ValuEngine Small Cap Strategy

2017 Issue #3 (Published on Mar 2, 2017)

ValuEngine™
The Leader in Quantitative Stock Analysis

Fund Summary

The VE Small Cap portfolio selects stocks based on the forecast returns. The selection criteria also include $1 for minimum market price, $50 millions for minimum market cap, $1 billion for maximum market cap and 100 thousands for minimum average volume. The portfolio has 15 stocks and is rebalanced once a month. The dividends (but no transaction costs) were included in the performance calculations.

Positions for 2017 Issue #3

Primary

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
ANW	AEGEAN MARINE	10.10	24.03%	TRANSPORTATION-SHIP
CLD	CLOUD PEAK EGY	4.99	48.61%	COAL
CORR	CORENERGY INFRA	35.69	37.61%	REIT-EQTY TRUST - OTHER
CYTK	CYTOKINETCS INC	10.60	27.18%	MEDICAL-BIOMED/GENETICS
DLNG	DYNAGAS LNG PTR	16.33	22.50%	TRANSPORTATION-SVCS
GMLP	GOLAR LNG PARTN	22.54	21.81%	OIL REFINING & MARKETING MLP
HOV	HOVNANIAN ENTRP	2.37	28.58%	BLDG-RESIDENT/COMMRCL
I	INTELSAT SA	4.98	20.82%	SATELLITE COMMUNICATION
NMM	NAVIOS MARIT LP	1.74	16.95%	TRANSPORTATION-SHIP
OFG	OFG BANCORP	12.90	20.37%	BANKS-NORTHEAST
PFSI	PENNYMAC FIN SV	17.85	19.02%	FINANCE-MRTG & REL SVC
RYI	RYERSON HOLDING	10.85	32.95%	STEEL-PRODUCERS
SDLP	SEADRILL PTNRS	4.67	38.45%	OIL & GAS-DRILLNG
SXCP	SUNCOKE ENERGY	16.70	21.95%	COAL
TOO	TEEKAY OFFSHORE	5.11	16.90%	TRANSPORTATION-SHIP

Buy: CLD, CORR, CYTK, GMLP, I, NMM, SDLP, TOO
Hold: ANW, DLNG, HOV, OFG, PFSI, RYI, SXCP
Sell: AHT, ATW, KCG, KNOP, LGIH, PNNT, WLH, WRLD

Alternative

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
AHP	ASHFORD HOSP PR	13.05	16.04%	REIT-EQTY TRUST - OTHER
AHT	ASHFORD HOSPTLY	6.57	12.00%	REIT-EQTY TRUST - OTHER
CECE	CECO ENVIRNMNTL	11.30	13.16%	POLLUTION CONTROL EQ & SVS
ECPG	ENCORE CAP GRP	33.30	13.27%	FINANCE-CONSUMER LOANS
RM	REGIONAL MANAGE	20.99	15.59%	FINANCE-CONSUMER LOANS

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Resutls for 2017 Issue #2

Stock Performance

Ticker	Company Name	Entry Price	Dividend	Exit Price	1-M Return
AHT	ASHFORD HOSPTLY	7.60	-	6.57	-13.55%
ANW	AEGEAN MARINE	11.05	-	10.10	-8.60%
ATW	ATWOOD OCEANICS	12.16	-	10.51	-13.57%
DLNG	DYNAGAS LNG PTR	16.42	-	16.33	-0.55%
HOV	HOVNANIAN ENTRP	2.37	-	2.37	0.00%
KCG	KCG HOLDINGS	13.97	-	13.85	-0.86%
KNOP	KNOT OFFSHOR LP	21.80	-	22.05	1.15%
LGIH	LGI HOMES INC	31.06	-	29.01	-6.60%
OFG	OFG BANCORP	13.25	-	12.90	-2.64%
PFSI	PENNYMAC FIN SV	16.90	-	17.85	5.62%
PNNT	PENNANTPARK INV	7.89	-	8.52	7.98%
RYI	RYERSON HOLDING	10.60	-	10.85	2.36%
SXCP	SUNCOKE ENERGY	16.45	0.59	16.70	5.13%
WLH	WILLIAM LYON HM	17.65	-	18.43	4.42%
WRLD	WORLD ACCEPTANC	49.07	-	52.44	6.87%

Portfolio and Benchmark Performance

Ticker	Name	Entry Level*	Exit Level	1-M Return
	VE Small Cap Strategy			-0.86%
	Russell 2000	1361.82	1386.68	1.83%
	S&P 500 Index	2278.87	2363.64	3.72%

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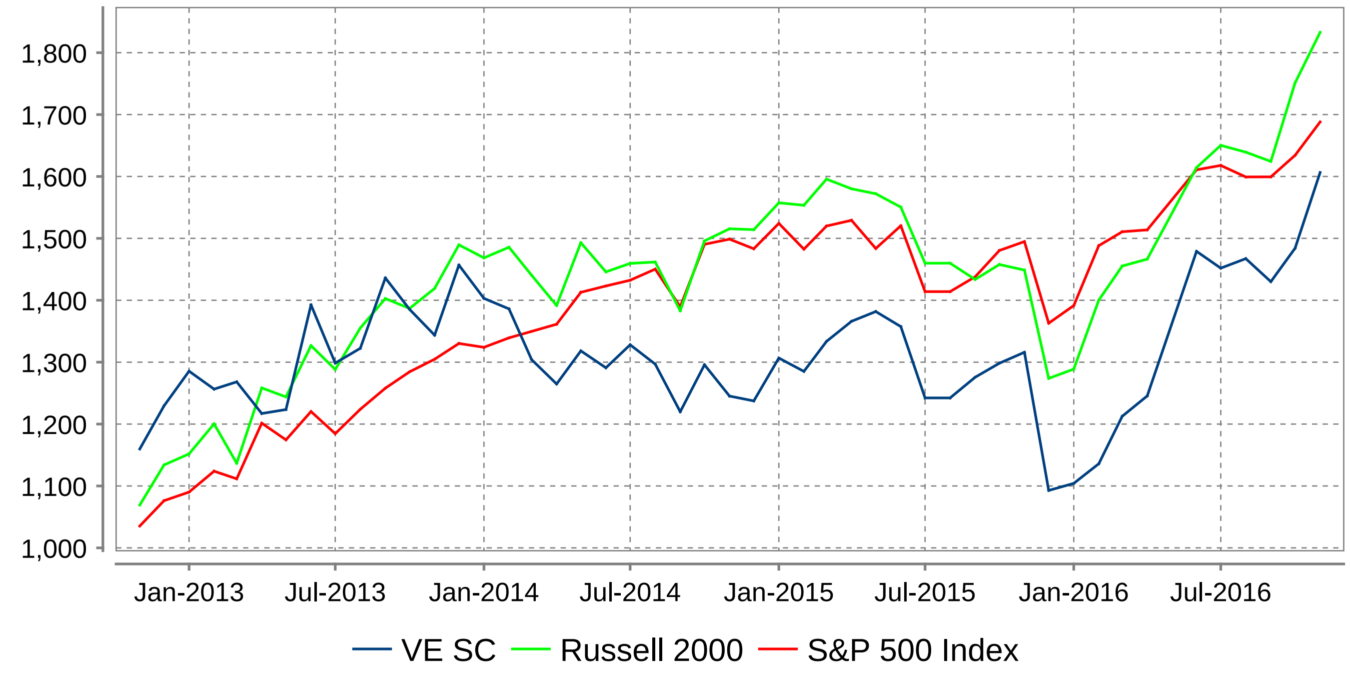
Tracking Historical Performance

Wealth Accumulation (Starting $1000 in November 2012)



Annual Returns

Year	VE SC	Russell 2000	S&P 500 Index
2013	18.50%	31.37%	23.60%
2014	-15.06%	1.65%	11.50%
2015	-11.69%	-15.87%	-8.11%
2016 YTD	47.01%	43.90%	23.86%

Performance Summary

	VE SC	Russell 2000	S&P 500 Index
Last 12-Month Return	23.74%	25.74%	14.03%
Last 3-Year Return	15.96%	32.17%	31.43%
Since Inception	60.65%	83.29%	68.82%
Average Monthly Return	1.18%	1.37%	1.15%
Average Annual Return	15.07%	17.73%	14.67%
Annual Volatility	21.42%	15.62%	11.09%
Maximum Drawdown	-24.99%	-20.17%	-10.87%
Sharpe Ratio	0.704	1.135	1.323
Sortino Ratio	1.196	1.799	1.612
Correlation with S&P 500	0.636	0.870	1.000

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Backtesting Historical Performance

Annual Returns

Year	VE SC	Russell 2000	S&P 500 Index
2002	35.90%	-21.58%	-23.37%
2003	158.18%	45.37%	26.38%
2004	45.99%	17.00%	8.99%
2005	40.09%	3.32%	3.00%
2006	24.24%	17.00%	13.62%
2007	-7.65%	-2.75%	3.53%
2008	-35.30%	-34.80%	-38.49%
2009	5.16%	25.22%	23.45%
2010	40.24%	25.31%	12.78%
2011	-3.84%	-5.45%	-0.00%
2012	37.64%	14.63%	13.41%
2013	60.67%	37.00%	29.60%
2014	-2.04%	3.53%	11.39%
2015	8.10%	-5.71%	-0.73%
2016	23.09%	19.48%	9.54%
2017 YTD	-4.11%	2.18%	5.57%

Performance Summary

	VE SC	Russell 2000	S&P 500 Index
Last 12-Month Return	33.10%	34.12%	22.33%
Last 3-Year Return	25.99%	17.21%	27.11%
Last 5-Year Return	147.66%	71.00%	73.07%
Average Monthly Return	2.03%	0.73%	0.48%
Average Annual Return	27.29%	9.09%	5.96%
Annual Volatility	28.89%	19.03%	14.29%
Maximum Drawdown	-60.04%	-54.08%	-52.56%
Sharpe Ratio	0.945	0.478	0.417
Sortino Ratio	1.295	0.668	0.533
Correlation with S&P 500	0.708	0.890	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 2017, please visit www.ValuEngineCapital.com.

DISCLAIMER

STOCK TRADING involves high risks and YOU can LOSE a significant amount of money. ANY PERFORMANCE RESULTS LISTED ABOVE AND IN ALL MARKETING MATERIALS REPRESENT SIMULATED COMPUTER RESULTS OVER PAST HISTORICAL DATA, AND NOT THE RESULTS OF AN ACTUAL ACCOUNT. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. TESTIMONIAL OR ACTUAL ACCOUNT RESULTS PRESENTED DO NOT NECESSARILY REFLECT THE RESULTS OF ALL USERS OF THE PROGRAM AND ALL USERS SHOULD NOT EXPECT TO EXPERIENCE SIMILAR RESULTS. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. CURRENT PERFORMANCE MAY BE LOWER THAN PERFORMANCE STATED. PLEASE READ CUSTOMER DISCLOSURE DOCUMENT BEFORE PURCHASING. VALUENGINE, INC. IS NOT A REGISTERED INVESTMENT ADVISOR, AND DOES NOT PROVIDE INVESTMENT ADVICE. NEITHER THE SOFTWARE, WEBSITE, NOR ANY DEMONSTRATION OF ITS OPERATION SHOULD BE CONSTRUED AS AN INVESTMENT RECOMMENDATION OR AN OFFER TO BUY OR SELL SECURITIES. ALL PURCHASERS MUST DETERMINE WHICH SECURITIES TO USE WITH THE SOFTWARE, WEBSITE OR OTHER SERVICES. OUR SALES DEMONSTRATIONS AND CUSTOMER SUPPORT DEPARTMENT ARE STRICTLY LIMITED TO INSTRUCTIONS RELATING TO OPERATION AND USE OF THE SOFTWARE, WEBSITE, AND SERVICES.