

## VALUATION SUMMARY

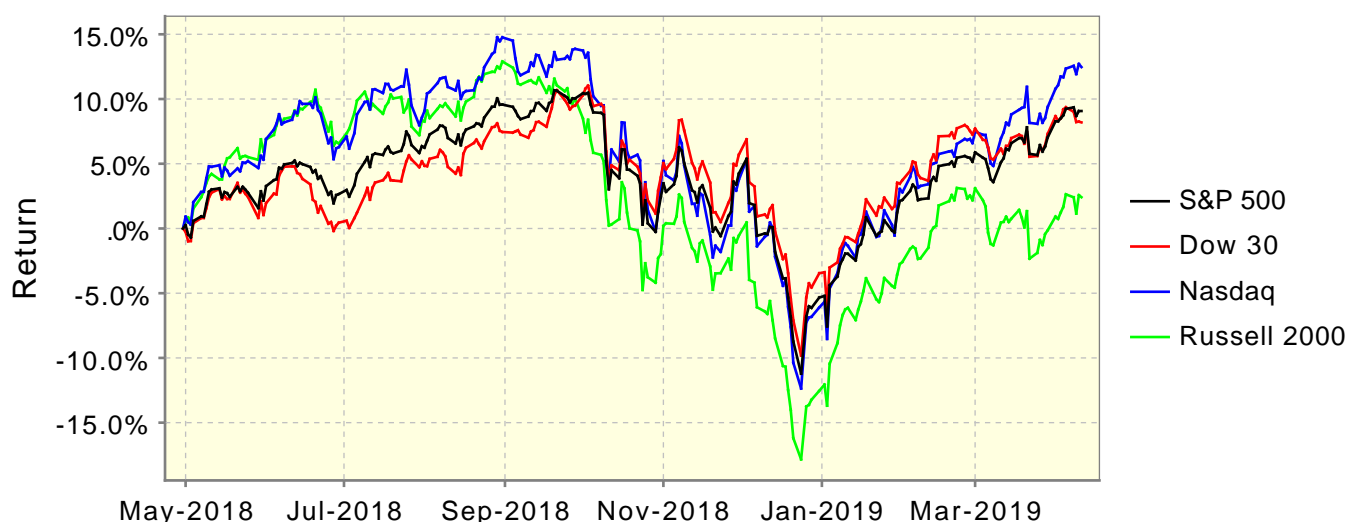
|                           |        |                          |        |
|---------------------------|--------|--------------------------|--------|
| Stocks Undervalued        | 57.44% | Stocks Overvalued        | 42.56% |
| Stocks Undervalued by 20% | 24.24% | Stocks Overvalued by 20% | 15.12% |

ValuEngine currently finds the markets attractive with the majority of stocks covered undervalued according to the research.

## INDEX OVERVIEW

| Index        | Date      | Last Close | MTD   | QTD   | YTD    |
|--------------|-----------|------------|-------|-------|--------|
| S&P 500      | 4/11/2019 | 2,888.32   | 1.90% | 3.73% | 15.22% |
| Dow 30       | 4/11/2019 | 26,143.05  | 0.83% | 0.88% | 12.07% |
| Nasdaq       | 4/11/2019 | 7,947.36   | 2.82% | 5.51% | 19.77% |
| Russell 2000 | 4/11/2019 | 1,579.14   | 2.56% | 0.23% | 17.10% |

## PERFORMANCE HISTORY



## SECTOR AVERAGE COMPARISON

| Sector Name                | Valuation          | Momentum | P/E Ratio | Sharpe Ratio |
|----------------------------|--------------------|----------|-----------|--------------|
| Oils-Energy                | 20.94% undervalued | -11.40%  | 19.73     | -0.4270      |
| Basic Materials            | 8.05% undervalued  | -14.53%  | 22.78     | -0.1604      |
| Transportation             | 7.57% undervalued  | 3.97%    | 18.44     | -0.1325      |
| Auto-Tires-Trucks          | 3.92% undervalued  | -13.41%  | 11.45     | -0.1225      |
| Finance                    | 3.92% undervalued  | -1.15%   | 16.10     | 0.1900       |
| Construction               | 1.57% undervalued  | -7.03%   | 20.11     | 0.0666       |
| Consumer Discretionary     | 1.56% undervalued  | 1.90%    | 24.88     | 0.0134       |
| Industrial Products        | 1.36% undervalued  | 0.02%    | 21.16     | 0.0491       |
| Retail-Wholesale           | 1.31% undervalued  | 5.34%    | 22.30     | -0.0169      |
| Multi-Sector Conglomerates | 0.08% overvalued   | 0.07%    | 17.99     | 0.0166       |
| Aerospace                  | 0.97% overvalued   | 4.65%    | 23.65     | 0.2371       |
| Consumer Staples           | 3.04% overvalued   | 8.25%    | 24.54     | 0.1327       |
| Medical                    | 3.53% overvalued   | 13.73%   | 29.44     | -0.1378      |
| Business Services          | 4.84% overvalued   | 6.46%    | 25.10     | 0.0453       |
| Utilities                  | 8.19% overvalued   | 8.54%    | 23.18     | 0.1725       |
| Computer and Technology    | 12.29% overvalued  | 13.76%   | 33.97     | 0.1391       |

## TOP INDUSTRIES

| Industry Name            | Valuation | Momentum | P/E Ratio | Sharpe Ratio | Market Cap (bil) |
|--------------------------|-----------|----------|-----------|--------------|------------------|
| Transportation-Truck     | -12.12%   | 11.26%   | 23.11     | -0.0134      | 2.2180           |
| Transportation-Ship      | -12.38%   | 17.22%   | 22.65     | -0.5221      | 1.0196           |
| Retail-Home Furnishings  | -2.16%    | 5.53%    | 19.46     | -0.1220      | 2.0393           |
| Oil & Gas-Drilling       | 10.09%    | -14.15%  | 30.65     | -0.5604      | 1.3335           |
| Medical Instruments      | 11.88%    | 30.01%   | 42.66     | -0.0973      | 3.5264           |
| Machinery-Material Hdlg  | -11.03%   | -9.36%   | 11.57     | -0.1202      | 0.8428           |
| Lasers-Sys/Components    | -7.33%    | -33.51%  | 21.84     | 0.2181       | 3.1132           |
| Elec Measrng Instruments | 5.93%     | 29.65%   | 23.31     | 0.0335       | 3.9899           |
| Bldg-Resident/Commrc     | 16.16%    | -14.61%  | 18.49     | -0.0775      | 4.3923           |
| Advertising/Mktg Svcs    | -0.49%    | 18.96%   | 17.27     | -0.3165      | 4.2810           |

## STOCK OF THE WEEK - VEEV

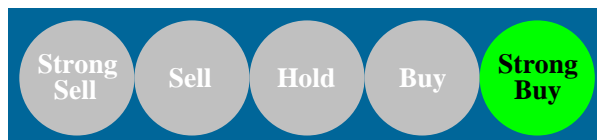
Company Name: Veeva Systems-A

Sector: Computer and Technology

Industry: Internet Software

## ValuEngine Recommendation

ValuEngine recommendation covers more than 5000 companies. The recommendations are based on the proprietary ValuEngine one-year forecast return model output for each individual equity. ValuEngine's Five-Engine rating stocks have an averaged annual return of 13.11% since 2002.



## Data Summary

|                           |                      |                       |
|---------------------------|----------------------|-----------------------|
| Trade Date: Apr 11, 2019  | Last Close: \$135.49 | Avg Volume: 1305127   |
| 1-Yr Forecast: 12.04%     | Valuation: 20.96%    | 1-Yr Momentum: 87.48% |
| Trailing P/E: 106.69      | Forward P/E: 86.30   | PEG Ratio: 4.52       |
| Market Cap (bil): \$17.67 | EPS Growth: 23.62%   | Beta: 1.66            |
| 5-Yr Avg Return: 31.17%   | Volatility: 40.05%   | Sharpe Ratio: 0.78    |
| P/S Ratio: 20.49          | M/B Ratio: 15.81     | Alpha: 0.43           |

## Forecast Analysis

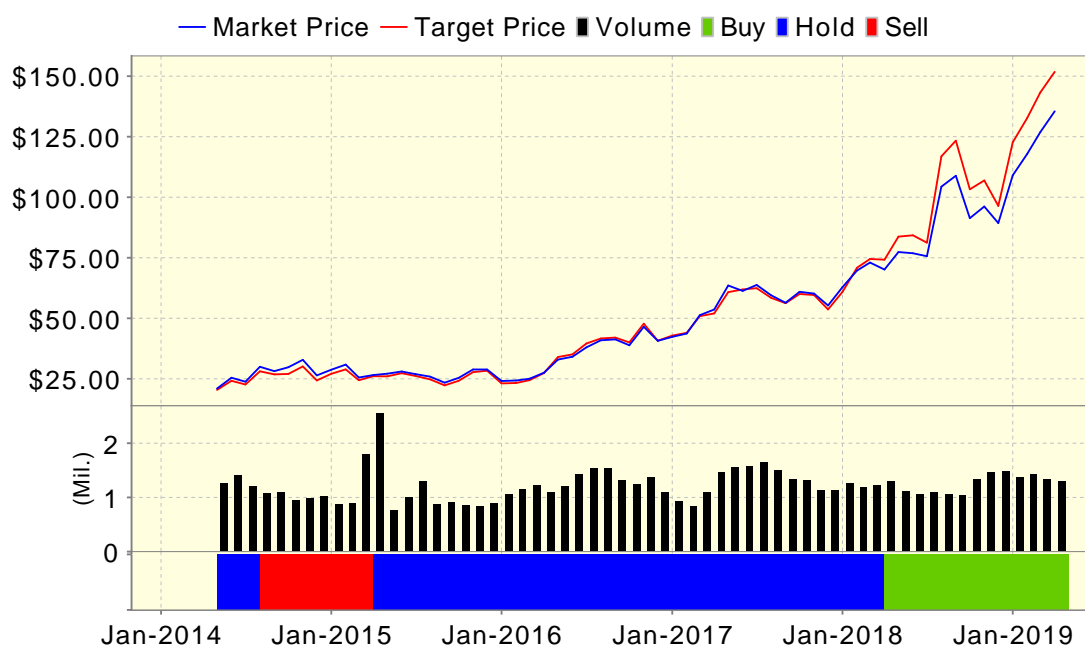
The predictive variables used in Valuengine's forecast model include both proprietary and well-established variables derived from credible financial studies and publications. We use a distinct forecasting model for each time horizon and apply the most advanced statistical/econometric techniques to ensure that our stock return forecasts are as reliable as possible.

|         | Target Price | Exp. Return |
|---------|--------------|-------------|
| 1-Month | \$136.85     | 1.00%       |
| 3-Month | \$136.89     | 1.04%       |
| 6-Month | \$141.02     | 4.08%       |
| 1-Year  | \$151.80     | 12.04%      |
| 2-Year  | \$141.70     | 4.58%       |
| 3-Year  | \$148.44     | 9.56%       |

[Click for more information on ValuEngine's models.](#)

## STOCK OF THE WEEK - VEEV

### Price And Recommendation History



### ValuEngine Evaluation & Rankings

|                 | Value   | Ranking |
|-----------------|---------|---------|
| 1-Yr Forecast   | 12.04%  | 98      |
| Valuation       | 20.96%  | 15      |
| 1-Yr Momentum   | 87.48%  | 98      |
| P/E Ratio       | 106.69  | 33      |
| Market Cap(bil) | 17.6693 | 93      |
| EPS Growth      | 23.62%  | 62      |
| 5-Yr Avg Return | 31.17%  | 97      |
| Volatility      | 40.05%  | 41      |
| Sharpe Ratio    | 0.7781  | 94      |
| P/S Ratio       | 20.49   | 8       |
| M/B Ratio       | 15.81   | 10      |
| Surprise        | 8.39%   | 63      |

Just as important as the percentages shown for our predictive variables for each stock is the way they are ranked against @7000 stocks in our database. This is sometimes confusing to newcomers to ValuEngine. Each of these quantitative measurements is ranked on a scale of 1 to 100. Generally the higher the ranking, the more positive the influence each measurement has on the overall attractiveness of the stock. In other words a high rank is always better. For example:

- \* Forecast rank 98: 2% of stocks have higher forecast returns.
- \* Valuation rank 15: 85% of stocks are more undervalued.
- \* Momentum rank 98: 2% of stocks have higher momentum.
- \* P/E rank 33: 67% of stocks have lower P/E ratios.
- \* Size rank 93: 7% of stocks have higher market capitalization.
- \* Volatility rank 41: 59% of stocks have less volatility.

### Business Summary

Veeva Systems Inc. operates as a provider of industry-specific, cloud-based software solutions for the life sciences industry. It offers enterprise applications, a multichannel platform, customer relationship management, and content management solutions. The Company provides its solutions to pharmaceutical, animal health, and biotechnology companies. Veeva Systems Inc. is headquartered in Pleasanton, California.

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## VALUENGINE'S METHODOLOGY

ValuEngine's research combines the most advanced academic concepts with real world Wall Street practice. The result is state-of-the-art fair market valuation and price forecasting technologies.

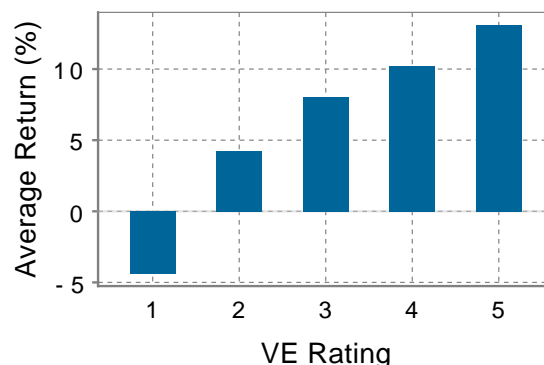
ValuEngine's stock valuation employs a sophisticated, three-factor approach. Fundamental variables, such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimate of the company's future 12-month EPS, and the 30-year Treasury yield, are all used to create a more accurate reflection of a company's fair value. Together with eleven additional variables, ValuEngine paints a detailed picture of a company's fair value, represented by the model price.

ValuEngine's stock forecasts capture several important tendencies that stock prices consistently exhibit over six time horizons to ensure forecasts are established relative to a stock's proper peer groups. Advanced statistical/econometric techniques are used to run thousands of simulations estimating the probability of a double in stock price, as well as the probability of meeting and exceeding any given portfolio or stock investment target.

VE Engine Rating is an assessment of a stock's overall attractiveness. It is based on the one year forecast target price, which is the final evolution of VE's equity modeling. On average, only 2 percent of ValuEngine's 5,500 stocks under coverage achieve a 5 rating. 5 and 4 rated stocks are expected to outperform the overall markets, 3 rated to roughly match market performance, and 2 and 1 rated are expected to underperform.

For additional information about ValuEngine's financial research and financial modeling, please click [www.valuengine.com](http://www.valuengine.com)

VE Rating and Average Annual Return  
(Jan 2002 - Mar 2019)



## DISCLOSURES

ValuEngine offers equity recommendations and related return estimates to investors and their advisors. It uses a three-class Buy-Hold-Sell rating system. This is a consolidated version of the firm's five class rating system: most favorable and favorable ratings are buys; neutral ratings are holds and the categories unfavorable and most unfavorable are sells.

**STOCK RATINGS:** The terms below are used to rate a stock's 12-month performance:

1. Buy: Expected to outperform the SP500 producing above average returns.
2. Hold: Expected to perform in line with the SP500 with average returns.
3. Sell: Expected to underperform the SP500 producing below-average returns.

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