

Fund Summary

The ValuEngine View Strategy is the product of a sophisticated stock valuation model that was first developed by ValuEngine's academic research team. It utilizes a three factor approach: fundamental variables such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimate of the company's future 12-month EPS, and the 30-year Treasury yield are all used to create a more accurate reflection of a company's fair value. A total of eleven additional firm specific variables are also used. The ValuEngine View portfolio is constructed by integrating this model along with some basic rules for market capitalization and industry diversification. The portfolio has 16 stocks and is balanced once each month. An equal amount of capital is allocated to each stock.

Positions for 2017 Issue #2

Primary

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
BWA	BORG WARNER INC	40.83	10.92%	AUTO/TRUCK-ORIGINAL EQP
CAR	AVIS BUDGET GRP	37.22	13.69%	BUSINESS SERVICE
ENDP	ENDO INTL PLC	12.24	11.32%	MEDICAL-DRUGS
FIG	FORTRESS INVEST	5.61	16.37%	FINANCE-INVESTMENT MGMT
FRO	FRONTLINE LTD	6.94	10.54%	TRANSPORTATION-SHIP
GOV	GOVT PPTYS INCM	19.26	18.32%	REIT-EQTY TRUST - OTHER
MSGN	MSG NETWORKS	23.20	11.74%	MOVIE/TV PRODUCTION/DISTRIB
MT	ARCELOR MITTAL	7.79	32.38%	STEEL-PRODUCERS
OI	OWENS-ILLINOIS	18.90	19.74%	GLASS PRODUCTS
SBS	SABESP -ADR	9.96	27.22%	UTILITY-WATER SUPPLY
SYNT	SYNTEL INC	21.06	9.92%	COMPUTER-SERVICES
TECK	TECK RESOURCES	24.54	41.86%	MINING-MISC
TEVA	TEVA PHARM ADR	33.43	10.41%	MEDICAL-GENERIC DRUGS
TGP	TEEKAY LNG PTNR	18.20	27.74%	TRANSPORTATION-SHIP
TX	TERNIUM SA-ADR	22.86	33.87%	STEEL-PRODUCERS

Buy: BWA, CAR, ENDP, FIG, FRO, GOV, MSGN, SYNT, TEVA

Hold: MT, OI, SBS, TECK, TGP, TX

Sell: BWP, CORR, FNSR, GMLP, HLT, NRG, SNH, TLRD, URI

Alternative

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
FSLR	FIRST SOLAR INC	31.19	10.13%	SOLAR
HA	HAWAIIAN HLDGS	50.95	16.67%	TRANSPORTATION-AIRLINE
MGA	MAGNA INTL CL A	43.28	10.85%	AUTO/TRUCK-ORIGINAL EQP
NSR	NEUSTAR INC -A	33.20	15.69%	COMM NETWORK SOFTWARE
XRX	XEROX CORP	6.93	10.29%	BUSINESS SERVICE

Results for 2017 Issue #1

Stock Performance

Ticker	Company Name	Entry Price	Dividend	Exit Price	1-M Return
BWP	BOARDWALK PIPLN	17.36	-	18.46	6.34%
CORR	COREENERGY INFRA	34.88	-	35.90	2.92%
FNSR	FINISAR CORP	30.27	-	29.57	-2.31%
GMLP	GOLAR LNG PARTN	24.04	-	24.78	3.08%
HLT	HILTON WW HLDG	81.61	25.97	57.58	2.38%
MT	ARCELOR MITTAL	7.30	-	7.79	6.71%
NRG	NRG ENERGY INC	12.26	0.03	16.54	35.15%
OI	OWENS-ILLINOIS	17.41	-	18.90	8.56%
SBS	SABESP -ADR	8.68	-	9.96	14.75%
SNH	SENIOR HOUSING	18.93	0.39	19.05	2.69%
TECK	TECK RESOURCES	20.03	-	24.54	22.52%
TGP	TEEKAY LNG PTNR	14.45	-	18.20	25.95%
TLRD	TAILORED BRANDS	25.55	-	21.25	-16.83%
TX	TERNIUM SA-ADR	24.15	-	22.86	-5.34%
URI	UTD RENTALS INC	105.58	-	126.51	19.82%

Portfolio and Benchmark Performance

Ticker	Name	Entry Level*	Exit Level	1-M Return
	VE View Strategy			8.43%
	S&P 500 Index	2238.83	2278.87	1.79%

Tracking Historical Performance

Wealth Accumulation (Starting \$1000 in January 2009)



Annual Returns

Year	VE View	S&P 500 Index
2009	31.25%	36.12%
2010	25.36%	13.84%
2011	-26.19%	-0.32%
2012	61.26%	15.27%
2013	43.61%	24.50%
2014	10.50%	11.90%
2015	-19.43%	-9.88%

Performance Summary

	VE View	S&P 500 Index
Last 12-Month Return	-19.43%	-9.88%
Last 3-Year Return	27.85%	25.55%
Last 5-Year Return	52.19%	44.26%
Average Monthly Return	1.31%	1.04%
Average Annual Return	16.92%	13.28%
Annual Volatility	22.71%	14.08%
Maximum Drawdown	-34.94%	-12.54%
Sharpe Ratio	0.745	0.943
Sortino Ratio	1.165	1.191
Correlation with S&P 500	0.834	1.000

Backtesting Historical Performance

Annual Returns

Year	VE View	S&P 500 Index
2002	-0.28%	-23.37%
2003	78.51%	26.38%
2004	54.84%	8.99%
2005	26.89%	3.00%
2006	9.10%	13.62%
2007	-9.56%	3.53%
2008	-59.81%	-38.49%
2009	102.53%	23.45%
2010	23.57%	12.78%
2011	-16.12%	-0.00%
2012	5.05%	13.41%
2013	50.80%	29.60%
2014	1.36%	11.39%
2015	-12.96%	-0.73%
2016	29.17%	9.54%
2017 YTD	5.22%	1.79%

Performance Summary

	VE View	S&P 500 Index
Last 12-Month Return	52.75%	17.45%
Last 3-Year Return	23.98%	27.84%
Last 5-Year Return	63.69%	73.64%
Average Monthly Return	1.43%	0.47%
Average Annual Return	18.56%	5.74%
Annual Volatility	34.08%	14.31%
Maximum Drawdown	-78.47%	-52.56%
Sharpe Ratio	0.544	0.401
Sortino Ratio	0.848	0.512
Correlation with S&P 500	0.784	1.000

This is a long term historical backtest of this portfolio. Returns are calculated using historical data, and include dividends but not trading costs. For recent actual traded returns starting January 2016, please visit www.ValuEngineCapital.com.

DISCLAIMER

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