading Companies & Distrib | 1.25 |
| | Security & Alarm Services | 0.65 |
| Industrials Total | | 2.56 |
| Information Technology | | |
| | Systems Software | 4.26 |
| | Office Electronics | 3.22 |
| | Application Software | 2.66 |
| | Internet Software & Services | 2.56 |
| | Electronic COmponents | 2.51 |
| | Technology Distributors | 2.19 |
| | Semiconductors | 2.07 |
| | Data Processing & Outsrc Svc | 1.81 |
| | Computer Hardware | 1.62 |
| | Computer Storage & Periphs | 1.62 |
| | Home Entertainment Software | 1.55 |

| | | |
|-------------------------------|-------------------------------|------|
| | IT Consulting & Services | 1.45 |
| | Electronic Manufacturing Svcs | 1.37 |
| | Semiconductor Equipment | 1.36 |
| | Electronic Equip & Instru | 1.09 |
| | Telecommunications Equipment | 0.86 |
| Information Technology Total | | 2.15 |
| Materials | | |
| | Diversified Metals & Mining | 3.61 |
| | Metal & Glass Containers | 3.03 |
| | Paper Packaging | 3.02 |
| | Fertilizers & Agri Chemicals | 2.40 |
| | Specialty Chemicals | 2.17 |
| | Commodity Chemicals | 1.94 |
| | Diversified Chemicals | 1.85 |
| | Construction Materials | 1.83 |
| | Aluminum | 1.52 |
| | Paper Products | 1.28 |
| | Industrial Gases | 1.03 |
| | Steel | 0.67 |
| | Gold | 0.51 |
| Materials Total | | 1.93 |
| Telecommunication Serv | | |
| | Alternative Carriers | 6.49 |
| | Integrated Telecommunication | 4.46 |
| | Wireless Telecomm Svcs | 2.74 |
| Telecommunication Serv Total | | 4.24 |
| Utilities | | |
| | Independent Power Producers | 2.16 |
| | Multi-Utilities | 1.78 |
| | Electric Utilities | 1.75 |
| | Gas Utilities | 1.53 |
| | Water Utilities | 1.10 |
| Utilities Total | | 1.76 |

Source: BRV Research

Sub-Industry analysis using the CF Valuation algorithm within each Sector

The following table ranks all of the GIC Sub-industries within each GIC Sector. The organization of the sectors is in descending order beginning with the GIC Sector with the highest average value for the Cash Flow Valuation Indicator. This would imply that these top sectors and sub-industries represent the most attractive investment areas within the Russell 1K. Furthermore, within each Sector, each GIC sub-industry is also ranked in descending order based on the same average value for the Cash Flow Valuation Indicator. **(See the legend at the end of this section for an explanation of these color codes and associated numeric figures)**

The following table is based on UNWEIGHTED CF Valuation values

| Industry Rankings by Average CF Valuation Level | | Sub-Ind Avg of Color |
|---|------------------------------|-------------------------|
| GIC Sector | GIC SubIndustry | Indicator for Valuation |
| Equal-Weighted | | |
| Consumer Discretionary | General Merchandise Stores | 7.00 |
| | Computer & Electronics Rtl | 7.00 |
| | Home Improvement Retail | 7.00 |
| | Automotive Retail | 7.00 |
| | Education Services | 7.00 |
| | Publishing & Printing | 7.00 |
| | Footwear | 7.00 |
| | Motorcycle Manufacturers | 7.00 |
| | Tires & Rubber | 7.00 |
| | Home Furnishings | 7.00 |
| | Homefurnishing Retail | 7.00 |
| | Household Appliances | 7.00 |
| | Distributors | 7.00 |
| | Leisure Products | 7.00 |
| | Specialized Consumer Service | 7.00 |
| | Broadcasting & Cable TV | 6.96 |
| | Movies & Entertainment | 6.91 |
| | Automobile Manufacturers | 6.86 |
| | Auto Parts & Equipment | 6.84 |
| | Specialty Stores | 6.75 |
| | Apparel Retail | 6.64 |
| | Casinos & Gaming | 6.64 |
| | Department Stores | 6.60 |
| | Apparel & Accessories | 6.53 |
| | Restaurants | 6.44 |
| | Housewares & Specialties | 6.18 |
| Hotels | 5.81 | |
| Consumer Electronics | 5.65 | |
| Advertising | 5.04 | |

| | | |
|-------------------------------------|------------------------------|-------------|
| | Internet Retail | 4.92 |
| | Cable & Satellite | 4.28 |
| | Homebuilding | 2.37 |
| | Catalog Retail | 1.00 |
| Consumer Discretionary Total | | 6.25 |
| Consumer Staples | | |
| | Agricultural Products | 7.00 |
| | Brewers | 7.00 |
| | Soft Drinks | 7.00 |
| | Drug Retail | 7.00 |
| | Food Distributors | 7.00 |
| | Household Products | 7.00 |
| | Tobacco | 7.00 |
| | Distillers & Vintners | 7.00 |
| | Hypermarkets & Super Centers | 7.00 |
| | Packaged Foods | 6.16 |
| | Personal Products | 5.74 |
| | Food Retail | 4.87 |
| Consumer Staples Total | | 6.78 |
| Energy | | |
| | Coal & Consumable Fuels | 7.00 |
| | Integrated Oil & Gas | 7.00 |
| | Oil & Gas Drilling | 6.43 |
| | Oil & Gas Refining & Mktg | 6.42 |
| | Oil & Gas Storage & Transpor | 5.89 |
| | Oil & Gas Exploration & Prod | 5.77 |
| | Oil & Gas Equipment & Svcs | 5.10 |
| Energy Total | | 6.37 |
| Financials | | |
| | Banks | 7.00 |
| | Consumer Finance | 7.00 |
| | Insurance Brokers | 7.00 |
| | Mortgage REITs | 7.00 |
| | Property & Casualty Insur | 6.59 |
| | Specialized Finance | 6.58 |
| | Thrift & Mortgage Finance | 6.37 |
| | Diversified Financial Svcs | 6.31 |
| | Multi-line Insurance | 6.27 |
| | Asset Management & Cust Bank | 5.90 |
| | Regional Banks | 5.84 |
| | Investment Banking & Brokera | 5.30 |
| | Life & Health Insurance | 5.16 |
| | Reinsurance | 4.93 |
| | Diversified REITs | 4.58 |
| | Multi-Sector Holdings | 4.00 |
| | Office REITs | 2.92 |
| | Retail REITs | 2.58 |
| | Specialized REITs | 1.99 |

| | | |
|-------------------------------|-------------------------------|-------------|
| | Real Estate Services | 1.35 |
| | Real Estate Development | 1.00 |
| | Real Estate Operating Compan | 1.00 |
| | Industrial REITs | 1.00 |
| | Residential REITs | 1.00 |
| | Real Estate Management & Dev | 1.00 |
| Financials Total | | 5.57 |
| Health Care | | |
| | Health Care Distrib & Svcs | 7.00 |
| | Health Care Services | 7.00 |
| | Pharmaceuticals | 6.99 |
| | Health Care Equipment | 6.49 |
| | Life Sciences Tools & Servic | 6.38 |
| | Health Care Supplies | 6.37 |
| | Managed Health Care | 6.29 |
| | Biotechnology | 6.20 |
| | Health Care Facilities | 6.01 |
| | Health Care Technology | 5.32 |
| Health Care Total | | 6.69 |
| Industrials | | |
| | Railroads | 7.00 |
| | Commercial Printing | 7.00 |
| | Industrial Conglomerates | 7.00 |
| | Security & Alarm Services | 7.00 |
| | Office Services & Supplies | 7.00 |
| | Environmental Services | 7.00 |
| | Aerospace & Defense | 6.92 |
| | Industrial Machinery | 6.84 |
| | Construction & Farm Mach | 6.76 |
| | Electrical Components & Equi | 6.57 |
| | Air Freight & Couriers | 6.52 |
| | Airlines | 6.49 |
| | Research & Consulting Servic | 5.93 |
| | Trucking | 5.74 |
| | Marine | 5.28 |
| | Building Products | 5.11 |
| | Trading Companies & Distrib | 4.87 |
| | Construction & Engineering | 4.54 |
| | Diversified Support Services | 3.14 |
| | Human Resource & Employment | 2.96 |
| | Heavy Electrical Equipment | 1.00 |
| Industrials Total | | 6.64 |
| Information Technology | | |
| | Data Processing & Outsrc Svc | 7.00 |
| | Electronic Manufacturing Svcs | 7.00 |
| | Office Electronics | 7.00 |
| | Technology Distributors | 7.00 |
| | Semiconductors | 6.68 |
| | Semiconductor Equipment | 6.61 |

| | | |
|-------------------------------------|------------------------------|-------------|
| | Systems Software | 6.57 |
| | IT Consulting & Services | 6.17 |
| | Telecommunications Equipment | 6.08 |
| | Computer Storage & Periphs | 5.89 |
| | Electronic Equip & Instru | 4.55 |
| | Computer Hardware | 4.54 |
| | Internet Software & Services | 4.47 |
| | Home Entertainment Software | 4.11 |
| | Application Software | 3.64 |
| | Electronic COmponents | 3.44 |
| Information Technology Total | | 5.73 |
| Materials | | |
| | Diversified Chemicals | 7.00 |
| | Aluminum | 7.00 |
| | Commodity Chemicals | 7.00 |
| | Paper Products | 7.00 |
| | Industrial Gases | 7.00 |
| | Metal & Glass Containers | 7.00 |
| | Fertilizers & Agri Chemicals | 6.88 |
| | Gold | 6.57 |
| | Diversified Metals & Mining | 6.40 |
| | Specialty Chemicals | 5.53 |
| | Paper Packaging | 5.50 |
| | Steel | 4.51 |
| | Construction Materials | 1.00 |
| Materials Total | | 6.35 |
| Telecommunication Serv | | |
| | Integrated Telecommunication | 7.00 |
| | Wireless Telecomm Svcs | 5.66 |
| | Alternative Carriers | 3.50 |
| Telecommunication Serv Total | | 6.74 |
| Utilities | | |
| | Electric Utilities | 7.00 |
| | Water Utilities | 7.00 |
| | Multi-Utilities | 7.00 |
| | Gas Utilities | 7.00 |
| | Independent Power Producers | 4.88 |
| Utilities Total | | 6.88 |

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| | |
|--|-------------|
| Sub-Industry Average of Color Indicator for Valuation between: 0.0 To 1.39 | Red |
| Sub-Industry Average of Color Indicator for Valuation between: 1.4 To 2.79 | Orange |
| Sub-Industry Average of Color Indicator for Valuation between: 2.8 To 4.19 | Yellow |
| Sub-Industry Average of Color Indicator for Valuation between: 4.2 To 5.59 | Light Green |
| Sub-Industry Average of Color Indicator for Valuation between: 5.6 To 7.00 | Dark Green |

Stock Level Summary:

The stock-level tables below are ranked and presented using UNWEIGHTED Reward/Risk values

On the following pages, we apply our two valuation metrics at the stock level, but maintain the GIC Sector and GIC Sub-Industry organization associated with each stock. The Sectors and Sub-Industries are both organized alphabetically. However, the stocks within each Sub-Industry are ranked according to the Reward to Risk ratio located third to last column to the right. These figures are printed in green font.

In utilizing this section of our report, we would pay particular attention to those stocks listed first within each sub-industry and their associated color marker. These stocks represent the most attractively valued stocks based on our proprietary Reward to Risk metric. The reader can then use our second metric, namely the Cash Flow Color Indicator that is located in the center-most column of the page as an alternate barometer to determine that stock's valuation. The legend for these color indicators (i.e. the "Val Ind" column) is located directly below the header for each page and identifies how each color corresponds to that equity's valuation relative to certain historical and estimated EPS figures.

We would alert our readers that on the following pages, the cash flow valuation model calculates implied prices and various percent return scenarios to best/worst pricing using the following determinants:

1. BETA
2. Weighted Average cost of capital (WACC)
3. Terminal growth rates

ELROI automatically calculates these three required inputs for all 4600 companies within the ELROI universe based on industry averages. (Only the Russell 1k subset is discussed in this report). As such, each individual company's BETA, WACC, and Terminal Growth rate is not analyzed independently reflecting for their unique characteristics, and, hence, the results presented below may not be representative of a company's current situation.

Regarding the frequency of "NM"'s in the below results for forecasted prices and returns:

Specifically in cases where the WACC and the Terminal Growth Rate are close to being equal, the implied price may be overstated. The reader should adjust these inputs in ELROI to override an industry average figure that may not reflect the company's current situation. A BRV analyst would be happy to assist you with this within the ELROI system.

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