Introduction To Valuentum Securities

Valuentum Securities Inc. "Exclusive Analysis for the Discerning Investor"

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About Valuentum Securities



Valuentum (val·u·n·tum) [val-yoo-en-tuh-m] Securities Inc. is an independent investment research provider, offering premium equity reports and dividend reports, as well as commentary across all sectors/companies, a Best Ideas Newsletter (spanning market caps, asset classes), a Dividend Growth Newsletter, modeling tools/products, and more. Independence and integrity remain our core, and we strive to be a champion of the investor. Valuentum is based in the Chicagoland area.



Valuentum serves money-management institutions, financial advisors, and individual investors.



About the President



Brian Nelson is the President of Equity Research and ETF Analysis at Valuentum Securities. Before founding Valuentum in early 2011, Mr. Nelson worked as a director at Morningstar, where he was responsible for training and methodology development within the firm's equity and credit research department. Prior to that position, he served as a senior industrials securities analyst, covering aerospace, airlines, construction and environmental services companies. Before joining Morningstar in February 2006, Mr. Nelson worked for a small capitalization fund covering a variety of sectors for an aggressive growth investment management firm in Chicago. He holds a Bachelor's degree in finance and a minor in mathematics, magna cum laude, from Benedictine University. Mr. Nelson has an MBA from the University of Chicago Booth School of Business and also holds the Chartered Financial Analyst (CFA) designation.



About the Valuentum Team

- Two Teams
 - Qualitative Focus Headed by Director RJ Towner
 - Competitive Advantages
 - Long-term Growth Potential
 - Financial Health
 - Corporate Governance
 - Dividend and Yield Analysis
 - Quantitative Focus Headed by President Brian Nelson
 - Valuentum® Value Rating[™]
 - Valuentum® Buying Index[™]
 - Valuentum® Dividend Cushion[™]



What Is Valuentum Investing?

- Our Strategy Incorporates the Thoughts of Investing Giants
 - Not <u>Only</u> Value Investing Benjamin Graham
 - Not <u>Only</u> Growth Investing T. Rowe Price, Jr.
 - Not Only GARP Investing Peter Lynch
 - Not <u>Only</u> Income/Dividend Growth Investing
 - Not <u>Only</u> Momentum Investing Richard Driehaus



What Is Valuentum Investing?

"We're looking for companies that are undervalued both on a discounted cash flow basis and versus peers—have strong growth potential, have strong competitive advantages, have a solid track record of creating economic profits for shareholders with reasonable risk, are strong cash-flow generators, have manageable financial leverage, and are currently showing bullish technical and momentum indicators."



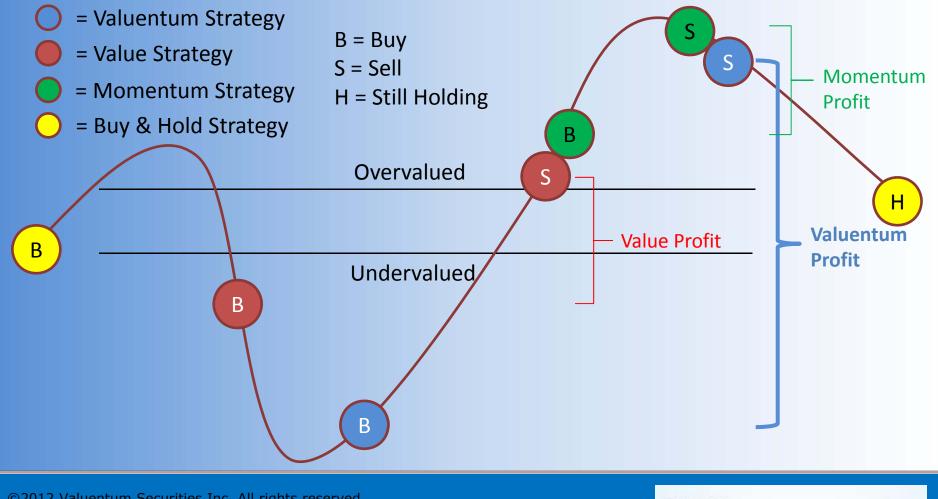
We Focus on the Sweet Spot of Investing: Undervalued Stocks Converging to Intrinsic Value

Stocks with Good Value But Poor Momentum – Equity Neutral Valuentum Stocks Stocks with Good Value and Good Momentum Comprise Long Positions in Valuentum's Best Ideas Portfolio

Stocks with Poor Value But Good Momentum – Equity Neutral



The Valuentum Strategy Has the Greatest Profit Potential





How Valuentum Stocks in the Dow Jones Industrial Average Outperformed - Backtesting

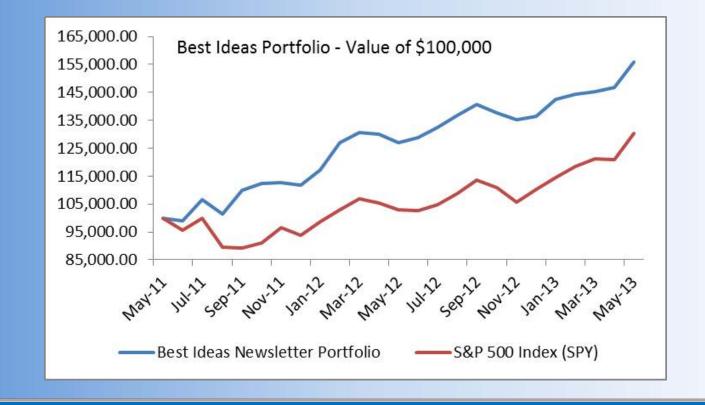
 Our approach identified the best- and worst-performing portfolios (Jan 1995 - May 2012) for long and short ideas, respectively.

Momentum (LR - SR)	Value (LR - SR)	Combined (LR - SR)
321.0%	72.9%	426.7%
* LR = Long Return; SR = Short Return		
		Source: Nelson (2012)
Portfolio	Return	1
Valuentum Long Avera	ge 776.7%	0
Momentum Long Avera	ge 672.3%	b b b b b b b b b b b b b b b b b b b
Value Long Average	548.2%	, o
Data Universe Average	511.8%	, o
Data Universe Median	482.9%	, o
Growth Long Average	475.3%	, o
Weak Momentum Long	g Average 351.3%	, o
Valuentum Short Avera	ge 350.0%	,
	Sourc	e: Nelson (2012)



Empirical Evidence Reinforces Academia – Real-time

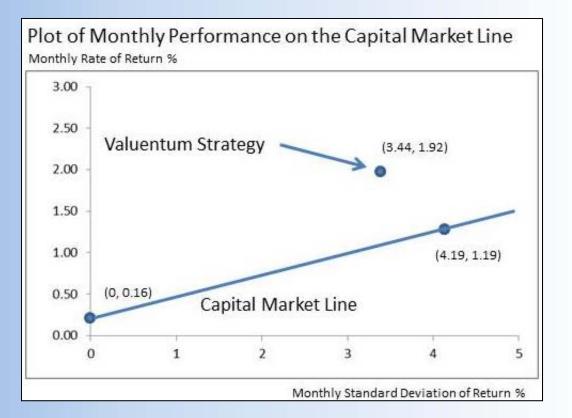
 Our Best Ideas portfolio continues to outperform against a broad market benchmark (SPY)...in a big way.





The Ultimate Multi-Factor Risk-Management Tool – the Valuentum Strategy

- The Valuentum strategy generates an outsize return for each unit of risk.
- We focus on riskadjusted returns, not just returns.

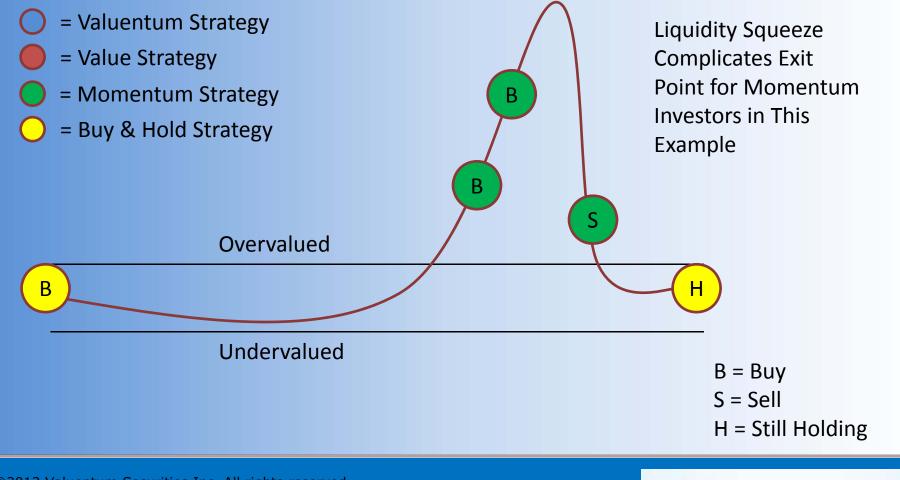




The Valuentum Strategy Helps Avoid Value Traps – We Don't Get Involved!



The Valuentum Strategy Helps Avoid Overpriced Extremes – We Don't Get Involved!





Long Example: EDAC Technologies (EDAC)





EDAC Technologies: Fundamental Considerations

- EDAC Tech is supplier of precision components (jet engine parts, special tooling) to the aerospace sector. United Tech is its largest customer, and EDAC has secured a position on the firm's geared turbofan engine (high pressure compressor hubs, turbine disks), which is turning into a favorite powerplant among commercial OEMs in the narrowbody arena.
- EDAC Tech's backlog growth has been the best in the aerospace supply chain. The level stands at roughly \$300 million, up from \$140 million at the end of 2010 and just over \$20 million in 2005. We expect future orders to continue to be robust.
- We continue to believe the market is underestimating the tremendous operating leverage inherent to EDAC's business model and the pace of earnings expansion going forward as its burgeoning backlog is recognized. In its most recent quarter, operating income jumped nearly 70% thanks to roughly 270 basis points of operating margin expansion, to 10.8% of sales.
- Fair Value Estimate: \$23 per share; Valuentum Buying Index Rating: 9.
- <u>End Game</u>: EDAC Tech announced that it would be acquired by Greenbriar Equity for \$17.75 per share in cash.



Short Example: AMR Corp



Image Source: BigCharts



AMR Corp: Fundamental Considerations

- AMR's pension obligations are staggering: ~\$24 per share. Unlike peers that passed along their pension obligations to the Pension Benefit Guaranty Corporation via Chapter 11 reorganization (United Continental (UAL), Delta (DAL), etc.), AMR still retains this huge burden. The underfunded status, as of the end of last year, of its pension and retiree medical/other benefits obligations (OPEB) was an astounding \$8 billion-plus. This is derived by taking the firm's projected benefit obligation (pension benefits: \$12.97 billion; OPEB: \$3.1 billion) less the fair value of the corresponding plan assets (pension: \$7.7 billion; OPEB: \$0.23 billion). Based on roughly 333 million diluted shares outstanding at the end of last year, this \$8 billion-plus underfundedness translates into a burden of roughly \$24 per share.
- AMR's net debt load is massive: ~\$17 per share. As of the end of the first quarter, AMR's net debt position stood at about \$5.6 billion (\$5.8 billion in cash and short-term investments less \$11.4 billion in debt), excluding the capitalization of operating leases (which are also debt-like instruments). Again, using the 333 million diluted shares as the denominator, this represents about \$17 per share. Importantly, investors should also be aware of the firm's other operating commitments that will inevitably pressure results and its cash position in the years ahead.
- If we value AMR's operating assets through a standard mid-cycle perpetuity function, we're looking at about \$6 billion to \$7 billion in value (assuming a very generous 10% discount rate, given AMR's risk profile) -- not even close to the \$13.7 billion equity investors need to break even.
- Fair Value Estimate: ~\$0, Valuentum Buying Index Rating: 1.
- End Game: AMR Corp filed for Chapter 11 bankruptcy protection.



Thought: Was Warren Buffett a Valuentum Investor?

- Mr. Buffett has invested in undervalued stocks that have generated significant outperformance over time.
- By definition, these stocks have had both good value and good momentum characteristics.
- The Oracle of Omaha's outperformance in part can be attributed to the Valuentum Style of Investing!



A Young Warren Buffett



Investment Research Services

- Stocks, Dividends, and ETFs
 - An unmatched value for the Financial Advisor and Individual Investor
 - Fully transparent research services and best-in-class support

Valuentum's Investment Research	FREE	PREMIUM	ADVISOR	INSTITUTION
Premium Valuentum Commentary & Articles		х	х	x
16-page Stock Research Reports		x	x	x
Fair Value Estimates		x	x	x
Valuentum Value Rating™		x	x	x
Valuentum Buying Index™ Scores		x	x	x
Valuentum Proprietary Stock Information		x	x	x
Valuentum ValueCreation™ Rating		x	x	x
Valuentum ValueRisk™ Rating		x	x	x
Valuentum ValueTrend™ Rating		x	x	x
Dividend Reports		x	x	x
Valuentum Dividend Cushion™		х	х	x
Discounts on Modeling Tools & Products		х	х	x
Access to Actively-Managed Portfolios*		x	x	x
Best Ideas Portfolio*		x	x	x
Dividend Growth Portfolio*		x	x	x
Our Best Ideas Newsletter*		x	x	x
Our Dividend Growth Newsletter*		x	x	x
An Experienced Opinion on Stocks in Your Portfolio		x	x	x
Valuentum Ideas100			х	х
Valuentum Dividend100			x	х
Valuentum DataScreener500			х	х
Training & Support			x	x
Distribution Rights to Clients/Prospects			х	х
Access to DCF Valuation Models (a \$10,000 value)			X (thru 2013)	x
Customized Research & Analysis				х
Advanced Access to Valuentum Analyst Team				х
Advanced Valuation Infrastructure				х
Public Valuentum Commentary	x	x	x	x
New Investing Book Reviews, pre-public release	x	x	x	х
Basic Access to Valuentum Analyst Team	×	x	x	x
Open Forum – Discussion Board	x	x	x	x
* Dependent on Choice of Membership Plan.				



Investment Research Services

- For Financial Advisors & Individual Investors
 - 16-page Stock Reports (available in PDF form)
 - Stock Dividend Reports (available in PDF form)
 - Earnings Reports, Industry Outlooks and Company Spotlights
 - Quarterly Publications: Dividend100, Ideas100, DataScreener500
 - Actively Managed Portfolios
 - Best Ideas Newsletter (available in PDF form)
 - Dividend Growth Newsletter (available in PDF form)
- For Institutional Customers
 - Licensed Proprietary Data Feed (VVR, VBI, VDC)
 - Customized Research & Analysis
 - Development & Maintenance of Valuation Infrastructure
 - Fully-populated DCF Valuation Models

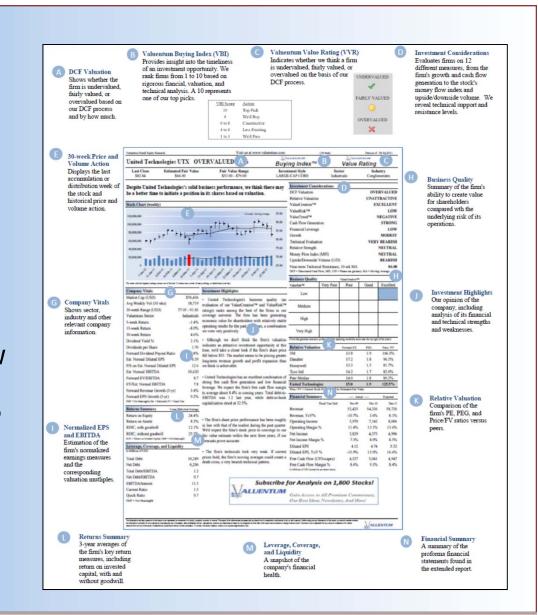


Analyst Research Reports & Updates

- Valuentum's reports are easy-to-use and to-thepoint. The front page is a summary of everything in the report.
- Research reports, industry outlooks, company spotlights are available in PDF format to use as you see fit in your practice.



- Our 16-page Stock Report covers a variety of investment perspectives.
- Evaluates firms on a dozen different measures, from the firm's ROIC (economic value creation), growth and cash flow generation to the stock's money flow index and upside/downside volume.
- Contains qualitative and firm-specific commentary.





- Our Dividend Reports assess the growth and safety of a company's dividend.
- Our evaluation is forward-looking, insightful and systematically applied across our coverage universe.

Valuentum's Stock Dividend Researc	h	Visit us at www.valuentum.com		(10=best)			4-Nov-2011
Wal-Mart WMT	FAIRLY		ing Index™	6	Value		0
	Fair Value Range \$47.00 - \$71.00	Dividend Track Record Dividend S	afety / Cushion TM DOD / 1.4		th Potential LLENT	Divider	nd Yield
The growth potentia	and safety of	Wal-Mart 's dividend are attractive, and	Key Dividend Co	nsiderations			
the size of its yield m	akes the firm w	orth considering as a potential income	Current Annual Di		1		2.549
play. However, we'd	be really excite	d if its shares were undervalued, too.	Annual Dividends				\$1.4
Stock Chart (weekly)			Initial Annual Div		Investment		\$253.5
		65.00	Dividend Track Re	ecord			HEALTH
100,000,000		- 10-week Meving Average	Dividend Safety				GOO
80.000.000		60.00	Valuentum Divide	nd Cushion ^{TI}	м		1
	****	55.00	Dividend Growth I	Potential		EN	CELLEN
60,000,000 FFT	FLEFT	50.00	Risk of Capital Lo				MEDIU
40.000.000		· F ·	ValueRisk™ (Equ	ity Margin of	f Safety)		LO
40,000,000		45.00	The Valuentum Dividend Cur dividend stream. A score abor	hion is a ratio that o w 1 indicates cash fi	compares the firm's end ow is sufficient to cove	ess cash and cash f r fishire dividends (low to its fature (higher is better).
20,000,000		40.00	-				10
		35.00	-				
N N N	1 1 1 1 1 A	21 shart share a need a seed a seed a need to a seed	Dividend Strengt		Dividend Growth		-
Start Start Dates Cast	of to the state shall	Dist shall what were board support what what	Dividend Safety	Very Poor	Poor	Good	Excellen
			Excellent				
Company Vitals		Dividend Safety / Cushion GOOD / 1.4	Good				
Market Cap (USD)	\$211,025	annually and such to any forward of its first such					
Avg Weekly Vol (30 wks)	15,379	flows over the next five years We then divide that	Poor				
30-week Range (USD)	48.31 - 57.96	sum by the total expected dividends over the next five					
Valuentum Sector	Consumer Staples	years. This process results in our Dividend Cushion-	Very Poor				
Last Fiscal Year Revenue	421,849		Firms that have safe and grow	tag dividends score	at the top right of our	icale.	
Last Fiscal Year EPS	4.18						
Last Fiscal Year EBITDA Forward Revenue Growth (33,183 5-yr) 4.3%	the second secon	Dividend Track F				HEALTH
Forward EPS Growth (5-yr)		extension, the greater the score, the safer the dividend,	Fiscal Year		Div Growth %	EPS (\$)	Payout Rati
Dividend Vitals	0.576	 as excess cash can be used to onset any unexpected 	Jan-97	0.11	10.0	0.67	16.4%
Current Annual Dividend Y	Tield % 2.5%	_ earnings shortfall. Wal-Mart scores a 1.4 on our Dividend Cushion™, which is GOOD.	Jan-98	0.14	27.3	0.78	17.9%
Annual Dividends Per Shar			Jan-99	0.16	14.3	0.99	16.2%
Forward Dividend Payout F	Ratio 32.2%		Jan-00	0.20	25.0	1.25	16.0%
3-yr Historical Dividend C	AGR 15.4%	Dividend Growth Potential EXCELLENT	Jan-01	0.24	20.0	1.40	17.1%
15-yr Historical Dividend O			Jan-02	0.28	16.7	1.49	18.8%
3-yr Hist Median Div Payout R	atio 28.9%		Jan-03	0.30	7.1	1.81	16.6%
15-yr Hist Median Div Payout F	Latio 18.8%	measured by the Dividend Cushion TM , and management's willingness to consistently raise the	Jan-04	0.36	20.0	2.03	17.7%
NMF = Not Meaningful; Est. = Estimated;	FY = Fiscal Year	dividend, as measured by the firm's dividend track	Jan-05	0.52	44.4	2.41	21.6%
Initial Annual Income Per	r Investment (\$)	record. Wal-Mart registers an EXCELLENT rating on	Jan-06	0.60	15.4	2.68	22.4%
# of Shares Investme	ent (\$) Annual Div's (\$)	our scale, and we think the firm's annual dividend will	Jan-07	0.67	11.7	2.92	22.9%
25 1,437		be \$2.06 per share within the next several years.	Jan-08	0.88	31.3	3.16	27.8%
50 2,875			Jan-09	0.95	8.0	3.35	28.4%
100 5,750		Risk of Capital Loss MEDIUM	Jan-10	1.09	14.7	3.72	29.3%
200 11,50		We assess the risk of capital loss based on our analysis of a firm's intrinsic value at this point in time. If the	Jan-11	1.21	11.0	4.18	28.9%
300 17,25		of a firm's intrinsic value at this point in time. If the stock is undervalued (based on our DCF process), we	Jan-12	1.46	20.7	4.53	32.2%
400 23,00		think the risk of failing to recoup one's original capital	Jan-13	1.59	9.1	4.95	32.2%
500 28,75 1,000 57,50		investment (ex dividends) is relatively LOW. If the	Jan-14 Jan-15	1.75	9.6 9.0	5.43 5.91	32.2%
1,000 57,50 2.000 115.00		stock is fairly valued (it falls within our fair value estimate range), we think the likelihood of losing	Jan-15 Jan-16	1.90 2.06	9.0 8.3	5.91 6.41	32.2% 32.2%
2,000 115,00 5,000 287,50		estimate range), we think the likelihood of losing capital (ex dividends) is MEDIUM. If the stock is	Light green shading denotes a	dividend increase, a	while light red shading	denotes a dividend	decrease. Heavy
5,000 287,50 10,000 575,00		trading above our estimate of its intrinsic value, we	green shading denotes a signi decrease or an excessive payo	ficant dividend incre	ase, while heavy red d	ading denotes a si	paificant dividen
50,000 2,875,00		think the likelihood of losing at least a portion of one's					
	00.00 73,000.00	original investment (ex dividends) is HIGH. Wal-Mart	To view our full 10 website at www.va			-Mart, plea	ise visit out
100,000 5,750,0 Initial annual income is based on the firm's dividend yield and could be subject to chang	current forward annual	registers a score of MEDIUM on our scale.	website at www.va	ioentum con			
The information and data contained in this record is not re	openented or warmanted to be timely access	plate, according or accred. This report is for informational purposes only and should not be usual land a solutionism in b	er er sell a security. Before activa on anv i	denation in this report of	na sheald consider whether		
he information is suitable for your particular commutan obtained from the use of this report. Redistribution is pro	on and, if necessary, seek professional ad hibited without written permission. To lies	vice. Assurptions, opinions, and estimates are based on our judgment as of the date of the report and are subject to char me Valuentum research, contact us at valuentum@valuentum.com.	ge without notice. Valuenture is not respon	sible for any errors or omis	micros or fire results	VALL	ENTUM



The Valuentum® Dividend Cushion[™] Helps Dividend Growth Investors Avoid Dividend Cuts

 The Valuentum Dividend Cushion measure has predicted, in real-time, the dividend cuts, of SuperValu (SVU), Roundy's (RNDY), Dover Downs (DDE), Strayer (STRA), Exelon (EXC), Cliffs Natural (CLF), Pitney Bowes (PBI), CenturyLink (CTL) and JC Penney (JCP)...

Dividend Cutter	Cut Date	Dividend Cushion (Before Cut)	Reason for Dividend Cut
Avery Dennison (AVY)	31-Jul-09	0.66	Reduced dividend to support debt-reduction efforts.
ConAgra Foords (CAG)	16-Mar-06	-0.59 (1)	Restructuring, divestitures.
Constellation (CEG)	18-Feb-09	-4.36	Refocus on core business of generating and selling power.
DR Horton (DHI)	6-May-08	-0.03	Housing turmoil.
Gannett Co. (GCI)	25-Feb-09	-0.06	Excessive debt; preserve cash amid downturn o newspaper industry.
La-Z-Boy (LZB)	17-Feb-09	0.89	Suspended dividend to preserve cash amid downturn in home furnishings.
Marriott Intl (MAR)	1-May-09	2.18 (2)	Suspended dividend in the wake of weak business travel, but dividend achieved record highs again, May 6, 2011.
Masco Corp (MAS)	11-Feb-09	-0.74	Cut dividend to ensure ability to fund operations and service debt coming due.
New York Times (NYT)	20-Nov-08	0.04	Effort to preserve cash. Downturn in newspaper industry. Loss of investment-grade credit rating.
Pfizer (PFE)	26-Jan-09	0.54	Bought Wyeth to diversify revenue base. Raised \$22 billion+ in debt.
Sara Lee Corp (SLE)	8-Aug-06	0.70	Streamlining operations, business unit divestitures to raise cash.
Sunoco Inc. (SUN)	6-Oct-09	-0.85 (3)	Poor margins, overseas competition.
SuperValu (SVU)	20-Oct-09	-5.78	Rising unemployment, competition from Wal- Mart, etc.
Valero Energy (VLO)	27-Jan-10	0.15	Lower demand for gas and diesel.
Vulcan Materials (VMC)	14-Oct-11	-1.42	Free up much-needed cash amid downturn in aggregate demand.

Backtesting III ethodology: Net balance sheet (year prior todividend cut). Free cash flow for years beginningin year of dividend cut through reported years. If reported years do not tota

year sextrapolated for remainder of forecast period, owner asparare relects what the divide its would be is divide



- The breadth of our equity coverage universe allows us to calculate an estimated fair value on each ETF.
- Our ETF ratings are actionable and forward-looking.

Valuentum's Retail ETF				Visit us at www.va	nuentum com	Second Second	(10=best)	3.5	-	As of 05/10/2
SPDR S&F	500 SP	Estima	ted Fair Value	: \$143.38	Buy	ing Index™	3	Value	Rating	0
Last Close \$135.95	3-yr Proj	Excess Return 5.2%	Relative Expense A GOOD			-CAP VALUE		t Manager Street	Peer C US-Size-I	ategory arge Cap
The SPDR Sa	&P 500 is o	ne of the mo	st common ways	to mirror the		Key ETF Conside	rations			
			We like its cost st		e're not	3-vr Projected Exc				5.10
seeing much	upside from	n today's leve	els. The ETF scor	es a 3 on our V	BI.	DCF Value (All Co		et Ave) F	AIRLY VAL	
ETF Chart (wee	kly)				2	Valuentum Buving				3.0
					149.00	Relative Expense				OOD (9 b
7,000,000,000				- Howest Mirring Av	144.00	ValueCreationTM (CELLE
6,000,000,000				11111	139.00	ValueRiskTM (Top	-			MEDI
5,000,000,000					134.00	Technical Evaluati	on (ETF)			BEARI
4,000,000,000	LEI				129.00	Money Flow Index	(ETF)			NEUTR
3.000.000.000	T'L				124.00	Upside/Downside	Volume (ETH	0	DETER	IORATI
2.000.000.000	-				114.00	Near-term Technic	al Resistance	10-wk MA	(ETF)	139
					109.00	Primary Benchman				S&P :
1,000,000,000				Tere It.	104.00	Const = Constituent. Please vi	aw glossery on page	5 for definitions and	additional informat	ios.
0					99.00	ETF Constituent		ValueCreation ²⁰		
21.0001 1.000	and a sharen a Der	wither wither wither	Distanti pressi deresti anteri	and start and a	st	ValueRisk TM	Very Poor	Poor	Good	Excelle
the week with the highest to	ading volume out of the	e laat 13 weeks waa a week o	fbeary selling, or distribution (red to	#}.		Low				
ETF Vitals Avg Weekly Vol	(30 mks)	\$36.296	Fund Objective (Sour	or Relevant Investment Manag	(11) (11)	Medium				
30-week Range (116.2 - 142.21	The SPDR® S&P 5							
Fund Net Asset V		\$136.05	expenses, generally o			High				
Shares Outstandi		722 83 M	performance of the Source: State Street."		ICKEL SPIR).	-	-			
Total Net Assets		\$98,339,00 M	Jource, State Succe.			Very High				
Inception Date		1/22/1993				ETFs that have better quality	overpanies within the	to score at top right	of our scale.	
Net Expense Rati	0	0.09%	Fund Constituent A	nalysis - See page	3 For Expande	ed Holdings Analyt	ics	Top 5	Concentration:	12.9%
Fund Dividend Y		1.94%	Company Name	Wrighting %	VBI	Price / Fair Value	Forward P/E	PEG	ValConstinut	Value Rist
30 Day SEC Yiel	d	1.94%	Appis Inc	43	5	0.86	12.6	1.5	EXCELLENT	MEDIU
Distribution Freq	uency	Quarterly	Exum Mobil Corp	3.2	3	1.04	9.8	3.3	GOOD	MEDIU
Short Selling Alle	owed	Yes	International Dusiness Mach	1.9	6	0.93	13.2	2.4	EXCELLENT	LOW
Exchange		ARCA EXCHANGE	Microsoft Corp	1.9	6	0.77	11.6	1.9	EXCELLENT	LOW
Source Relevant Investment	t Manager		Chevron Corp New	1.7	3	0.76	7.4	5.7	GOOD	LOW
ETF Performan			General Electric Co	1.7	NA	NA	NA	NA	NA	NA
	Month End	Quarter End	AnkT Inc	1.6	6	1.15	13.1	NMF	GOOD	MEDIU
YTD	11.82%	12.53%	Johnson & Johnson	1.4	6	0.82	13.0	4.1	EXCELLENT	MEDIU
l Year	4.59%	8.36%	Proder & Gamble Co	1.4	7	1.00	15.2	2.3	EXCELLENT	MEDIU
3 Year	19.28%	23.22%	Cons Cols Co	1.4	6	1.01	17.3	2.6	EXCELLENT	LOW
5 Year	0.95%	1.96%	Walls Fargo & Co New	1.4	NA	NA	NA	NA	NA	NA
10 Year	4.61%	4.03%	Pfloer Inc.	1.4	9	0.73	9.2	1.4	EXCELLENT	MEDIU
Inception 01/22/1993 Part performance does not go	8.19%	8.26%	Coegle Inc	1.3	6	0.65	14.1	1.0	EXCELLENT	MEDIU
rahan will flattants depending Scarse Relevant leventment M	when shares are sold.		Jpmorgan Chase & Co	1.3	NA	NA	NA	NA	NA	NA
Index Character			Philip Morris Inti Inc	1.2	6	0.92	16.1	2.7	EXCELLENT	MEDIU
Index Dividend Y		2 14%	Top 15 Analysis The Top 15 Analysis row reflects	the following. Fund Weighting	g Sam of top 15 weights	ngs of fand. VIII: Weighted aver	age of the VIII score	s of the top 15 creat	inexts of the fand. P	tice/Tair Value
Est. 3-5 Year EPS		2.14%	Weighted average of the PIPV rat fund. The ValueCreation and Val	ios of the top 15 constituents of	Cthe fand. Forward PUL	and PEO ratios reflect the media	a of the respective in	easures for firms we	ovver is the top 15 o	constituents of
Forward P/E Rati		12.84	rating of 1 are applied such that the	heir respective impact is minim	land					
Price/Cash Flow		7.55	ETF Peer Analysis							
Return on Equity		27.8%	ETF Name	Ticker Symbol V	al Busine Index /UB	D 3-or Proj. Essess Ret.	Net Exp. Rutin	ValCreation ⁷⁴	ValueRisk TM	Net Asse
	t Manager		iSharas Sd.P 500	IVV	VIII	UR UR	0.09%	UR	UR	\$26,180.8
Index Risk & St	tistics		SPDE DEA	DIA	3	7.45%	0.18%	EXCELLENT	MEDIUM	\$11,371.21
Annualized Volat		15.41	PowerShame 000	000	LIR	UR	0.20%	UR	UR	\$25,570.1
Beta vs S&P 500		1.00	SPDR DI Large Cap	ELS.	3	4.37%	0.20%	EXCELLENT	MEDIUM	\$41.51 8
Weht Ave. Marke	et Cap	\$107.026.83 M	SPDR SRP 500	SPY	3	5.195	0.09%	EXCELLENT	MEDIUM	\$91.310
iouzoe: Ralemant Investment			Peer Oroup Source: ETF Industry Under Review. Not expense ratio	Ouide, State Street, Source: 38		marth & Analytics Team. Date	is as of the reference	d date and is subject	to change. * Source	State Street.
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a design of the second s										ENTUN



Actively Managed Portfolios

- Valuentum offers two actively-managed portfolios that generate rewarding ideas to help with various investing decisions.
 - Best Ideas Newsletter
 - Dividend Growth Newsletter

	Valuentum Se Kock Analysis: From Value		R BEST IDE	AS NEWSLET Ju Volume	ne 15, 2012			
	uentum Securities Inc. w.valuentum.com info	avaluentum com	Portfolio Return 28.7%	Benchmark Return 2.6%	Outperformance 26.2%			
	w.vatuentum.com	<u>svatuentum.com</u>			Forders Inagrier Date May 17, 201			
١N	SIDE THIS ISSUE	The US Remains Re	silient;	-				
1	The US Remains Resilient; Outperformance Continues	Outperformance C			-			
1	Best Idea Ancestry.com Surges on	By Brian Nelson, CFA			31			
5	Buyout Rumors (ticker: ACOM) Apple's Worldwide Developers	The equity markets continued to the previous edition of our Best I		-				
	Conference (ticker: AAPL)	released mid-May. However, the	well-publicized		on, CFA Equity Research			
6	Digging Into May Retail Sales: Were They Actually Bad? (see article for tickers)	disappointment of Facebook's (FB) initial public brackweeten.com offering, concerns about European financial contagion,						
7	Jamie Dimon Testifies; We Aren't Crazy about a Concentrated Position in Any One Bank (see article for tickers)	ongoing chatter regarding the Economic Cycle Research Institute's reiteration of its recession call, rhetoric RUTener about the coming "fiscal cliff," and a slight hiccup in Australe Director, Equity Research						
B	Our Best Ideas Portfolio (see article for tickers)	the downward trajectory of unemployment have done nothing to sway our conviction in delivering continued outperformance in our Best Ideas portfolio.						
9	Addressing Intel's Bear Case (ticker: INTC)	•	•	10				
10	Why AutoNation's Results Are Bullish	As we warned in the May edition of our Best Ideas Newsletter, investors interested in entering a position						
	for Automakers (see article for tickers)	in Facebook following its first tra are setting themselves up for a n		0 2012 Va	luentum. All rights reserved.			
	Aerospace Demand Remains Robust; EDAC Tech Trading at 8 Times Next Year's Earnings (see articles for tickers)	disappointment. Some of the blame for what probably will forever be known as the "Faceplant" public						
11	Rio Tinto Expects To Dominate Iron Ore Production (ticker: RIO)	offering can possibly be assigned to Morgan Stanley (MS) for upping the offer size and price range before the						
13	The Case for the Valuentum Style of Investing	Please see The US Remains Resilienton page 2						
13	Dollar General Shines Through Challenging Times (ticker: DG)	Best Idea Ancestry	.com Sur	ges on				
14	LinkedIn's Security Breach Could Have	Buyout Rumors						
	Long-Term Implications (ticker: LNKD)	By Valuentum Analysts						
140	Ford Plans to Sell Bonds for the First Time Since Debt Upgrade (ticker: F)	Best Ideas portfolio holding Ance from Bloomberg that said the fir						
15	Pandora Continues to Win Ears (ticker: P)	banker Frank Quattrone's Qataly shareholder value. We believe th	st Partners to se	ell itself to unlo	ck			
15	Starbucks Buys aBakery? (ticker: SBUX)	and think the move, if confirmed market's reluctance to place an	i, makes a lot o	f sense, given th	e			
16	Ideas for Your Radar	Ancestry.com, in our view, shoul						
18	Featured Reports: EBAY, ZMH, HUN	current price if it were sold eithe equity consortium, given the firm						
21	Our Stock-Selection Methodology		Best Idea Ancest					



Dividend100, Ideas100, and DataScreener500

			Published	1, Issue 1 20, 2012 Cluarterly			Announcing a	Volume 1, issue 1 20,2012 Published Quarterly
Announcing a New Tool for the Intelligent Investor!		Value Ideas		NEW TRANSFORM			New Tool for the Income Investor! An invaluable Resource for Today's Financial Advisor and Income Portfolio Manager	Valuentum Dividend100™
Today's Finnescale Advisor and Portfolio Manager Forward sucking, Easy-to Compare Stock Reports on 100 of the Highest Quality Hom.	Taxant Int						 Forward-Looking, Easy-to- Compare Dividend Reports on 100 Stocks with the Best Dividend Growth Profiles Exclusive Valuentum Dividend Cushion[®] Scores 	Auf volt 100111000 Margin and 1
Harbings Based on Competitive Advantages and Risk Profiles	1 mar	A 1 Nome 2 3M 3 Abbott Laboratories	8 -1 Symbol MMM ABI	C	D TINDUSTRY Conglomerates Pharmaceuticals	E Class LARGE-CAP VALUE LARGE-CAP VALUE	to Uncover Which Firms Have the Strongest Dividends > Valuentum Buying Index**	
 Valuentian Buying Index¹⁰ Ratings to Identify the Best Stocks To Cossider Buying Now 		Abercrombie & Fitch Scenture Accenture Activition Acuity Brands Adobe Systems Adobe Systems Adobe Control Devices	ANE ACN ATVI AYI ADBE	Consumer Discretionary Information Technology Information Technology Information Technology Information Technology	Specialty Retail - apparel Business Services Software - graphics Electronic Suppliers Software Broad Line Semiconductors	MID-CAP BLEND LARGE-CAP VALUE LARGE-CAP CORE MID-CAP CORE LARGE-CAP VALUE MID-CAP VALUE	Ratings to identify the Best Stocks To Consider Buying Now	
Independent Guidance from the Valuentum Analyst Team		10 AGCO Corp 11 Agilent Technologies 12 Agrium 13 Air Products & Chemicals	AGCO A AGU APD ARG	Industrials Industrials Materials Materials	Machinery - agriculture Electrical Equipment Chemicals - agriculture Chemicals - broad Chemicals - broad	MID-CAP VALUE LARGE-CAP VALUE LARGE-CAP BLEND LARGE-CAP CORE MID-CAP CORE	from the Valuentum Analyst Team > Updated Quarterly	
Updated Quarterly		15 Akamai Tech 16 Alcatel-Lucent 17 <u>Alcoa</u> 18 Alledneny Technologies		Information Technology Information Technology Materials Materials	Internet Software & Svcs Communications Equipment Aluminum Aluminum	MID-CAP BLEND MID-CAP CORE MID-CAP VALUE MID-CAP BLEND	This publication can help you:	
Build a new diversified portfolio of high-quality studys from a variety of	alle I	19 Allergan 20 Alpha Natural 21 Altera 22 Altria Group 23 Aluminum Corp. of China	AGN ANE ALTE MO ACH	Health Care Energy Information Technology Consumer Staples Materials	Pharmaceuticals Industrial Minerals Specialized Semi's Tobacco Aluminum	LARGE-CAP CORE MID-CAP BLEND LARGE-CAP VALUE LARGE-CAP VALUE MID-CAP GROWTH	 Build a new income portfolio Add high-yielders to your portfolio in 2012 	
sectors Add solid companies to fortify your selding portfolio		24 Amazon.com 25 Amdocs 26 Amercan 27 American Eagle 28 American Electric		Consumer Discretionary Information Technology Energy Consumer Discretionary Energy	Internet & Catalog Retail Business Services Utilities Specialty Retail - apparel Utilities	LARGE-CAP BLEND MID-CAP VALUE MID-CAP VALUE MID-CAP VALUE LARGE-CAP VALUE	Identify investment gems	
oberally investment genes		29 American Tower 30 Ametek 31 Amgen 32 Amphenol Corp 33 Anadarko	AMT AME AMGN APH APC	Telecom Services Industrials Health Care Information Technology Energy	Wireless Telecom Services Electrical Equipment - industrial Biotechnology Electronic Suppliers Independent Oil & Gas	LARGE-CAP GROWTH MID-CAP CORE LARGE-CAP VALUE MID-CAP CORE LARGE-CAP BLEND		
		34 Analog Devices 35 Anheuser-Busch InBey	ADI	Information Technology Consumer Staples	Integrated Circuits Beverages - alcoholic	LARGE-CAP VALUE	6 \$42.00 5 \$69.00	FAIRLY VALUED



Valuentum's Breadth of Coverage

Analyst Coverage

- Two Specialized Teams collectively focused on breadth and depth of coverage via qualitative and quantitative analysis.
- Extensive Coverage across Market Capitalizations
- Serving our Subscriber Base
 - We allocate resources to cover firms that are of interest to our subscribers and clients.



Institutional Services

- Includes our offering for financial advisors plus:

 - Customized research and analysis that provides an objective opinion on under-followed firms. Each opinion is backed by extensive qualitative analysis and an interactive discounted cash-flow model. You also have access to our analyst team.
 - Option to develop and maintain your valuation infrastructure and build customized platforms that meet your screening and analytical needs.



Competitive Advantages of Valuentum's Approach

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- Integrity and systematic application of analytical process
- Fair value estimates and in-depth dividend analysis
- Comprehensive equity research provider from deep value through momentum investing
- Breadth and depth of coverage
- Commitment to expanding coverage
- Strong performance track record
- Valuation expertise



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