

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 #3

Primary

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
ARLP	ALLIANCE RES	22.85	45.77%	COAL
CAR	AVIS BUDGET GRP	34.58	11.39%	BUSINESS SERVICE
DV	DEVRY EDUCATION	32.15	19.42%	SCHOOLS
ENDP	ENDO INTL PLC	13.65	16.38%	MEDICAL-DRUGS
MSGN	MSG NETWORKS	21.80	17.35%	MOVIE/TV PRODUCTION/DISTRIB
MT	ARCELOR MITTAL	8.78	37.95%	STEEL-PRODUCERS
NRG	NRG ENERGY INC	16.56	14.06%	UTILITY-ELECTRIC POWER
OMF	ONEMAIN HOLDNGS	28.02	13.89%	FINANCE-CONSUMER LOANS
SIG	SIGNET JEWELERS	63.59	11.32%	RETAIL-JEWELRY STORES
SYNT	SYNTEL INC	17.69	11.93%	COMPUTER-SERVICES
TECK	TECK RESOURCES	20.01	46.12%	MINING-MISC
TEVA	TEVA PHARM ADR	35.02	11.84%	MEDICAL-GENERIC DRUGS
TGP	TEEKAY LNG PTNR	18.70	29.48%	TRANSPORTATION-SHIP
TLRD	TAILORED BRANDS	23.11	12.48%	TEXTILE-APPAREL MFG
VRX	VALEANT PHARMA	14.38	16.38%	MEDICAL-DRUGS

Buy: ARLP, DV, NRG, OMF, SIG, TLRD, VRX

Hold: CAR, ENDP, MSGN, MT, SYNT, TECK, TEVA, TGP

Sell: BWA, FIG, FRO, GOV, OI, SBS, TX

Alternative

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
GOV	GOVT PPTYS INCM	20.61	17.13%	REIT-EQTY TRUST - OTHER
NGL	NGL ENERGY PART	22.20	10.79%	OIL REFINING & MARKETING MLP
NSR	NEUSTAR INC -A	33.15	18.20%	COMM NETWORK SOFTWARE
OI	OWENS-ILLINOIS	19.80	14.58%	GLASS PRODUCTS
RWT	REDWOOD TRUST	16.37	14.66%	REIT-MORTGAGE TRUST

Results for 2017 Issue #2

Stock Performance

Ticker	Company Name	Entry Price	Dividend	Exit Price	1-M Return
BWA	BORG WARNER INC	40.83	0.14	42.19	3.67%
CAR	AVIS BUDGET GRP	37.22	-	34.58	-7.09%
ENDP	ENDO INTL PLC	12.24	-	13.65	11.52%
FIG	FORTRESS INVEST	5.61	-	7.98	42.25%
FRO	FRONTLINE LTD	6.94	-	6.91	-0.43%
GOV	GOVT PPTYS INCM	19.26	-	20.61	7.01%
MSGN	MSG NETWORKS	23.20	-	21.80	-6.03%
MT	ARCELOR MITTAL	7.79	-	8.78	12.71%
OI	OWENS-ILLINOIS	18.90	-	19.80	4.76%
SBS	SABESP -ADR	9.96	-	10.59	6.33%
SYNT	SYNTEL INC	21.06	-	17.69	-16.00%
TECK	TECK RESOURCES	24.54	-	20.01	-18.46%
TEVA	TEVA PHARM ADR	33.43	-	35.02	4.76%
TGP	TEEKAY LNG PTNR	18.20	0.14	18.70	3.52%
TX	TERNIUM SA-ADR	22.86	-	26.52	16.01%

Portfolio and Benchmark Performance

Ticker	Name	Entry Level*	Exit Level	1-M Return
	VE View Strategy			4.30%
	S&P 500 Index	2278.87	2363.64	3.72%

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	-3.07%	-23.37%
2003	78.51%	26.38%
2004	53.78%	8.99%
2005	26.89%	3.00%
2006	9.10%	13.62%
2007	-8.46%	3.53%
2008	-59.42%	-38.49%
2009	102.53%	23.45%
2010	29.35%	12.78%
2011	-16.12%	-0.00%
2012	5.05%	13.41%
2013	51.72%	29.60%
2014	0.43%	11.39%
2015	-14.54%	-0.73%
2016	24.17%	9.54%
2017 YTD	9.74%	5.57%

Performance Summary

	VE View	S&P 500 Index
Last 12-Month Return	52.99%	22.33%
Last 3-Year Return	17.07%	27.11%
Last 5-Year Return	53.45%	73.07%
Average Monthly Return	1.43%	0.48%
Average Annual Return	18.58%	5.96%
Annual Volatility	34.06%	14.29%
Maximum Drawdown	-78.00%	-52.56%
Sharpe Ratio	0.546	0.417
Sortino Ratio	0.846	0.533
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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