



*"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 pre-screen or 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 & SmartStock reports on about 5,800 stocks and ADRs
- Long stock ideas, by cap / style
- Short stock ideas (& stocks to avoid)
- Targeted niche stock ideas & alerts
- Index rankings
- Sector / Industry / ETF rankings
- Custom rankings for your universe
- MyStockFinder* artificial intelligence stock screener / search tool
- Active-quant indexes for ETFs
- Active Trader alert service
- Specialty strategies for Long/Short portfolios
- Custom portfolio strategies

**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.

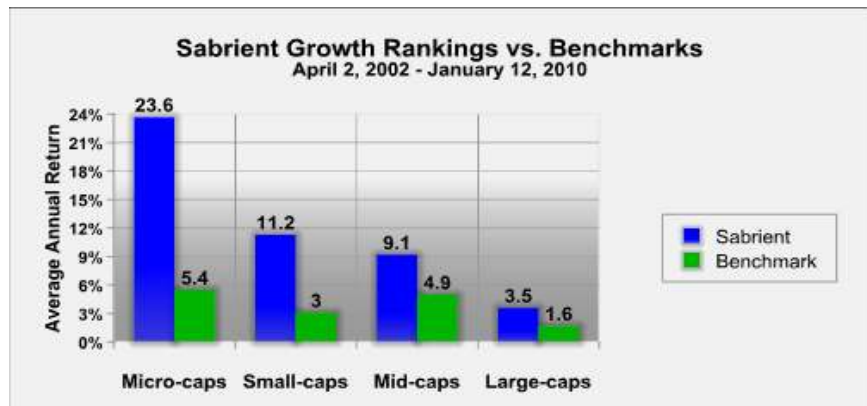
**Why Sabrient?** No other quant firm drills as deeply, measures as broadly, or analyzes the data as thoroughly. Sabrient ranks about 5,800 U.S.-traded stocks, ADRs, and ETFs on a weekly basis using proprietary mathematical models. Rather than focus on price, volume & technical patterns, our experienced research staff has built fundamental multi-factor filters using *relevance scoring* to identify stocks that appear poised to outperform or underperform the overall market. And with our proprietary **FSYS** platform, we employ a scientific approach based on hypothesis testing (rather than curve-fitting or optimization) to ensure the models are *rigorous, robust, and scalable*.

**Methodology:** Sabrient uses a computer-driven, fundamentals-based, 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. Here is one example:

**SmartRank Scorecard Performance: Growth Selections (rebalanced monthly)**



**Key Sabrient Headquarters Staff**

**David Brown, Chief Market Strategist and co-founder**, is a former NASA scientist, past CEO of Telescan, Inc., and author of several investing books. He developed the critically acclaimed stock search program ProSearch and the market timing indicator Brown Breakout Ratio (BBR). He holds an MBA in Finance 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.

**Scott Martindale, Senior Managing Director - Sales & Business Development**, held corporate positions in planning & analysis, operations, engineering, and consulting. He holds an MBA in Finance.

**Theodore Spradlin, Quantitative Equity Analyst**, has extensive experience in stock screening models and equity analysis. He has a BA in Philosophy and Psychology.

**Vishal Gupta, Software Engineer**, has diverse experience as a software developer. He holds an MS in Computer Science.

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

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

## SMARTSTOCK REPORTS

Sabrient translates its institutional-level research & analysis into individual **SmartStock** research reports for approximately 5,800 U.S.-traded stocks & American Depository Receipts (ADRs). Reports are updated weekly and delivered in PDF format.

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.

Each report is updated weekly for every stock and American Depository Receipt (ADR) in our database 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 qualitative discussion that is helpful for financial advisors, portfolio managers, & individual investors alike.

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.

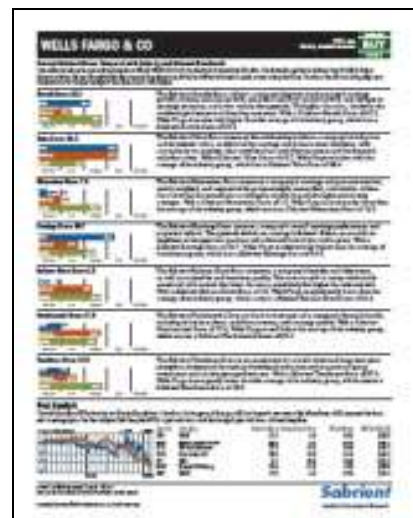
### Compelling Alternative to an Analyst's Opinion

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!*

Sabrient's stock ratings have shown strong performance since publication began in 2003 and have outperformed relevant benchmarks over a broad range of investing styles, market caps, time frames and market conditions.

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. Moreover, Sabrient is a provider to *Scotia iTrade* in Canada for their Analyst Research offering.

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 *fuzzy-logic* 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, **Traders' Talk**, which is distributed to over 20,000 readers through GreenFaucet.com. *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 search preferences:

- 1.1. Substant Settings:** Includes radio buttons for "Allow Day-traded stocks only" and "Allow Day- and multi-traded stocks".
- 1.2. Market Cap:** Includes checkboxes for "Large-Cap (\$1 billion - \$5 billion)", "Mid-Cap (\$500 million - \$1 billion)", "Small-Cap (\$100 million - \$500 million)", and "Micro-Cap (Less than \$100 million)".
- 1.3. Investing Style:** A table for selecting higher numbers (1-5) for various factors:
 

Factor	1	2	3	4	5
Value	0	0	0	0	0
Growth	0	0	0	0	0
Dividend	0	0	0	0	0
Technical	0	0	0	0	0
- 1.4. Stock Attributes:** A table for selecting higher numbers (1-5) for various attributes:
 

Attribute	1	2	3	4	5
Quality of Earnings	0	0	0	0	0
Working Balance Sheet	0	0	0	0	0
Strong Fundamentals	0	0	0	0	0
Good Management	0	0	0	0	0
Short-Term Technical Strength	0	0	0	0	0
Long-Term Technical Strength	0	0	0	0	0
- 1.5. Recent Revisions to Analysts' Estimates:** Includes a slider for "Importance" and a "Reset" button.
- 1.6. Insider Buying Activity:** Includes a slider for "Importance" and a "Reset" button.
- 1.7. With a 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:** Includes a "View Sectors and Groups" button.
- 1.9. Additional Screens:** Includes a table for selecting higher numbers (1-5) for various screens:
 

Screen	1	2	3	4	5
Price-to-Earnings	0	0	0	0	0
Price-to-Book	0	0	0	0	0
Price-to-Cash	0	0	0	0	0
Price-to-Value	0	0	0	0	0
- 1.10. Number of Stocks:** Includes a "View Results" button.



## 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 & fuzzy-logic 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 5,800 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*.

## 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

Symbol	Cap/Style	Composite Rank	Value	Growth	Momentum	Earnings	Balance Sheet	Fundamental	Timeliness
BP	Large/Value	92	84	92	78	90	87	88	72
YELL	Mid/Value	90	89	91	85	94	82	83	85
SCVL	Small/Value	90	88	85	80	68	85	72	84
SNP	Mid/Value	89	82	90	86	78	82	87	70
CCF	Large/Value	88	93	88	88	95	61	71	79
CTGI	Small/Value	88	83	90	75	87	81	80	53
RCKY	Micro/Value	87	86	92	70	94	69	81	45
HOV	Mid/Value	86	86	92	55	93	77	72	60
VDC	Mid/Value	86	87	87	86	91	87	77	39
APA	Large/Value	85	81	92	57	91	84	75	41
C	Large/Value	82	81	81	87	86	50	54	81
CSX	Mid/Value	82	84	75	74	86	73	45	66
DRCO	Micro/Value	82	81	70	70	81	71	88	63
R	Mid/Value	77	86	81	45	65	83	44	72
CD	Large/Value	76	79	34	88	48	81	67	91
ALL	Large/Value	73	79	55	68	67	44	58	80
CHUX	Small/Value	71	86	26	58	44	85	58	82
TESS	Micro/Value	71	78	11	71	52	78	68	83
MGA	Mid/Value	67	85	26	41	62	84	67	57
CRC	Micro/Value	67	80	22	64	38	81	63	67
ASI	Micro/Value	65	80	22	75	51	50	51	83
RML	Small/Value	61	88	44	25	46	71	65	53
SAH	Small/Value	54	90	25	36	23	79	48	61
NCOG	Small/Value	51	89	22	29	37	74	50	51
RCI	Small/Value	46	90	15	31	20	79	38	56

## OTHER PRODUCTS: FOR GENERATING TRADE IDEAS & INSIGHTS

### Sabrient Sector Model

Sabrient's **Sector Model** provides relative scoring of sectors and industries using fundamentals and sentiment in a bottom-up virtual profile based on the underlying stocks. *Clearly this approach can be used to rank sector ETFs for the benefit of both traders & investors alike.*

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.

### Sabrient SmartLists

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 atop our rankings. We publish *Sabrient Select* (all styles & caps), *Sabrient Small Wonders* (micro caps), and *Sabrient Solitaires* (not covered by Wall Street analysts).

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 hedging, pairs trades, or long/short (or to sell if in your portfolio).

### Sabrient Special Opportunity Portfolio

This is an **active-trader product** 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!*

FORWARD-LOOKING SECTOR RANKINGS Ranked by Weighted Scores 5/18//2009		
SECTOR	SABRIENT SCORE	
	UNWEIGHTED (small-cap dominated)	WEIGHTED (large-cap dominated)
UTILITIES	71	72
TELECOMMUNICATION SERVICES	57	71
ENERGY	60	66
HEALTH CARE	44	60
CONSUMER DISCRETIONARY	48	50
INDUSTRIALS	54	49
CONSUMER STAPLES	61	46
MATERIALS	50	45
INFORMATION TECHNOLOGY	41	42
FINANCIALS	50	38

**NOTE:** This table shows the forward-looking (over the next 30 days) Sabrient percentile sector scores (high is 99.0).

**Unweighted Returns:** Constituent stocks are given equal weight, which favors smaller caps.

**Weighted Returns:** Constituent stocks are weighted by market cap, which favors larger caps.

### 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 - 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 are down an *average annualized -66%*.

### Indexes for Exchange-Traded Funds

Sabrient's custom **active-quant** strategies can be used for specialized investment products including published indexes tracked by exchange-traded funds (ETFs). These include the *Sabrient Insider Sentiment Index*, *Sabrient Defensive Equity Index*, and *Sabrient Stealth Index*, which are licensed to Claymore Securities to track with ETFs. Furthermore, we publish two diversified asset-allocation indexes of ETFs for the Canadian market: *Sabrient Global Balanced Growth* and *Sabrient Global Balanced Income*.

### 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 4 STARS** by Morningstar.

### Sabrient Stealth Index

Tracked by (NYSEArca: **STH**)  
*"Under the Radar"*

Exploits the academically-observed "neglected-stock effect" by tracking high-quality stocks that have little or no Wall Street coverage.

### Sabrient Global Balanced Growth Index

Tracked by (Toronto: **CBN.TO**)

### Sabrient Global Balanced Income Index

Tracked by (Toronto: **CBD.TO**)

### Sabrient VCU 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, and include S&P's Compustat North American database, Thomson IBES, Washington Services (insider data), and Audit Integrity (forensic accounting & corporate governance).

Our **VCU Strategy** is 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 of +43%** for a 15 long/15 short portfolio with a **Sharpe Ratio of 1.4**.

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

Date	Ticker	Company Name	VCU Score	Longs	Shorts	S&P GICS Group
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	Thrifits & 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

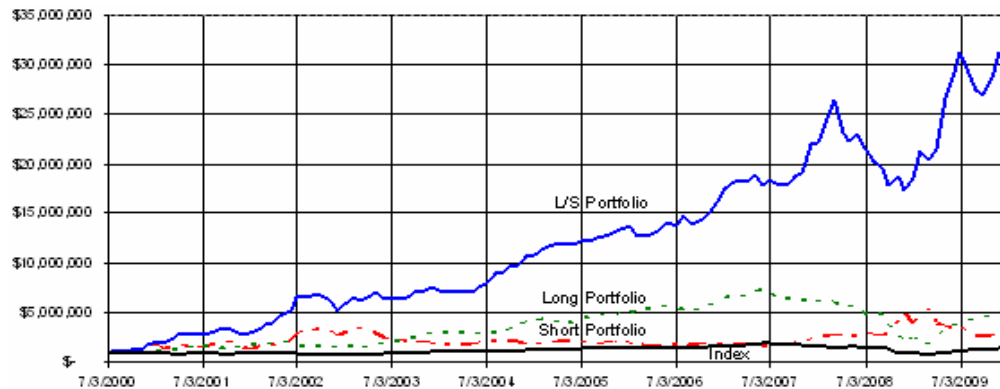
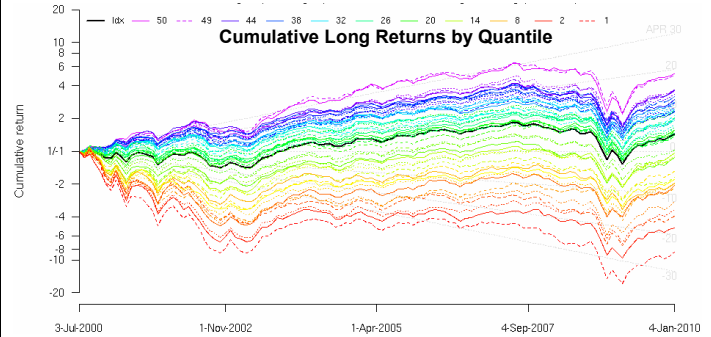
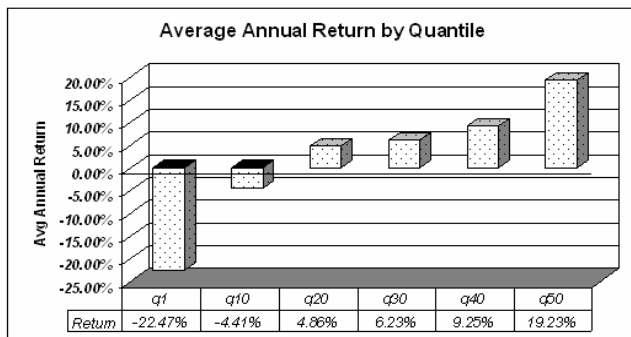


## Sabrient VCU Strategy Simulation Summary: Institutional Version (15 long / 15 short)

Monthly Rebalance; Constrained by S&P GICS Sector/Industry (25%/12.5%); P > \$5

Strategy Description	Portfolio Statistics vs. Index																																																																				
<ul style="list-style-type: none"> <li>Test period is 9+ years, 7/3/2000 – 1/4/2010</li> <li>Eligible universe starts with Sabrient's database of 5800+ 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, earnings quality, accounting practices.</li> <li>Long Portfolio incorporates the top 15 stocks and Short Portfolio incorporates the bottom 15 stocks – subject to risk management constraints shown below.</li> <li>Long/Short Portfolio is dollar-neutral, 15 long / 15 short (30 positions), with shorts margined against all-cash longs..</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, profit targets, or technical trading signals.</li> <li><b>Risk Management:</b> Includes constraints on S&amp;P GICS sector/industry concentrations (25% / 12.5%), trading volume threshold of \$500k/day</li> </ul>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Top Quantile</th> <th>Bottom Quantile</th> <th>Long/Short Portfolio</th> <th>SPY Index</th> </tr> </thead> <tbody> <tr> <td>1-year Annualized return (%)</td> <td></td> <td></td> <td style="background-color: #e0f0ff;">61.7</td> <td>26.4</td> </tr> <tr> <td>2-year Annualized return (%)</td> <td></td> <td></td> <td style="background-color: #e0f0ff;">16.2</td> <td>-10.6</td> </tr> <tr> <td>9-year Annualized return (%)</td> <td style="background-color: #e0f0ff;">19.2</td> <td style="background-color: #e0f0ff;">-22.5</td> <td style="background-color: #e0f0ff;">43.1</td> <td style="background-color: #e0f0ff;">-1.3</td> </tr> <tr> <td colspan="5" style="text-align: center;"><b>9+ year Backtest Details:</b></td> </tr> <tr> <td colspan="5">Dates: 7/1/2000 - 1/4/2010</td> </tr> <tr> <td>Annualized return (%)</td> <td style="background-color: #e0f0ff;">19.2</td> <td style="background-color: #e0f0ff;">-22.5</td> <td style="background-color: #e0f0ff;">43.1</td> <td style="background-color: #e0f0ff;">-1.3</td> </tr> <tr> <td>Annualized volatility (%)</td> <td style="background-color: #e0f0ff;">32.2</td> <td style="background-color: #e0f0ff;">39.0</td> <td style="background-color: #e0f0ff;">28.3</td> <td style="background-color: #e0f0ff;">16.1</td> </tr> <tr> <td>Annualized differential return (%)</td> <td style="background-color: #e0f0ff;">15.8</td> <td style="background-color: #e0f0ff;">-23.5</td> <td style="background-color: #e0f0ff;">28.3</td> <td style="background-color: #e0f0ff;">-1.3</td> </tr> <tr> <td>CAPM annualized alpha</td> <td style="background-color: #e0f0ff;">16.3</td> <td style="background-color: #e0f0ff;">-22.7</td> <td style="background-color: #e0f0ff;">45.0</td> <td style="background-color: #e0f0ff;">-1.3</td> </tr> <tr> <td>CAPM beta</td> <td style="background-color: #e0f0ff;">1.17</td> <td style="background-color: #e0f0ff;">1.40</td> <td style="background-color: #e0f0ff;">-0.24</td> <td style="background-color: #e0f0ff;">-1.3</td> </tr> <tr> <td>Simple Sharpe ratio vs Rf = 3%</td> <td style="background-color: #e0f0ff;">0.49</td> <td style="background-color: #e0f0ff;">-0.64</td> <td style="background-color: #e0f0ff;">1.38</td> <td style="background-color: #e0f0ff;">-0.26</td> </tr> <tr> <td>Biggest 1-month drawdown</td> <td></td> <td></td> <td style="background-color: #e0f0ff;">-18.6</td> <td style="background-color: #e0f0ff;">-25.0</td> </tr> </tbody> </table>					Top Quantile	Bottom Quantile	Long/Short Portfolio	SPY Index	1-year Annualized return (%)			61.7	26.4	2-year Annualized return (%)			16.2	-10.6	9-year Annualized return (%)	19.2	-22.5	43.1	-1.3	<b>9+ year Backtest Details:</b>					Dates: 7/1/2000 - 1/4/2010					Annualized return (%)	19.2	-22.5	43.1	-1.3	Annualized volatility (%)	32.2	39.0	28.3	16.1	Annualized differential return (%)	15.8	-23.5	28.3	-1.3	CAPM annualized alpha	16.3	-22.7	45.0	-1.3	CAPM beta	1.17	1.40	-0.24	-1.3	Simple Sharpe ratio vs Rf = 3%	0.49	-0.64	1.38	-0.26	Biggest 1-month drawdown			-18.6	-25.0
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### Historical Portfolio Performance Backtest: 7/3/2000 – 1/4/2010 (Post Internet Bubble)



L/S	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2000							19.94%	-7.48%	10.57%	6.92%	32.27%	22.90%	113.27%
2001	-8.35%	22.82%	13.62%	2.54%	6.20%	-6.57%	9.46%	12.12%	3.52%	-9.58%	-8.16%	3.71%	42.39%
2002	11.32%	11.15%	8.46%	14.50%	11.83%	28.04%	0.17%	1.58%	0.03%	-6.24%	-18.57%	13.77%	94.50%
2003	11.24%	-4.61%	6.54%	4.67%	-8.28%	1.61%	-1.95%	1.91%	7.06%	4.76%	4.54%	-4.06%	23.97%
2004	-3.20%	0.63%	-1.49%	1.66%	5.27%	7.15%	9.87%	2.44%	5.94%	3.14%	8.12%	1.31%	48.21%
2005	3.83%	4.34%	2.80%	-1.77%	0.04%	2.27%	-0.13%	3.08%	2.48%	1.34%	3.41%	3.08%	27.55%
2006	-8.39%	0.58%	0.95%	4.06%	4.86%	-1.95%	7.15%	-5.50%	2.15%	5.02%	6.64%	9.91%	26.70%
2007	3.11%	1.32%	-0.67%	4.19%	-5.21%	2.53%	-3.46%	0.62%	4.43%	2.04%	14.82%	1.49%	26.76%
2008	10.66%	7.75%	-12.46%	-3.85%	2.91%	-6.08%	-5.79%	-3.97%	-9.01%	5.29%	-7.02%	6.83%	-16.48%
2009	14.78%	-4.28%	5.19%	24.06%	7.91%	8.81%	-6.34%	-6.25%	-1.93%	6.13%	9.23%	-3.79%	61.69%

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:

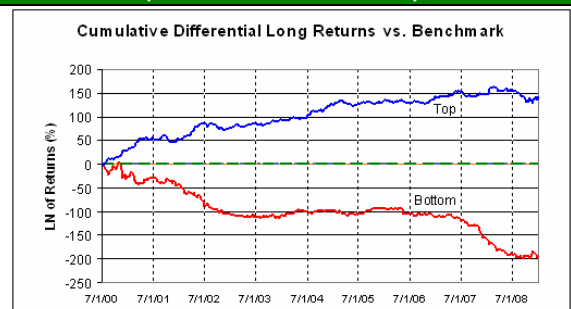
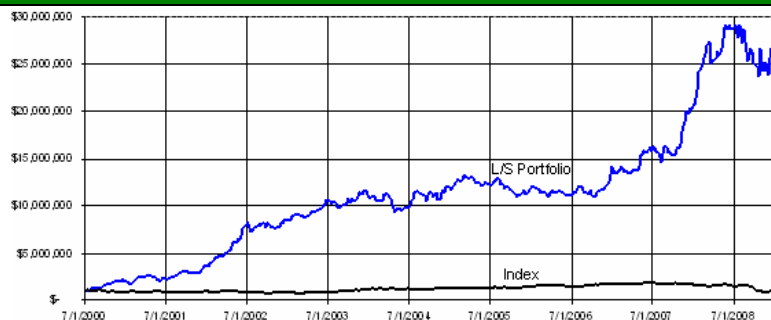
**Long/Short Portfolio was up +27%. Long-only version was up +80% vs. S&P 500 up +42%.**

## Sabrient VCU Strategy Simulation Summary: Small Investor Version (13 long / 13 short) Constrained by S&P GICS Sector/Industry (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 S&P GICS 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%	
													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.