

*"Sabrient employs an unbiased, fundamentals-based quantitative approach to create unique and robust rankings of equities. Our multi-factor SmartFilters and proprietary alpha models can be used as a prescreen, overlay, or as a mechanical portfolio strategy for indexing or absolute return."*

**David Brown**  
Chief Market Strategist

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### Products & Services

- Weekly ratings & reports on over 5,000 stocks, ADRs, and ETFs
- Long stock ideas, by cap / style
- Short stock selections
- Targeted niche stock ideas & alerts
- Index rankings
- SectorCast ETF rankings
- Custom rankings for your universe
- StockFinderPro artificial intelligence stock screener / search tool
- Asset allocation models
- Specialty strategies for Long/Short portfolios, indexing, hedge baskets, and pairs trades
- Custom portfolio strategy development
- Quantitative indexes for ETFs and other structured products

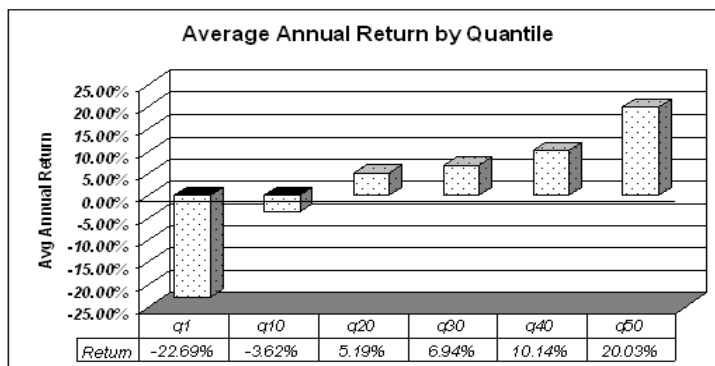
**Why Quant?** A quantitative approach provides a structured, computer-driven framework for making sense of the extensive data available on publicly traded stocks. In general, "quant" offers an unbiased and cost-effective analysis of the numbers. It is free of conflicts of interest, gut feel, or preconceptions of an individual analyst, while still taking into account factors that reflect changes in analyst opinions, consensus EPS estimates, and insider trading.

**Why Sabrient?** No other quant firm drills as deeply, measures as broadly, or analyzes the data as thoroughly as Sabrient. Sabrient ranks over 5,000 U.S.-traded stocks, ADRs, and ETFs on a weekly basis using proprietary mathematical models that adapt to evolving market preferences. Our experienced research staff has built a variety of robust multi-factor filters to identify stocks that appear poised to outperform or underperform the market. And with our proprietary **FSYS** platform, we employ a scientific approach based on hypothesis testing (rather than curve-fitting or optimization) and *relevance scoring* to ensure the models are *rigorous, robust, and scalable*.

**Methodology:** Sabrient uses a computer-driven, quantitative methodology to identify which stock characteristics are most predictive in the prevailing market, and which stocks best reflect those characteristics but are not yet fully rewarded. The Sabrient methodology was developed by an experienced team led by **David Brown**, former NASA scientist and former CEO of Telescan, Inc.



**Performance:** Sabrient's stock selections and portfolio strategies have shown remarkable performance over a range of styles, market caps, and market conditions. The chart below illustrates how one such strategy smoothly predicts relative stock performance. An eligible universe of about 2,500 stocks was ranked and rebalanced monthly over a 10-year simulation. This chart shows a representative sample of 6 out of 50 quantiles, each consisting of about 50 stocks.



### Key Sabrient Staff

**David Brown, Chief Market Strategist and co-founder**, is a former NASA scientist, past co-founder and CEO of Telescan, and author of several investing books and market newsletters. He holds an MBA from the U. of Houston and a BS in Engineering from U. of Pittsburgh.

**Joshua R. Anderson, Ph.D., Director of Research & Development**, was formerly a financial model developer with BlackRock Financial. He holds a Ph.D. in Economics from UC-Santa Barbara and a B.S. in Electrical Engineering.

**R. Guy Kraines, President and COO**, is a former VP of finance of Genentech. He holds an MS in Statistics/Operations Research from Stanford.

**Stephen Stonefield, Senior Advisor**, is formerly a member of Exec Board of CSFB and Chairman of the Pacific Region, and former Managing Director at Smith Barney. He holds a B.A. from Dartmouth and an M.A. from Harvard.

**Theodore Spradlin, Quantitative Equity Analyst**, former quant modeler with Telescan. He has a BA in Philosophy and Psychology.

**Scott Martindale, Senior Managing Director**, held corporate positions in planning & analysis, operations, engineering, and consulting. He is an experienced trader and holds an MBA in Finance.

**Kassandra Bentley, Managing Member**, is coauthor of several books on investing and was the founder of CyberInvest.com. She holds a BA in English.

**Scott Brown, Managing Director**, held leadership positions in sales & marketing, corporate development, and real estate development. He holds a BBA in Marketing..

## SABRIENT RATINGS REPORTS – Stocks & ETFs

Sabrient translates its institutional-level research & analysis into individual **SmartStock** research reports for over 5,000 U.S.-traded stocks, American Depository Receipts (ADRs), and Exchange-Traded Funds (ETFs). Reports are updated weekly and delivered in PDF format.

For stocks and ADRs, the reports also include a **5-point Sabrient rating** – *Strong Buy, Buy, Hold, Sell, or Strong Sell* – which indicates the relative probability of the stock outperforming or underperforming the market over the ensuing 3-6 months.

For ETFs, the 5-point ratings reflect the outlook for each U.S.-traded equity ETF, and range from *Most Attractive* to *Least Attractive*. In addition, the ETF ratings reports summarize various statistics including composition, quantitative scores, rating, and a summary analysis

Each report is updated weekly using the power of Sabrient's acclaimed **SmartRank** scoring system and our proprietary **interpretive text generator** (ITG). The ITG translates our sophisticated, fundamentals-based, quantitative scoring & normalized rankings into a reader-friendly discussion.

Each report shows how the subject company stacks up against the market, its industry group, and a selection of its peers, and includes charts, expanded discussion, and market analysis.

### Compelling Alternative to an Analyst's Opinion

Sabrient's SmartStock reports provide a compelling alternative opinion comparable to a Wall Street fundamental analyst. While employing the same fundamental data, our approach avoids the bias of an individual analyst while still taking into account the consensus estimates of Wall Street analysts who cover the stock. The result is unique, unbiased, and affordable. *And it's updated automatically every week!*

Our strong performance, quality reports, and broad coverage have made us a key *independent research provider* (IRP) in the *Global Research Analyst Settlement* (GRAS). Through a competitive process, 8 of the 12 participating Wall Street brokerages have received or continue to receive Sabrient's weekly SmartStock reports for distribution to their clients.

Access to Sabrient's entire suite of weekly SmartStock Reports is included with a subscription to **MyStockFinder**, **StockFinderPro**, or **SmartLink Pro**.



## MyStockFinder STOCK SEARCH TOOL

Think of **MyStockFinder** (and **StockFinderPro**) as a *super magnet* that pulls the needles you are seeking to the top of the haystack...*while taking the emotion out of the equation by eliminating decision-making based on fear, panic, greed or surrender.*

In a nutshell, it is an enhanced stock screener that uses a brief questionnaire to learn the investor's preferences in investing style & stock characteristics, and then produces a list of Sabrient's top-ranked stocks that best fit those preferences.

### How It Works

First, MyStockFinder asks 10 high-level questions about the investor's investing preferences. It then translates those answers into a set of explicit criteria for prioritizing stocks using Sabrient's proprietary QMaxx *artificial intelligence* engine.

MyStockFinder searches Sabrient's weekly ranked database of some 5,800 stocks, giving you a results table of 10 to 50 stocks (your choice) that best match the profile you provided. Every stock in the results table *hyperlinks* to its **SmartStock** report – which is updated weekly for every stock in our database using our *proprietary interpretive text generator*.

You can customize your search in any way you like – or use our *eight preset searches* designed for specific investment themes.

MyStockFinder is quite different from other *stock screeners* provided by brokerage firms. Whereas most use "sequential elimination," ours employs Sabrient's *relevance scoring* approach, which scores & ranks all eligible stocks within our **SmartRank** framework. While the typical stock screener might provide no picks at all if your preferences are too narrow, MyStockFinder will provide your requested number of stocks – ordered by how closely they come to meeting your preferences.

It is a valuable tool for self-directed investors or financial advisors ... *or for a broker/dealer that wants to provide a unique stock search tool for its clients.*

### Winning Fans Fast

We use MyStockFinder every week to come up with fresh and compelling stock ideas for our free weekly newsletter, **What the Market Wants**. *These picks have been crushing the market.*

*"I have been using [StockFinderPro] for over a year now, through the most horrendous market conditions I've ever seen. As a financial advisor, it has been extremely valuable in helping me identify good quality stocks that fit my clients' individual needs. I am very happy with it!"*

-- John Green, financial advisor, Saskatoon, SK, Canada

The screenshot displays the QMAXX stock search tool interface. It features a series of numbered steps for configuring a search:

- 1.1 Substant Settings:** Includes options for "Allow Day-traded stocks only" and "Allow Buy- and sell-side-traded stocks".
- 1.2 Market Cap:** Includes checkboxes for "Large-Cap (> \$10 billion)", "Mid-Cap (\$2 - \$10 billion)", "Small-Cap (< \$2 billion)", and "Micro-Cap (< \$500 million)".
- 1.3 Investing Style:** A table for selecting higher numbers (1-5) for various factors: Value, Growth, Momentum, Sector, and Technical. A "Significance" slider is also present.
- 1.4 Stock Attributes:** A table for selecting higher numbers (1-5) for factors like Quality of Earnings, Working Balance Sheet, Strong Fundamentals, Growth Strength, Short-Term Technical Strength, and Long-Term Technical Strength. A "Significance" slider is also present.
- 1.5 Recent Revisions to Analysts' Estimates:** A "Significance" slider.
- 1.6 Insider Buying Activity:** A "Significance" slider.
- 1.7 Risk Forward:** Includes checkboxes for "Allow stocks that tend to rise and fall less than the market", "Allow stocks that tend to rise and fall about the same as the market", and "Allow stocks that tend to rise and fall more than the market".
- 1.8 Sectors and Groups:** A "Significance" slider.
- 1.9 Additional Settings:** A table for selecting higher numbers (1-5) for "P/E ratio", "Market", "Market", "Market", and "Market".
- 1.10 Number of Stocks:** A "Significance" slider.

At the bottom, there are "View Results" and "Clear" buttons.

## SMARTLINK PRO (and Scorecards)

**SmartLink Pro** is a web application that screens our entire database of top-ranked stocks for defined trading styles (value, growth, momentum) and market caps (large, mid, small, micro), using our acclaimed fundamentals-based **SmartRank multi-factor filter & relevance scoring system**.

It is a powerful tool for investment pros who want new stock ideas...or who need to evaluate existing positions, make quick decisions, and have the detailed & unbiased analysis supporting those decisions at their fingertips.

**SmartLink Pro** searches the database in one of two ways:

- Using the entire database of some 5,000 stocks, you may request the top-ranked stocks from particular styles and/or market caps – or from all styles and caps.
- Using the FastSelect function at the top of the menu, you may type in a list of stocks that you want to see...and get back a custom table of ratings and scores.

The SmartLink Pro results table will display from 5 to 100 (your choice) top-ranked stocks for the caps and styles selected.

Plus ... each ticker in the table *hyperlinks* to its individual **SmartStock** report – which is updated weekly using our proprietary **interpretive text generator** (ITG).

## SmartRank Scorecards & Index Rankings

Sabrient also publishes weekly our suite of **style/cap selections** as well as top-to-bottom **index rankings** in Microsoft Excel format. It facilitates drill-down to individual SmartFilters and their current backtest, which allows the PM to up-weight the best-performing filters and customize the results. And with our *index rankings*, the PM can determine the relative strength of index constituents for the ensuing 3-6 months based on value, growth, or momentum metrics.

*“As an investment advisor for more than 40 years, I have seen, tested and used numerous research tools, and I’ve watched a host of analysts and firms come and go. However, Sabrient’s models have worked extremely well for me.... So, for an investor who seeks to improve 'hit' rate and investment returns, I wholeheartedly recommend Sabrient!”*

-- Roger H., RIA, Atlanta, GA



Ticker	Cap/Style	SmartRank	Value	Growth	Momentum	Overall	Backtest
AMZN	Large-Cap	98	98	98	98	98	98
GOOGL	Large-Cap	97	97	97	97	97	97
MSFT	Large-Cap	96	96	96	96	96	96
APPL	Large-Cap	95	95	95	95	95	95
FB	Large-Cap	94	94	94	94	94	94
ADBE	Large-Cap	93	93	93	93	93	93
CRM	Large-Cap	92	92	92	92	92	92
ORCL	Large-Cap	91	91	91	91	91	91
IBM	Large-Cap	90	90	90	90	90	90
WAT	Large-Cap	89	89	89	89	89	89
HPQ	Large-Cap	88	88	88	88	88	88
QCOM	Large-Cap	87	87	87	87	87	87
AVGO	Large-Cap	86	86	86	86	86	86
TXN	Large-Cap	85	85	85	85	85	85
INTC	Large-Cap	84	84	84	84	84	84
AMD	Large-Cap	83	83	83	83	83	83
MRNA	Large-Cap	82	82	82	82	82	82
REGN	Large-Cap	81	81	81	81	81	81
VRTX	Large-Cap	80	80	80	80	80	80
BIIB	Large-Cap	79	79	79	79	79	79
MRK	Large-Cap	78	78	78	78	78	78
LLY	Large-Cap	77	77	77	77	77	77
UNH	Large-Cap	76	76	76	76	76	76
CVX	Large-Cap	75	75	75	75	75	75
XOM	Large-Cap	74	74	74	74	74	74
CVS	Large-Cap	73	73	73	73	73	73
WAL	Large-Cap	72	72	72	72	72	72
DIS	Large-Cap	71	71	71	71	71	71
BA	Large-Cap	70	70	70	70	70	70
GE	Large-Cap	69	69	69	69	69	69
MMM	Large-Cap	68	68	68	68	68	68
DUK	Large-Cap	67	67	67	67	67	67
SO	Large-Cap	66	66	66	66	66	66
SCS	Large-Cap	65	65	65	65	65	65
WDC	Large-Cap	64	64	64	64	64	64
WY	Large-Cap	63	63	63	63	63	63
WMT	Large-Cap	62	62	62	62	62	62
HD	Large-Cap	61	61	61	61	61	61
LOW	Large-Cap	60	60	60	60	60	60
EBAY	Large-Cap	59	59	59	59	59	59
EBF	Large-Cap	58	58	58	58	58	58
EBAY	Large-Cap	57	57	57	57	57	57
EBAY	Large-Cap	56	56	56	56	56	56
EBAY	Large-Cap	55	55	55	55	55	55
EBAY	Large-Cap	54	54	54	54	54	54
EBAY	Large-Cap	53	53	53	53	53	53
EBAY	Large-Cap	52	52	52	52	52	52
EBAY	Large-Cap	51	51	51	51	51	51
EBAY	Large-Cap	50	50	50	50	50	50
EBAY	Large-Cap	49	49	49	49	49	49
EBAY	Large-Cap	48	48	48	48	48	48
EBAY	Large-Cap	47	47	47	47	47	47
EBAY	Large-Cap	46	46	46	46	46	46
EBAY	Large-Cap	45	45	45	45	45	45
EBAY	Large-Cap	44	44	44	44	44	44
EBAY	Large-Cap	43	43	43	43	43	43
EBAY	Large-Cap	42	42	42	42	42	42
EBAY	Large-Cap	41	41	41	41	41	41
EBAY	Large-Cap	40	40	40	40	40	40
EBAY	Large-Cap	39	39	39	39	39	39
EBAY	Large-Cap	38	38	38	38	38	38
EBAY	Large-Cap	37	37	37	37	37	37
EBAY	Large-Cap	36	36	36	36	36	36
EBAY	Large-Cap	35	35	35	35	35	35
EBAY	Large-Cap	34	34	34	34	34	34
EBAY	Large-Cap	33	33	33	33	33	33
EBAY	Large-Cap	32	32	32	32	32	32
EBAY	Large-Cap	31	31	31	31	31	31
EBAY	Large-Cap	30	30	30	30	30	30
EBAY	Large-Cap	29	29	29	29	29	29
EBAY	Large-Cap	28	28	28	28	28	28
EBAY	Large-Cap	27	27	27	27	27	27
EBAY	Large-Cap	26	26	26	26	26	26
EBAY	Large-Cap	25	25	25	25	25	25
EBAY	Large-Cap	24	24	24	24	24	24
EBAY	Large-Cap	23	23	23	23	23	23
EBAY	Large-Cap	22	22	22	22	22	22
EBAY	Large-Cap	21	21	21	21	21	21
EBAY	Large-Cap	20	20	20	20	20	20
EBAY	Large-Cap	19	19	19	19	19	19
EBAY	Large-Cap	18	18	18	18	18	18
EBAY	Large-Cap	17	17	17	17	17	17
EBAY	Large-Cap	16	16	16	16	16	16
EBAY	Large-Cap	15	15	15	15	15	15
EBAY	Large-Cap	14	14	14	14	14	14
EBAY	Large-Cap	13	13	13	13	13	13
EBAY	Large-Cap	12	12	12	12	12	12
EBAY	Large-Cap	11	11	11	11	11	11
EBAY	Large-Cap	10	10	10	10	10	10
EBAY	Large-Cap	9	9	9	9	9	9
EBAY	Large-Cap	8	8	8	8	8	8
EBAY	Large-Cap	7	7	7	7	7	7
EBAY	Large-Cap	6	6	6	6	6	6
EBAY	Large-Cap	5	5	5	5	5	5
EBAY	Large-Cap	4	4	4	4	4	4
EBAY	Large-Cap	3	3	3	3	3	3
EBAY	Large-Cap	2	2	2	2	2	2
EBAY	Large-Cap	1	1	1	1	1	1

## OTHER PRODUCTS: FOR GENERATING TRADE IDEAS & INSIGHTS

### Sabrient SectorCast-ETF Model

Sabrient's **SectorCast Model** provides relative scoring of equity exchange-traded funds (ETFs) using fundamentals and sentiment in a bottom-up composite profile based on the underlying stocks. *Clearly this approach can be used to rank sector ETFs for the benefit of traders and investors for **sector rotation** or **enhanced ETF** strategies.*

The model employs both historical and forward-looking factors in what amounts to a *company outlook* rank. It uses quantitative factors related to current valuation, growth prospects, Wall Street analyst consensus changes, earnings quality, and accounting practices. Higher scores are better, so we look to the top to find the strongest sectors/industries/ETFs and to the bottom to find the weakest sectors/industries/ETFs.

SECTOR	ETF	SCORE (HIGH IS 100)
TECHNOLOGY	EYW	99
HEALTH CARE	IYH	70
CONSUMER GOODS	IYK	68
ENERGY	IYE	59
FINANCIAL	IYF	57
BASIC MATERIALS	IYM	55
UTILITIES	IDU	49
INDUSTRIAL	IYJ	32
CONSUMER SERVICES	IYC	15
TELECOMMUNICATIONS	IYZ	9

These forward-looking rankings are based on Sabrient's fundamentals-based Company Outlook Rank and certain other factors to create a composite profile of the constituent stocks.

### Sabrient SmartLists and Custom Quant Screens

Our "best of breed" stocks are singled out in what we call our SmartRank selections. This is also the basis for our **SmartLists**, which are theme-based Top-10 lists of stock selections from our rankings, including *All Caps, Micro-Caps, Insider Buying, Short Ideas, Risers & Divers, Biggest Ratings Changes*, and many others....

We also create focused idea lists for **custom themes targeted to a given niche or client**. As an example, we can deliver a custom list of stocks for a theme such as "*small-cap aggressive-growth stocks with low-risk accounting practices and insider buying in the Healthcare sector.*" Each list like this could be packaged as a specialty product targeted to a given niche. We can also create a **Short-oriented** SmartList for a *hedge basket, pairs trading, or long/short* (or to sell if in your portfolio).

### Sabrient Healthcare Gangbusters

Rank	Ticker	company	Value	Growth	Momentum
1	GTIV	Gentiva Health Services Inc	75	70	42
2	ALGN	Align Technology Inc	21	97	41
3	ICUI	ICU Medical Inc	37	14	54
4	AFAM	Almost Family Inc	52	86	95
5	CHE	Chemed Corp	44	75	74
6	LHCG	LHC Group Inc	63	85	58
7	ECLP	Eclipsys Corp	49	73	39
8	CHSI	Catalyst Health Solutions Inc	71	97	55
9	VNUS	VNUS Medical Technologies Inc	0	66	69
10	SXCI	SXC Health Solutions Corp	33	33	4

### Sabrient Select Opportunity Portfolio

This is one of our **active-trader products** that *overlays a technical entry/exit trigger on top of a quant-based watch list, with alerts* sent to the client. It is a Sabrient proprietary active solution featuring Long candidates chosen from among top-ranked stocks that are: 1) rated "Strong Buy" by Sabrient's fundamentals-based quantitative algorithm, 2) in the strongest sectors, and 3) in a technical uptrend and/or breakout or reversal mode. For Shorts, they must be: 1) rated "Strong Sell" by Sabrient, 2) in weaker sectors, and 3) in a technical downtrend and/or breakdown or reversal mode. While the market struggled, *performance has been outstanding!*

### Sabrient Select Opportunity Portfolio - New Alert

Mar 25, 2009 -- 3:51pm EST

Petro-Canada (PCZ) - Buy at the market (currently at \$27.19) with a target of \$35.00 (place a \$1 trailing stop if stock reaches this price) and sell stop at \$25.50.



The stock broke out of a six-month consolidation pattern this week on heavy volume. PCZ is rated a Sabrient "Buy" and scores a 96 for the Sabrient Momentum Score, a composite measure of earnings, price and group momentum. We recommend exiting the position if the stock falls below strong support in the \$26 area.

## SPECIALTY STRATEGIES: FOR INDEXING, LONG/SHORT & ABSOLUTE RETURN

### Short Ideas Model

In addition to our suite of long selections, Sabrient now offers a 50-stock **Short scorecard**, based on our advanced short selection algorithm. **Great for hedging, pairs trades, or long/short**, the Short scorecard is delivered in Excel format and displays our full complement of Value/Growth/Momentum multi-factor SmartFilter scores. Since publication began in June 2008, our short picks have produced steady performance attribution.

### Indexes for Exchange-Traded Funds

Sabrient's custom **active-quant** strategies can be used for specialized structured products, including published indexes tracked by exchange-traded funds (ETFs). Sabrient has proven competency in layering *alpha generation* on top of *beta exposure*.

Existing indexes include the *Sabrient Insider Sentiment Index*, and *Sabrient Defensive Equity Index*, which are licensed to Claymore Securities to track with ETFs.

### Sabrient Insider Sentiment Index

Tracked by (NYSEArca: **NFO**)

*"Follow Those In-the-Know"*

Looks for stocks with insider buying activity by directors & senior management, as well as earnings upgrades by Wall Street analysts.

>> **Rated 4 STARS** by Morningstar.

### Sabrient Defensive Equity Index

Tracked by (NYSEArca: **DEF**)

*"Downside Protection, Upside Capture"*

Finds high-cash-flow stocks that have been serving as an investor safe haven on weak market days over the recent past.

>> **Rated 5 STARS** by Morningstar.

### Sabrient Company Outlook Rank

Sabrient has long offered a variety of specialty strategies, many of which have proven to be quite robust and predictive for long, short, long/short, or enhanced index portfolios, or for simply ranking a given universe of stocks with a strong quantitative overlay.

Our powerful new proprietary testing platform **FSYS** gives us nearly unlimited flexibility to incorporate relevant data and to build and test filters & strategies. Our data feeds are top of the line, including Thomson Reuters Fundamental Data and IBES analyst consensus, Washington Services (insider data), and Audit Integrity (forensic accounting & corporate governance).

Our **Company Outlook Rank** is one tailor-made for **long/short absolute return strategies** (or for indexing, weighting, hedging, or pre-screening for further analysis). It can be characterized as forward-looking "company outlook" rank – based on quantitative factors related to current valuation, growth prospects, Wall Street analyst consensus changes, earnings quality & accounting practices. And its performance is quite impressive, providing **average annual returns exceeding +40%**.

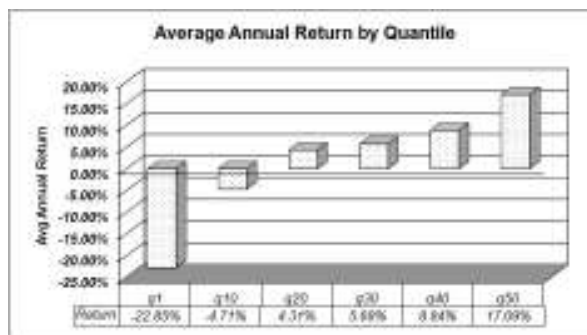
Here's a sample 15 long/15 short rank, as it is delivered to the client, including prescribed sector & industry diversification:

Date	Ticker	Company Name	VCU Score	Longs	Shorts	Industry
5/1/09	NE	Noble Corp	1.0000	1		Energy Equipment & Services
5/1/09	HUM	Humana Inc.	0.9996	2		Health Care Providers & Services
5/1/09	AYR	Aircastle Ltd	0.9991	3		Trading Companies & Distributors
5/1/09	HOGS	Zhongpin Inc	0.9987	4		Food Products
5/1/09	BBEP	BreitBurn Energy Partners LP	0.9982	5		Oil, Gas & Consumable Fuels
5/1/09	FLY	Babcock & Brown Air Limited	0.9978	6		Trading Companies & Distributors
5/1/09	PSYS	Psychiatric Solutions Inc	0.9973	7		Health Care Providers & Services
5/1/09	MFA	MFA Financial Inc	0.9964	8		Real Estate Investment Trusts
5/1/09	CMO	Capstead Mortgage Corp	0.9960	9		Real Estate Investment Trusts
5/1/09	HOC	Holly Corp	0.9955	10		Oil, Gas & Consumable Fuels
5/1/09	AIZ	Assurant Inc.	0.9951	11		Insurance
5/1/09	SFG	Stancorp Financial Group Inc.	0.9937	12		Insurance
5/1/09	ATW	Atwood Oceanics Inc.	0.9933	13		Energy Equipment & Services
5/1/09	TEO	Telecom Argentina Stet-Franc	0.9893	14		Diversified Telecom Services
5/1/09	RCII	Rent-A-Center Inc	0.9848	15		Specialty Retail
5/1/09	STI	SunTrust Banks Inc.	0.0076		15	Commercial Banks
5/1/09	WY	Weyerhaeuser Co	0.0067		14	Paper & Forest Products
5/1/09	HAR	Harman International Industrie	0.0058		13	Household Durables
5/1/09	GNTX	Gentex Corp	0.0054		12	Auto Components
5/1/09	WGO	Winnebago Industries Inc.	0.0049		11	Automobiles
5/1/09	THO	Thor Industries Inc.	0.0045		10	Automobiles
5/1/09	PBCT	People's United Financial Inc	0.0036		9	Thrifts & Mortgage Finance
5/1/09	ELON	Echelon Corp	0.0031		8	Electronic Equipment
5/1/09	FHN	First Horizon National Corp	0.0027		7	Commercial Banks
5/1/09	AA	Alcoa Inc	0.0022		6	Metals & Mining
5/1/09	PXP	Plains Exploration & Producti	0.0018		5	Oil, Gas & Consumable Fuels
5/1/09	KLAC	KLA-Tencor Corp	0.0013		4	Semiconductors & Semi Equip
5/1/09	JAVA	Sun Microsystems Inc	0.0009		3	Computers & Peripherals
5/1/09	LRCX	Lam Research Corp	0.0004		2	Semiconductors & Semi Equip
5/1/09	TEX	Terex Corp	0.0000		1	Machinery

## Sabrient Sample Strategy Summary: for Long/Short, Hedging or Indexing (for structured products) Monthly Rebalance; Constrained by Sector & Industry Limits (25%/12.5%); P > \$5

Strategy Description	Portfolio Statistics vs. Index																																																																																														
<ul style="list-style-type: none"> <li>Test period is 10 years, 7/1/2000 – 7/1/2010</li> <li>Eligible universe starts with Sabrient's database of 5,000 stocks, then requires price &gt; \$5 and no. of Wall Street analysts &gt; 2</li> <li>Strategy employs metrics for analyst consensus changes, GARP valuation, absolute growth, and a forensic accounting / governance</li> <li>Long Portfolio incorporates the top 15 stocks and Short Portfolio incorporates the bottom 15 stocks</li> <li>Portfolio is rebalanced monthly using closing prices on the first trading day of the month, with scoring based on the prior day's closing data (last trading day of prior month)</li> <li>Includes dividends and cash distributions, but no transaction costs</li> <li>No stop losses or technical trading signals for entry/exit timing</li> <li><b>Risk Management:</b> Includes constraints on sector &amp; industry concentrations (25% / 12.5%), daily volume threshold of \$500k/day</li> <li><b>Trend-following technical overlay:</b> 70/30 long-biased (140% long / 60% short) when the SPY is above both its 50-day and 200-day simple moving average; short-biased (60% long / 140% short) when the SPY is below both its 50- and 200-day SMA, and neutral (100% long / 100% short) when it's between the two.</li> </ul>	<table border="1"> <thead> <tr> <th>Dollar-Neutral Long/Short</th> <th>Top Quantile</th> <th>Bottom Quantile</th> <th>Long/Short Portfolio</th> <th>SPY Index</th> </tr> </thead> <tbody> <tr> <td>12-month Annualized return (%)</td> <td>31.0</td> <td>-1.2</td> <td>25.6</td> <td>13.9</td> </tr> <tr> <td>24-month Annualized return (%)</td> <td>1.1</td> <td>-28.4</td> <td>39.3</td> <td>-8.3</td> </tr> <tr> <td>10-year Annualized return (%)</td> <td>17.1</td> <td>-22.9</td> <td>40.5</td> <td>-2.0</td> </tr> <tr> <td colspan="5"><b>10-year Performance Stats:</b></td> </tr> <tr> <td colspan="5">Dates: 7/1/2000 - 7/1/2010</td> </tr> <tr> <td>Annualized return (%)</td> <td>17.1</td> <td>-22.9</td> <td>40.5</td> <td>-2.0</td> </tr> <tr> <td>Annualized volatility (%)</td> <td>31.2</td> <td>39.1</td> <td>28.6</td> <td>16.2</td> </tr> <tr> <td>Simple Sharpe ratio vs Rf = 3%</td> <td>0.93</td> <td>-1.09</td> <td>1.27</td> <td>-0.23</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Dynamic Long/Short w/ Trend-following Tech Overlay</th> <th>Top Quantile</th> <th>Bottom Quantile</th> <th>Long/Short Portfolio</th> <th>SPY Index</th> </tr> </thead> <tbody> <tr> <td>12-month Annualized return (%)</td> <td>31.0</td> <td>-1.2</td> <td>51.8</td> <td>13.9</td> </tr> <tr> <td>24-month Annualized return (%)</td> <td>1.1</td> <td>-28.4</td> <td>56.6</td> <td>-8.3</td> </tr> <tr> <td>10-year Annualized return (%)</td> <td>17.1</td> <td>-22.9</td> <td>52.4</td> <td>-2.0</td> </tr> <tr> <td colspan="5"><b>10-year Performance Stats:</b></td> </tr> <tr> <td colspan="5">Dates: 7/1/2000 - 7/1/2010</td> </tr> <tr> <td>Annualized return (%)</td> <td>17.1</td> <td>-22.9</td> <td>52.4</td> <td>-2.0</td> </tr> <tr> <td>Annualized volatility (%)</td> <td>31.2</td> <td>39.1</td> <td>38.1</td> <td>16.2</td> </tr> <tr> <td>Simple Sharpe ratio vs Rf = 3%</td> <td>0.93</td> <td>-1.09</td> <td>1.26</td> <td>-0.23</td> </tr> </tbody> </table>					Dollar-Neutral Long/Short	Top Quantile	Bottom Quantile	Long/Short Portfolio	SPY Index	12-month Annualized return (%)	31.0	-1.2	25.6	13.9	24-month Annualized return (%)	1.1	-28.4	39.3	-8.3	10-year Annualized return (%)	17.1	-22.9	40.5	-2.0	<b>10-year Performance Stats:</b>					Dates: 7/1/2000 - 7/1/2010					Annualized return (%)	17.1	-22.9	40.5	-2.0	Annualized volatility (%)	31.2	39.1	28.6	16.2	Simple Sharpe ratio vs Rf = 3%	0.93	-1.09	1.27	-0.23	Dynamic Long/Short w/ Trend-following Tech Overlay	Top Quantile	Bottom Quantile	Long/Short Portfolio	SPY Index	12-month Annualized return (%)	31.0	-1.2	51.8	13.9	24-month Annualized return (%)	1.1	-28.4	56.6	-8.3	10-year Annualized return (%)	17.1	-22.9	52.4	-2.0	<b>10-year Performance Stats:</b>					Dates: 7/1/2000 - 7/1/2010					Annualized return (%)	17.1	-22.9	52.4	-2.0	Annualized volatility (%)	31.2	39.1	38.1	16.2	Simple Sharpe ratio vs Rf = 3%	0.93	-1.09	1.26	-0.23
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### Historical Portfolio Performance Backtest: 7/3/2000 – 7/1/2010 (Post Internet Bubble)



Long/Short-1 Portfolio (50/50 - 100% Long / 100% Short)													
L/S	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2000							19.94%	-7.53%	7.44%	3.80%	35.01%	23.09%	105.55%
2001	-10.02%	24.08%	13.70%	-1.52%	5.00%	-7.48%	13.06%	11.25%	6.96%	-11.78%	-9.10%	4.49%	36.93%
2002	12.77%	14.45%	8.46%	13.10%	8.99%	29.78%	2.08%	1.34%	1.99%	-6.24%	-18.70%	13.32%	100.50%
2003	8.81%	-4.56%	5.37%	1.44%	-8.77%	-0.58%	-0.44%	-0.83%	7.31%	4.39%	5.82%	-4.25%	12.82%
2004	-3.41%	-1.10%	-1.80%	1.87%	4.59%	7.91%	9.31%	2.44%	4.29%	4.10%	6.92%	-0.15%	39.99%
2005	4.90%	4.34%	2.80%	-2.05%	0.04%	2.27%	-0.48%	2.81%	0.47%	2.66%	2.62%	3.19%	26.01%
2006	-5.71%	0.34%	1.94%	4.44%	4.86%	-1.95%	7.36%	-8.27%	-3.41%	4.09%	6.64%	9.91%	20.18%
2007	2.03%	1.32%	-0.67%	3.70%	-4.87%	2.19%	-3.46%	0.62%	4.46%	2.75%	15.51%	-5.33%	18.03%
2008	10.66%	6.79%	-14.16%	-0.10%	2.23%	-6.08%	-1.75%	-3.97%	-7.02%	5.29%	-7.02%	6.83%	-10.73%
2009	14.78%	-4.28%	5.19%	24.06%	7.91%	8.81%	-6.34%	-6.25%	-1.93%	6.13%	11.05%	-3.79%	64.38%
2010	5.92%	6.37%	4.21%	-3.67%	5.45%	7.84%							28.61%
	Best month = 35.01%					Worst month = -18.70%					Avg Annual Return = 40.54%		
	Volatility = 28.70%												
	Avg Return												
12-mo Trailing:	-6.34%	-6.25%	-1.93%	6.13%	11.05%	-3.79%	5.92%	6.37%	4.21%	-3.67%	5.45%	7.84%	25.58%
24-mo Trailing:	-1.75%	-3.97%	-7.02%	5.29%	-7.02%	6.83%	14.78%	-4.28%	5.19%	24.06%	7.91%	8.81%	39.27%
	Simple Sharpe = 1.27												

Long/Short-2 Dynamic Portfolio (140/60, 100/100, or 60/140) based on 50 & 200-day moving average on SPY													
L/S	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2000							15.07%	-7.53%	0.84%	10.23%	50.60%	27.64%	127.35%
2001	-27.42%	24.08%	22.73%	-16.90%	5.00%	-7.48%	19.21%	14.46%	20.61%	-18.11%	-18.70%	4.49%	2.17%
2002	12.77%	14.45%	1.98%	11.82%	16.74%	43.70%	12.10%	1.90%	5.93%	-6.41%	-18.70%	13.32%	157.58%
2003	10.28%	-1.40%	6.33%	-10.94%	2.33%	3.52%	0.48%	6.34%	10.12%	4.39%	6.56%	-2.25%	39.55%
2004	0.77%	1.65%	-2.51%	1.87%	4.59%	10.28%	5.24%	2.44%	8.92%	6.37%	17.49%	3.50%	78.19%
2005	3.72%	4.34%	-3.82%	-2.05%	0.04%	3.86%	7.53%	2.75%	-1.78%	-3.46%	2.62%	2.70%	16.96%
2006	1.44%	0.30%	4.70%	7.17%	0.32%	-1.95%	0.03%	-4.93%	-4.08%	8.50%	10.93%	10.10%	35.74%
2007	4.07%	-0.68%	-0.67%	3.70%	1.87%	-1.40%	-3.46%	0.62%	4.46%	1.50%	9.56%	-5.33%	14.25%
2008	10.95%	12.67%	-13.83%	-1.50%	2.23%	-6.08%	-1.01%	-5.82%	-7.02%	25.34%	15.93%	-14.01%	10.35%
2009	14.78%	9.20%	-16.88%	24.06%	7.91%	6.98%	5.53%	-2.91%	2.96%	5.59%	11.05%	2.32%	88.85%
2010	1.67%	6.37%	4.21%	1.05%	-7.08%	13.30%							19.90%
	Best month = 50.60%					Worst month = -27.42%					Avg Annual Return = 52.36%		
	Volatility = 38.07%												
	Avg Return												
12-mo Trailing:	5.53%	-2.91%	2.96%	5.59%	11.05%	2.32%	1.67%	6.37%	4.21%	1.05%	-7.08%	13.30%	51.77%
24-mo Trailing:	-1.01%	-5.82%	-7.02%	25.34%	15.93%	-14.01%	14.78%	9.20%	-16.88%	24.06%	7.91%	6.98%	56.60%
	Simple Sharpe = 1.26												
	SPY Correlation = -0.475												

To bring results similar to the institutional version of **VCU** within the reach of individual traders, Sabrient has created a smaller-scale version of this successful & robust absolute-return hedge fund strategy.

The strategy employs a long/short portfolio of 13 longs and 13 shorts, with 1 long and 1 short replaced each week. The target holding period is 13 weeks each, and alternative call & put options are suggested for those who prefer to trade options.

Since inception on January 30, 2009 through December 31, 2009, this easy-to-follow absolute-return long/short strategy had an exceptional return while positioned to profit in either an up or down market:

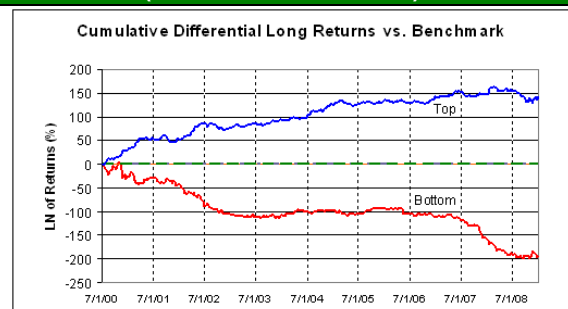
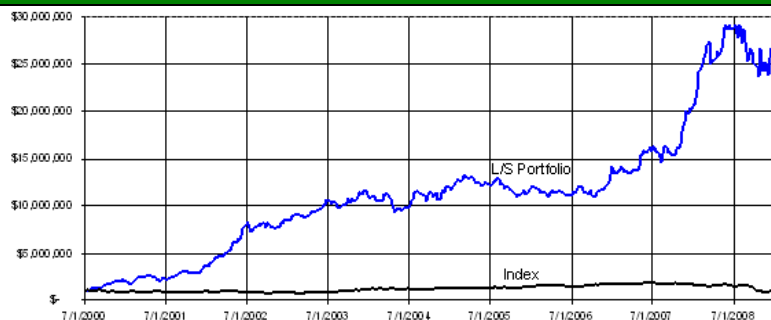
**Long/Short Portfolio was up +27%. Long-only version was up +80% vs. S&P 500 up +42%.**

## Sabrient VCU Strategy Simulation Summary: Small Investor Version (13 long / 13 short) Constrained by Sector & Industry Limits (3/2); P > \$10; 1 Long/1 Short per week (no duplicates); 13-week hold

- Test period is 8-1/2 years, 7/1/00 – 12/31/08
- Eligible universe starts with Sabrient's database of 5800+ stocks, then requires price > \$10 and no. of Wall Street analysts > 2.
- Strategy employs metrics for analyst consensus changes, GARP valuation, absolute growth, earnings quality, accounting practices.
- Long Portfolio incorporates the top 13 stocks and Short Portfolio incorporates the bottom 13 stocks – subject to risk management constraints shown below and borrowability of shares.
- Long/Short Portfolio is dollar-neutral, employing a total of 26 positions, with shorts margined against all-cash longs.
- Each week, 1 long & 1 short are reviewed for replacement, with a target 13-week holding period for all positions, unless conditions dictate otherwise. Alternative call & put options are also suggested.
- Includes dividends and cash distributions, but no transaction costs.
- No stop losses, profit targets, or technical trading signals.
- Assumes 1 long & 1 short are selected each week, with a 13-week holding period. All portfolios are **cash-rebalanced each January**.
- Includes constraints on sector & industry concentrations of max 3 per sector, 2 per industry for each 13 stock set (long & short), and daily trading volume threshold of \$500,000 to ensure liquidity.

	Top Quantile	Bottom Quantile	Long/Short Portfolio	SPY Index
1-year return (%) - thru 12/31/08			30.4	-36.8
2-year annualized return (%)			40.2	-18.5
8.5-year annualized return (%)	17.1	-20.1	46.0	-3.9
<b>8.5-year Backtest Details:</b>				
Dates: 7/1/2000 - 12/31/2008				
Annualized return (%)	17.1	-20.1	46.0	-3.9
Annualized volatility (%)	27.5	36.4	29.3	16.3
Annualized differential return (%)	15.4	-20.1	32.6	
CAPM annualized alpha	16.9	-18.1	47.3	
CAPM beta	0.99	1.29	-0.33	1.00
Simple Sharpe ratio vs Rf = 3%	0.50	-0.62	1.57	-0.24
Best month			32.8	8.55
Worst month			-15.3	-25.0
Biggest peak-to-trough drawdown			-26.0	-50.8

### Historical Portfolio Performance Backtest: 7/3/2000 – 12/31/2008 (Post Internet Bubble)



L/S	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
2000							18.99%	2.07%	9.33%	15.99%	23.02%	-2.54%	84.66%	
2001	-10.05%	32.77%	3.12%	1.79%	-15.30%	-2.35%	15.97%	15.58%	11.38%	-7.02%	0.44%	27.52%	84.38%	
2002	9.69%	15.91%	1.37%	26.52%	7.95%	16.39%	-1.10%	7.70%	-0.35%	-4.00%	-0.61%	8.86%	125.85%	
2003	7.67%	-0.23%	-0.83%	4.20%	1.27%	12.00%	-4.00%	-3.91%	10.59%	-3.12%	9.25%	-3.72%	30.89%	
2004	0.15%	-3.85%	2.28%	-9.52%	-2.20%	2.28%	15.32%	-0.24%	0.35%	-1.80%	4.17%	1.83%	7.19%	
2005	7.28%	2.42%	0.09%	-2.64%	-2.47%	-0.46%	4.24%	-3.98%	-3.94%	-7.42%	6.43%	0.06%	-1.48%	
2006	2.57%	-4.95%	-1.12%	1.55%	-0.35%	-1.35%	5.65%	-4.09%	1.75%	-0.21%	3.39%	16.86%	19.64%	
2007	-1.72%	-0.51%	-0.04%	3.99%	11.72%	0.70%	-4.41%	6.90%	-5.37%	4.52%	22.51%	6.37%	50.60%	
2008	16.86%	7.09%	-3.36%	2.31%	10.56%	1.97%	-4.19%	-2.93%	-2.73%	-0.22%	-3.20%	6.99%	30.42%	
	Best month =			32.77%	Worst month =			-15.30%	8.5-yr =			46.02%		
													Vol =	29.27%
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg Return	
1-yr Trailing	16.86%	7.09%	-3.36%	2.31%	10.56%	1.97%	-4.19%	-2.93%	-2.73%	-0.22%	-3.20%	6.99%	30.42%	
2-yr Trailing	-1.72%	-0.51%	-0.04%	3.99%	11.72%	0.70%	-4.41%	6.90%	-5.37%	4.52%	22.51%	6.37%	40.15%	

**Disclaimer:** Sabrient's research is published solely for informational purposes, and is not to be construed as advice to specific individuals. Individuals should take into account their own unique and specific circumstances in acting on any stock recommendation.