



Sabrient Systems LLC

Quantitative Equity Research

Discussion of Products:

1. Fundamentals-based Reports – weekly updates on 5,800 stocks & ADRs
2. Sector Model – rankings of sectors, industries, ETFs
3. Targeted Stock Ideas – top picks by style & cap (Long & Short)
4. Custom Stock Ideas – focus lists or alerts delivered directly to your Inbox
5. Specialty Ranks – for indexing, weighting, hedging, pairs trades, or absolute return long/short strategies

"A unique approach – developed far from the corridors of Wall Street"
Visit us at <http://www.Sabrient.com>

Quantitative Analysis (“Quant”)

- Unbiased, cost-effective analysis of fundamentals & technicals
 - ✓ Avoids bias from an individual analyst while still taking into account Wall Street analysts’ consensus estimates
 - ✓ Leverages computing power & large databases to systematically analyze many stocks and identify trends & market preferences
 - ✓ Rules-based strategies can be back-tested for robustness over multiple timeframes & datasets
- ◆ Versatile:
 - ✓ **Pre-screen** – to identify stocks for further qualitative review
 - ✓ **Overlay** – on pre-selected universe for indexing or weighting
 - ✓ **Stand-alone** – as a mechanical portfolio strategy

The Sabrient Team



David Brown, MBA
Chief Market Strategist

- Former Chairman & CEO of Telescan, Inc. (now InvesTools)
- Former NASA scientist; developer of lunar landing module
- 1998 Man of the Year, Stock Traders Almanac
- Author of five books on investing

Executive Team:

R. Guy Kraines, MS

President & Chief Operating Officer

Scott Martindale, MBA

Senior Managing Director - Sales

Kassandra Bentley

Managing Member & Director

Research Team:

Joshua Anderson, Ph.D

Director of Research & Development

Theodore Spradlin

Senior Quantitative Analyst

Vishal Gupta

Software Engineer

The Sabrient Approach

- 100% rules-based (no emotion or bias)
- Fundamentals-driven (including Wall Street consensus data)
- Multi-factor filters & relevance scoring
- Scientific (no optimization or “curve-fitting”)
- Customizable to the needs of the client

The Sabrient Methodology



Notable Achievements

- ◆ **8 Major Wall Street clients** – for SmartStock reports
- ◆ **Scotia iTrade (Canada)** – for SmartStock reports & custom SmartLists
- ◆ **Claymore Advisors** – partnership to produce UITs and ETFs
 - ETFs include: NFO , DEF , STH , CBD.TO , CBN.TO
- ◆ Invited to **Forbes “Love Only One”** Stock Picking Contest (asked to provide a Short)
 - Short selections produced big returns – down as much as 65%
 - Asked back for second year participation
- ◆ **Multiple Hedge Fund clients** (running long, long/short, or hedged strategies)
- ◆ **Powerful products** for Portfolio Managers, Financial Advisors, Investors

Indexes for Exchange-Traded Funds

Specialty indexes (each tracked by an ETF sponsored by Claymore Advisors):

- Sabrient Defensive Equity Index (NYSEArca: SBRDE) – tracked by **DEF**
 - ◆ “Downside protection, upside capture”
- Sabrient Insider Sentiment Index (NYSEArca: SBRIN) – tracked by **NFO**
 - ◆ “Follow the Insiders”, i.e., corporate officers, directors, and analysts
- Sabrient Stealth Index (NYSEArca: SBRST) – tracked by **STH**
 - ◆ “Under the radar”, exploiting the “neglected-stock effect”

New Canadian Indexes, tracked by ETFs trading on the Toronto Exchange:

- Sabrient Global Balanced Income Index (AMEX: **SBRGBI**)
- Sabrient Global Balanced Growth Index (AMEX: **SBRGBG**)

Forbes Stock Picking Contest

Forbes Magazine “Love Only One” Annual Stock Picking Contest:

2007-2008 Contest:

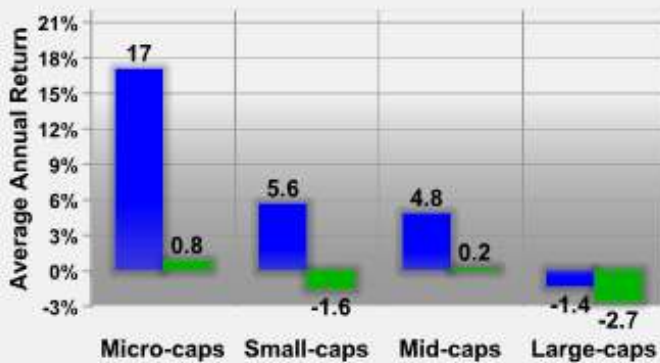
- ◆ David Brown was asked in Oct/2007 to participate in Forbes stock picking contest among institutional money managers and research analysts
- ◆ Some are asked for a long pick and others are asked to provide a Short pick to hold for a full year – David was asked to submit one Short idea
- ◆ Our **Top 5 Short picks** and 1-year performance (10/31/07 – 10/31/08):
 1. RAIL (Submitted for contest) down -39%
 2. PALM down -56%
 3. USG down -63%
 4. IAR down -98%
 5. FCBP down -46%
- ◆ Average Loss of -56% vs. -36% loss for the S&P 500 Spider (SPY)

2008-2009 Contest:

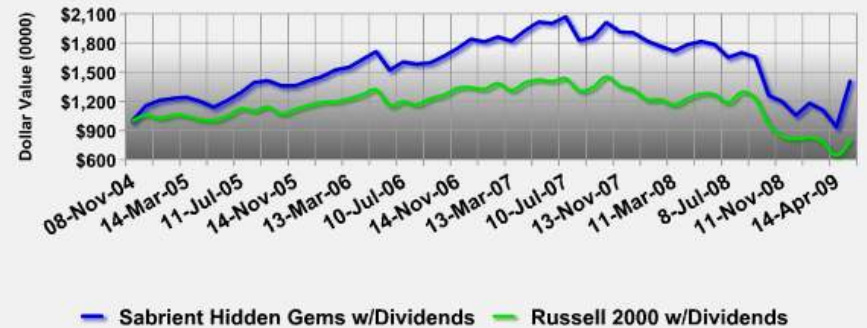
- ◆ For the new contest that commenced Oct/2008, David submitted LAMR as the new **Short** pick, which has been down as much as **-65%**.

Sample Performance

Sabrient Growth Rankings vs. Benchmarks
June 18, 2002 - April 14, 2009

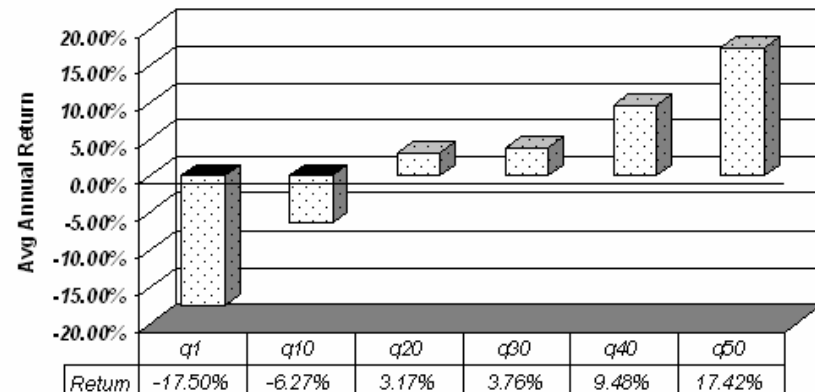


■ Sabrient
■ Benchmark



Company Outlook Rank:

Average Annual Return by Quantile



Sabrient Products & Services

- ✓ Weekly **Ratings & SmartStock Reports** on over 5,800 stocks & ADRs
- ✓ **SmartRank:** Top Long stock picks by Style/Cap, & Top Shorts (or Stocks to Avoid)
 - Large, Mid, Small, Micro across Value, Growth, Momentum Styles
- ✓ **SmartLists:** Targeted niche & custom focus lists (Long & Short)
- ✓ **Index Rankings:** Major U.S. stock indexes
- ✓ **Sector/Industry Model:** including bottom-up ETF rankings
- ✓ **StockFinderPro:** Artificial Intelligence stock screener based on user preferences
- ✓ **Select Opportunity Portfolio:** Alert service using technical overlay on watch list
- ✓ **Specialty Ranks:** including VCU
 - for indexing, weighting, hedging, pairs trades, or absolute return
 - For Hedge Funds, SMAs, UITs, ETFs

Sample SmartStock Report:

(Page 1 of 4)

Click-through from SmartLink Pro, SmartLists, or StockFinderPro results page

Over 5,800 reports, updated weekly

Sabrient

APPLE COMPUTER INC

NASDAQ: AAPL
Industry: Computers & Peripherals

SABRIENT
BUY
RATING

Stock Fundamentals as of May 29, 2007

| | |
|----------------------------------|----------------|
| Sabrient Rating | Buy |
| Ticker | AAPL |
| Market Cap Designation | Large-cap |
| Market Capitalization (Billions) | \$98.9 |
| Price | \$114.35 |
| 52-Week High/Low | \$115.00/50.16 |
| EPS (TTM) | \$3.16 |
| P/E Ratio (TTM) | 36.2 |
| Dividend Yield | 0.0% |
| S&P 500 P/E Ratio | 24 |
| Price/Book Ratio | 8.1 |
| Price/Sales Ratio | 4.6 |
| 30-Day Average Volume (Millions) | 27.0 |
| Beta | 1.48 |
| Current Ratio | 2.9 |
| Short Interest Ratio | 1.0 |
| Shares Outstanding (Millions) | 864.9 |
| Institutional Holdings | 66.0% |

Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

APPLE COMPUTER INC



Company Profile

Apple Inc., together with its subsidiaries, engages in the design, manufacture, and marketing of personal computers and related software, services, peripherals, and networking solutions worldwide.

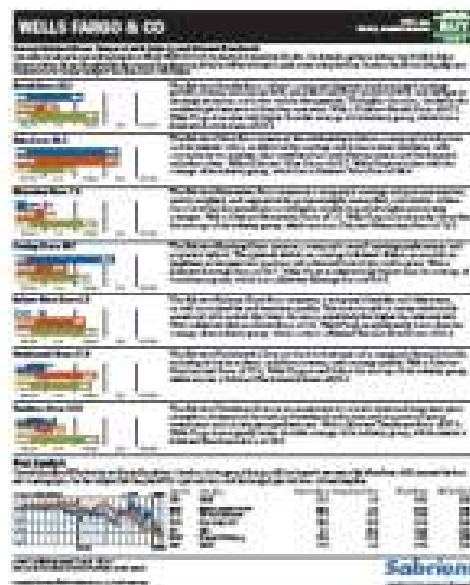
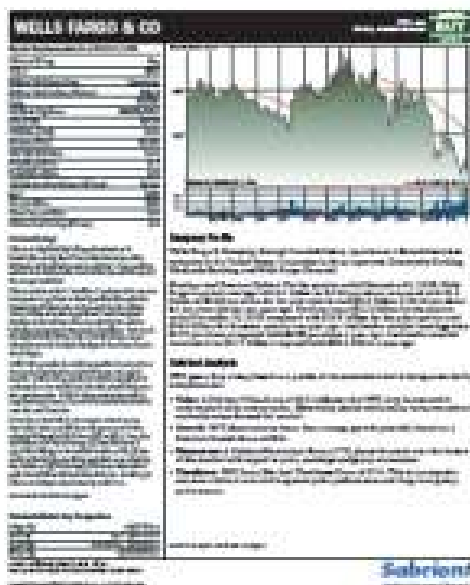
Earnings and Revenue Update: For the quarter ended March 31, 2007, Apple reported earnings of \$770.0 million or \$0.87 per share compared with \$1.0 billion or \$1.14 per share for the prior quarter and \$410.0 million or \$0.47 per share for the same quarter one year ago. Revenues were \$5.3 billion for the quarter ended March 31, 2007 compared with \$7.1 billion for the prior quarter and \$4.4 billion for the same quarter one year ago. Last twelve months' earnings were \$3.16 per share compared with \$1.98 per share a year ago. Last twelve months' revenues were \$21.6 billion compared with \$17.3 billion a year ago.

Sabrient Analysis

AAPL earns a Buy rating for passing the rigorous demands of Sabrient's stock selection filters.

- **Momentum:** A Sabrient Momentum Score of 72.1 implies a favorable accumulation trend for AAPL. The score reflects price, earnings, and group momentum.
- **Growth:** A Sabrient Growth Score of 58.0 puts AAPL in the middle of the market with regard to growth prospects.
- **Value:** AAPL receives a below-average score of 34.7 for the Sabrient Value Score. A significant improvement in the company's earnings outlook or fundamental metrics could enhance this score.
- **Timeliness:** AAPL has a Sabrient Timeliness Score of 74.9. This is a composite measure of short-term and long-term price performance and long-term group performance.

SmartStock Reports



- Translate *SmartRank* analyses with proprietary interpretive text generator into weekly reports
- Expanded discussion, charts, market analysis, and ratings (Strong Buy/Buy/Hold/Sell/Strong Sell)
- Shows how the company stacks up against the market, its industry group, & selection of its peers.

Sector Model

- ◆ Relative scoring of Sectors, Industries, ETFs based on fundamentals and sentiment
- ◆ Bottom-up virtual profile based on the underlying constituents
- ◆ Can also provide an “enhanced ETF” product that identifies the best stocks in the strongest ETFs and the worst stocks in the weakest ETFs (for weighting or options enhancement)
- ◆ Can be customized to any time horizon or level of detail

| FORWARD-LOOKING SECTOR RANKINGS Ranked by Weighted Scores 5/18//2009 | | |
|--|-------------------------------------|-----------------------------------|
| SECTOR | SABRIENT SCORE | |
| | UNWEIGHTED (small-cap dominated) | WEIGHTED (large-cap dominated) |
| UTILITIES | 71 | 72 |
| TELECOMMUNICATION SERVICES | 57 | 71 |
| ENERGY | 60 | 66 |
| HEALTH CARE | 44 | 60 |
| CONSUMER DISCRETIONARY | 48 | 50 |
| INDUSTRIALS | 54 | 49 |
| CONSUMER STAPLES | 61 | 46 |
| MATERIALS | 50 | 45 |
| INFORMATION TECHNOLOGY | 41 | 42 |
| FINANCIALS | 50 | 38 |
| NOTE: This table shows the forward-looking (over the next 30 days) Sabrient percentile sector scores (high is 99.0). | | |
| Unweighted Returns: Constituent stocks are given equal weight, which favors smaller caps. | | |
| Weighted Returns: Constituent stocks are weighted by market cap, which favors larger caps. | | |

Stock Ideas: SmartLink Pro

Welcome Back,
Scott

SmartLink Search

Large-caps
Mid-caps
Small-caps
Micro-caps

SmartStock Reports Available

Core 600
All 5800+

Note: SmartLink Pro
database and
SmartStock reports
are updated weekly.
Market data is from
the previous day's
close.

[GO TO Scorecards >](#)

Please [contact us](#)
with questions or
comments.

Sabrient

SmartLink Pro

Fast Select

Enter up to 10 tickers, separated by commas or spaces, to obtain the Sabrient scores and ratings for each stock, with links to the SmartStock reports.

Select a Group of Top Ranked Stocks

By Style

- ☐ Value
☐ Growth
☐ Momentum

By Cap

- ☐ Large-Cap
☐ Mid-Cap
☐ Small-Cap
☐ Micro-Cap

Overall

- ☐ All Caps/Styles

Sort By

- ☒ Composite Rank
☐ Symbol
☐ Cap/Style, then Rank
☐ Cap/Style, then Symbol

Pick Cap/Style Subgroup(s)

[Activate](#)

| | Value | Growth | Momentum |
|-----------|--------------------------|--------------------------|--------------------------|
| Large-Cap | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mid-Cap | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Small-Cap | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Micro-Cap | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

How Many Stocks?

Maximum symbols

SmartLink Pro – Sample Results Table

SmartRank>>>>SmartLink Pro<<<<<SmartStock

< Back | Close | Print | Help | Tutorial >

Click on any symbol for a SmartStock report

Click on column headers to sort your selection

Learn about column heading definitions: View

Currently Selected: Small/All

Current Sort Order: By Composite Rank

Multi-Level Sorts:

- Please Choose

Submit

Action History: By Composite Rank

| Symbol | Cap/Style | Composite Rank | Value | Growth | Momentum | Earnings | Balance Sheet | Fundamental | Timeliness |
|--------|----------------|----------------|-------|--------|----------|----------|---------------|-------------|------------|
| CYNO | Small/Value | 100 | 88 | 95 | 66 | 84 | 95 | 86 | 33 |
| AOB | Small/Growth | 99 | 94 | 89 | 42 | 89 | 99 | 95 | 12 |
| KTII | Small/Growth | 98 | 51 | 91 | 84 | 95 | 77 | 77 | 59 |
| ATRO | Small/Momentum | 98 | 60 | 81 | 93 | 80 | 75 | 85 | 74 |
| CIR | Small/Growth | 97 | 70 | 92 | 62 | 84 | 94 | 65 | 30 |
| EZPW | Small/Growth | 97 | 65 | 89 | 69 | 78 | 79 | 86 | 48 |
| ICON | Small/Growth | 96 | 91 | 88 | 73 | 66 | 55 | 90 | 77 |
| JOSB | Small/Growth | 95 | 34 | 67 | 99 | 90 | 90 | 78 | 100 |
| ROSE | Small/Value | 95 | 88 | 91 | 63 | 63 | 53 | 93 | 33 |
| SNHY | Small/Growth | 95 | 53 | 96 | 58 | 82 | 89 | 72 | 22 |
| PCR | Small/Value | 94 | 99 | 60 | 55 | 47 | 91 | 95 | 53 |
| RJET | Small/Value | 94 | 100 | 88 | 53 | 63 | 46 | 97 | 44 |

Stock Ideas: SmartLists

Sabrient Select (top 10 - All caps)

Updated June 06, 2007

Strategy Guide

| Symbol | Rating | Price* | Market Cap | Sabrient Scores | | |
|--------|--------|--------|------------|-----------------|--------|----------|
| | | | | Value | Growth | Momentum |
| FLIR | BUY | 41.00 | MidCap | 55 | 75 | 77 |
| LUFK | BUY | 64.03 | SmallCap | 73 | 79 | 82 |
| ORCL | BUY | 19.31 | LargeCap | 64 | 79 | 68 |
| PEG | BUY | 86.93 | LargeCap | 64 | 74 | 76 |
| RMD | BUY | 44.90 | MidCap | 58 | 75 | 79 |
| ROST | BUY | 32.22 | MidCap | 79 | 77 | 70 |
| SEIC | BUY | 60.15 | LargeCap | 51 | 79 | 80 |
| SLB | BUY | 77.88 | LargeCap | 79 | 78 | 78 |
| SPAR | BUY | 34.68 | SmallCap | 53 | 84 | 86 |
| TWGP | BUY | 31.35 | SmallCap | 61 | 87 | 61 |

* Closing price on the day prior to update.

Sample Custom SmartList

Sabrient Healthcare Gangbusters

Created for & tailored to the needs of a given Portfolio Manager

| Rank | Ticker | company | Value | Growth | Momentum | ROA | GPMP | Net Revisors |
|------|--------|-------------------------------|-------|--------|----------|------|------|--------------|
| 1 | GTIV | Gentiva Health Services Inc | 75 | 70 | 42 | 16.1 | 16.9 | 0.0 |
| 2 | ALGN | Align Technology Inc | 21 | 97 | 41 | 33.9 | -2.8 | 0.0 |
| 3 | ICUI | ICU Medical Inc | 37 | 14 | 54 | 10.3 | 5.6 | 50.0 |
| 4 | AFAM | Almost Family Inc | 52 | 86 | 95 | 12.9 | -0.7 | 16.7 |
| 5 | CHE | Chemed Corp | 44 | 75 | 74 | 9.5 | 4.7 | 20.0 |
| 6 | LHCG | LHC Group Inc | 63 | 85 | 58 | 14.4 | -1.7 | 8.3 |
| 7 | ECLP | Eclipsys Corp | 49 | 73 | 39 | 16.6 | 2.1 | -5.6 |
| 8 | CHSI | Catalyst Health Solutions Inc | 71 | 97 | 55 | 7.9 | 1.7 | 7.1 |
| 9 | VNUS | VNUS Medical Technologies Inc | 0 | 66 | 69 | 13.8 | -1.3 | 0.0 |
| 10 | SXCI | SXC Health Solutions Corp | 33 | 33 | 4 | 4.2 | 51.7 | 0.0 |

Mid-Cap stocks(\$150M to \$1B) from the Healthcare Equipment & Services S&P GICS group, with Price > \$5 and Sabrient rating of Buy or Strong Buy.

These stocks are "busting out" from their peers ("gang") by showing improving profit margins, solid ROA, with bullish analyst sentiment and a good earnings trend.

Value = Sabrient Value Score (composite of several top-performing multi factor SmartFilters)

Growth = Sabrient Growth Score (composite of several top-performing multi-factor SmartFilters)

Momentum = Sabrient Momentum Score (composite of several top-performing multi-factor SmartFilters)

ROA = Return on Assets

GPMP = Gross Profit Margin Percent Change

Net Revisors = Percentage of analysts who have issued recent earnings revisions

StockFinderPro Search Tool

- ◆ 10-step questionnaire & Artificial Intelligence program
- ◆ User inputs preferred investing style & stock characteristics
- ◆ Provides a list of Sabrient's top-ranked stocks that best fit those preferences, i.e., a "custom SmartList"
- ◆ Does NOT use typical "sequential elimination" approach -- instead, it employs Sabrient's *relevance scoring* model to score & rank all stocks

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[Select SmartList](#)
[Solitaires SmartList](#)
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[Qmaxx FAQ](#)

StockFinderPro

Welcome to QMAXX, Sabrient's investor-friendly stock ranking system.

QMAXX uses your answers to the questions below to find stocks from our pre-ranked database that best fit your preferences.

⇒ Click the arrows to show/hide relevant tips

1. Buy/Hold/Sell Ratings

Would you like to restrict your search to stocks with Sabrient "Buy" ratings?

- ☒ Allow Buy-rated stocks only
☐ Allow Buy- and Hold-rated stocks

2. Market Cap

Would you like to limit this search to a specific market cap segment or segments?

- ☐ Large-Cap: (Greater than \$5 billion)
☒ Mid-Cap: (\$1 - \$5 billion)
☒ Small-Cap: (\$150 million - \$1 billion)
☐ Micro-Cap: (Less than \$150 million)

3. Investing Style

What type of stocks would you like to look for? To favor stocks of a particular investing style, select higher numbers for those styles below.

| | Don't care | 1 | 2 | 3 | 4 | 5 |
|-----------|----------------------------------|-----------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|
| Value | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Growth | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Momentum | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Income | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Technical | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |



StockFinderPro

| Symbol | Sabrient Rating | Market Cap | Avg. Daily Vol (000) | * Stock Price (\$) | * P/E Ratio | Dividend Yield (%) | * P/B Ratio | Style Score + | Attributes Score + | Sentiment Score + | Risk Score | Sector/ Group |
|--------|-----------------|------------|----------------------|--------------------|-------------|--------------------|-------------|---------------|--------------------|-------------------|------------|---------------|
| CYCL | BUY | Small-cap | 2221 | 7.67 | 29.5 | NA | NA | 100 | 100 | 23 | 2.3 | CYCL |
| HOGS | BUY | Small-cap | 149 | 9.05 | 8.4 | NA | 1.5 | 92 | 96 | 46 | 5.8 | HOGS |
| GMXR | BUY | Small-cap | 620 | 35.84 | 18.1 | NA | 1.8 | 96 | 86 | 22 | 2.1 | GMXR |
| AOB | BUY | Small-cap | 1172 | 6.16 | 9.3 | NA | 1.4 | 89 | 89 | 40 | 2.0 | AOB |
| VTIV | BUY | Small-cap | 445 | 12.22 | 8.1 | NA | 0.8 | 81 | 92 | 40 | 1.9 | VTIV |
| POWL | BUY | Small-cap | 115 | 24.29 | 13.8 | 0.0 | 1.4 | 84 | 81 | 21 | 1.8 | POWL |
| SWIR | BUY | Small-cap | 375 | 8.17 | 6.5 | NA | 0.8 | 86 | 71 | 26 | 2.1 | SWIR |
| TEO | BUY | Small-cap | 616 | 7.52 | 4.1 | 0.0 | 0.5 | 70 | 84 | 19 | 2.1 | TEO |
| LMIA | BUY | Small-cap | 101 | 13.26 | 8.0 | NA | 1.3 | 77 | 69 | 21 | 3.8 | LMIA |
| LXU | BUY | Small-cap | 287 | 8.60 | 4.0 | 0.0 | 1.5 | 65 | 79 | 14 | 2.0 | LXU |
| SIGM | BUY | Small-cap | 603 | 9.40 | 3.9 | 0.0 | 0.9 | 76 | 64 | 22 | 2.4 | SIGM |
| DECK | BUY | Small-cap | 886 | 64.16 | 12.3 | 0.0 | 2.5 | 79 | 59 | 46 | 2.2 | DECK |
| BOOM | BUY | Small-cap | 325 | 17.12 | 8.4 | 0.9 | 1.9 | 71 | 67 | 43 | 3.4 | BOOM |
| PDC | BUY | Small-cap | 622 | 7.28 | 5.2 | NA | 0.7 | 64 | 74 | 36 | 1.9 | PDC |
| SNHY | BUY | Small-cap | 203 | 15.45 | 9.0 | 2.3 | 2.3 | 74 | 62 | 4 | 1.9 | SNHY |
| PTI | BUY | Small-cap | 112 | 5.97 | 3.7 | 2.0 | 0.7 | 58 | 76 | 39 | 2.1 | PTI |
| ROSE | BUY | Small-cap | 671 | 9.45 | 5.0 | NA | 0.6 | 69 | 60 | 11 | 1.9 | ROSE |
| SCHN | BUY | Small-cap | 1037 | 26.50 | 3.1 | 0.3 | 0.6 | 63 | 63 | 4 | 2.3 | SCHN |
| EGLE | BUY | Small-cap | 1899 | 9.41 | 6.4 | 21.3 | 0.9 | 66 | 60 | 19 | 1.9 | EGLE |
| OSTK | BUY | Small-cap | 249 | 9.66 | NA | NA | NA | 73 | 52 | 38 | 3.0 | OSTK |

* As of previous day's market close.

Search results using: **Momentum Small-Caps**

[Export Data As .CSV File](#)

[Return to This Search](#)

[Blank Questionnaire](#)

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Select Opportunity Portfolio

- ◆ **Proprietary active trading alert service**
- ◆ Overlays a **technical** entry/exit trigger system onto a **watch list** of long & short candidates -
- based upon Sabrient's fundamentals-based quant models
- ◆ Can be customized to any trading time horizon or preferences

Sabrient Select Opportunity Portfolio - New Alert

Mar 25, 2009 -- 3:51pm EST

Petro-Canada (PCZ) - Buy at the market (currently at \$27.19) with a target of \$35.00 (place a \$1 trailing stop if stock reaches this price) and sell stop at \$25.50.



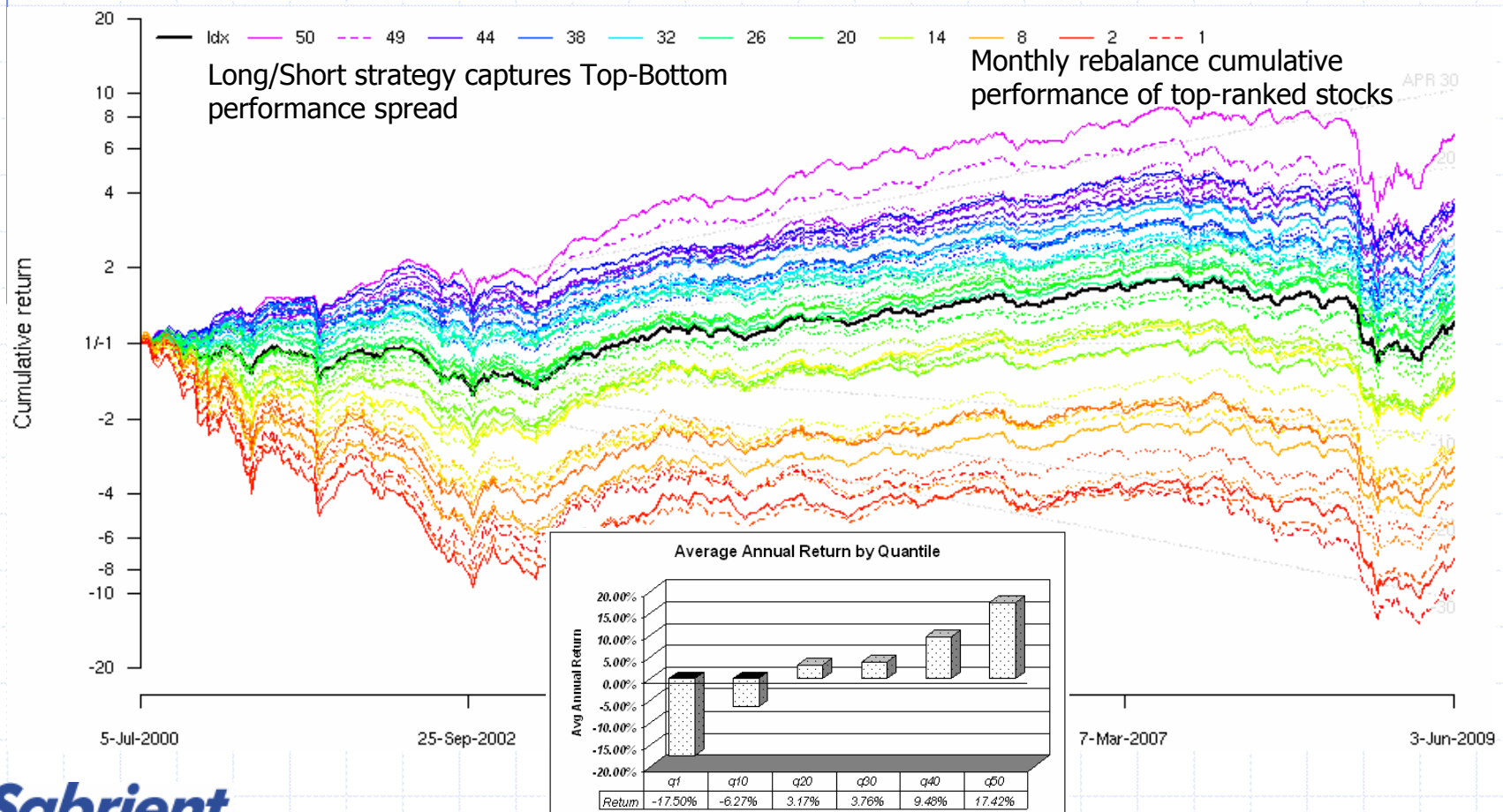
The stock broke out of a six-month consolidation pattern this week on heavy volume. PCZ is rated a Sabrient "Buy" and scores a 96 for the Sabrient Momentum Score, a composite measure of earnings, price and group momentum. We recommend exiting the position if the stock falls below strong support in the \$26 area.

VCU Specialty Strategy

- ◆ Designed for unbiased, emotionless, mechanical stock selection
- ◆ Probability evaluation of near-term price change
- ◆ Factors include:
 - Current valuation
 - Valuation based on consensus analyst projections
 - Growth to price metric
 - Dynamics of analyst consensus revisions
 - Forensic accounting/governance
- ◆ Great for indexing, portfolio weighting, hedging, pairs trading, or **absolute return long/short** strategies
 - New hedge funds are launching with this as core strategy
- ◆ Useful for **enhancement**, e.g., buying calls at the top of rank and puts at the bottom, and writing premium in the middle (premium-neutral)

VCU Specialty Strategy

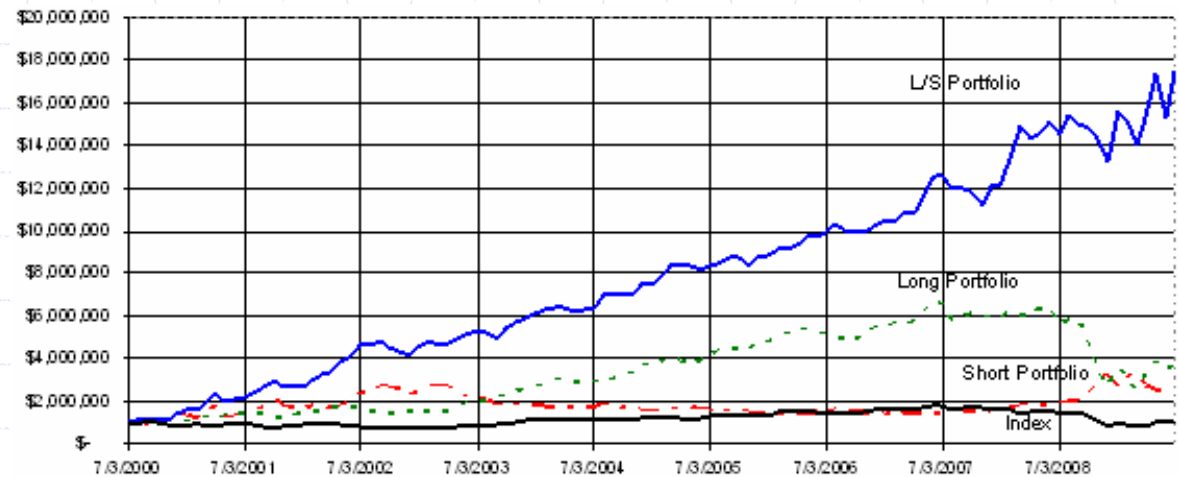
Ultra-smooth performance distribution across 50 ranked quantiles:



VCU Absolute Return Monthly Simulation

Institutional Absolute-Return Long/Short Strategy:

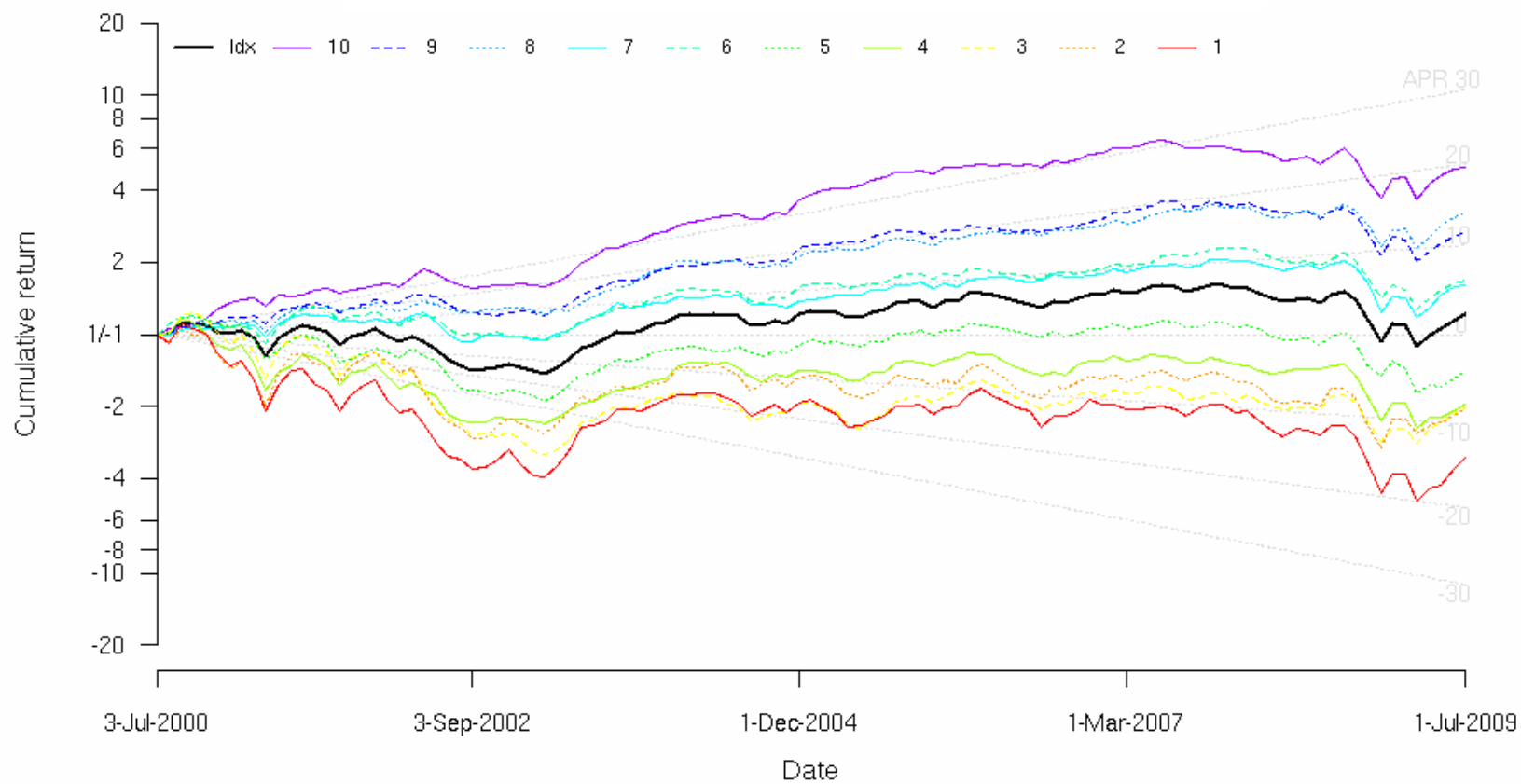
- Employs 50 Longs & 50 Shorts, rebalanced each month
- Can be customized for various parameters, trading frequencies, and portfolio constraints
- Average Return = **37.5%**
Simple Sharpe = **1.52**



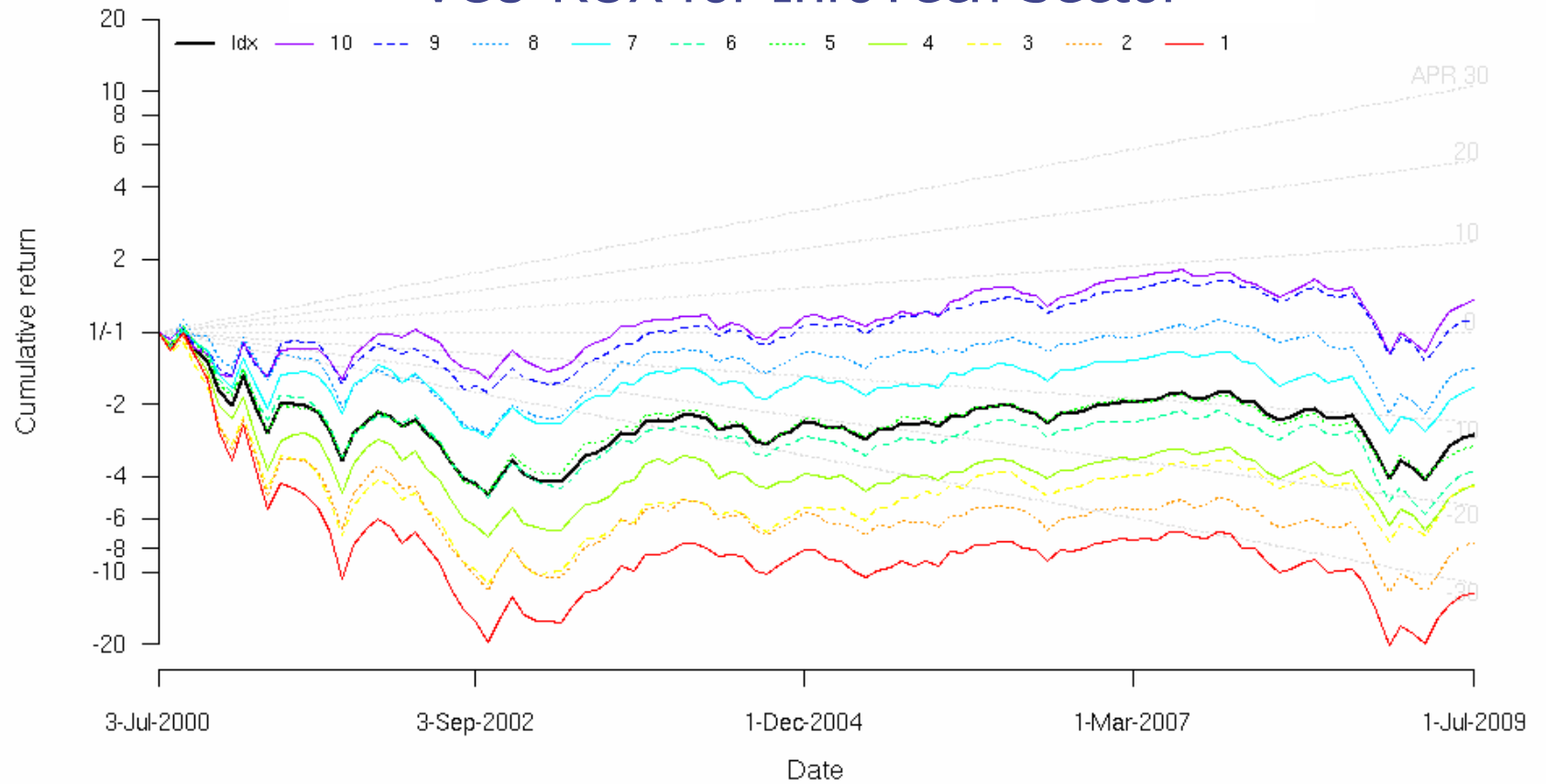
| L/S | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|------|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2000 | | | | | | | 13.81% | -6.44% | 4.77% | 4.00% | 23.13% | 12.33% | 60.48% |
| 2001 | 0.71% | 20.36% | 20.54% | -14.94% | 4.36% | 5.96% | 10.69% | 12.05% | 7.37% | -8.47% | 1.10% | 0.41% | 70.03% |
| 2002 | 11.28% | 9.30% | 1.33% | 15.68% | 6.59% | 12.72% | -0.33% | 3.00% | -5.62% | -5.65% | -2.51% | 9.57% | 67.27% |
| 2003 | 5.66% | -3.58% | 1.26% | 5.43% | 2.50% | 3.67% | -1.37% | -5.16% | 9.89% | 6.04% | 2.03% | 3.94% | 33.61% |
| 2004 | 3.13% | 1.89% | -0.22% | -3.42% | 1.66% | 0.64% | 9.76% | 0.55% | 1.47% | -1.03% | 6.09% | 0.25% | 22.11% |
| 2005 | 5.65% | 6.81% | 0.03% | -1.22% | -1.51% | 1.62% | 1.90% | 3.10% | -0.12% | -3.57% | 3.58% | 0.88% | 18.00% |
| 2006 | 3.39% | 0.65% | 2.25% | 3.24% | 1.25% | 1.98% | 3.84% | -2.98% | -1.37% | 0.57% | 2.42% | 2.91% | 19.48% |
| 2007 | -1.10% | 3.51% | -0.20% | 6.75% | 8.73% | 1.23% | -5.19% | 0.34% | -1.60% | -5.46% | 8.92% | -0.21% | 15.48% |
| 2008 | 12.38% | 9.21% | -3.46% | 1.44% | 4.03% | -4.38% | 6.56% | -2.81% | -1.62% | -2.79% | -7.57% | 17.54% | 28.66% |
| 2009 | -2.59% | -7.85% | 8.94% | 13.51% | 0.17% | 0.97% | | | | | | | 12.28% |

Highlighted area denotes when strategy has run live.

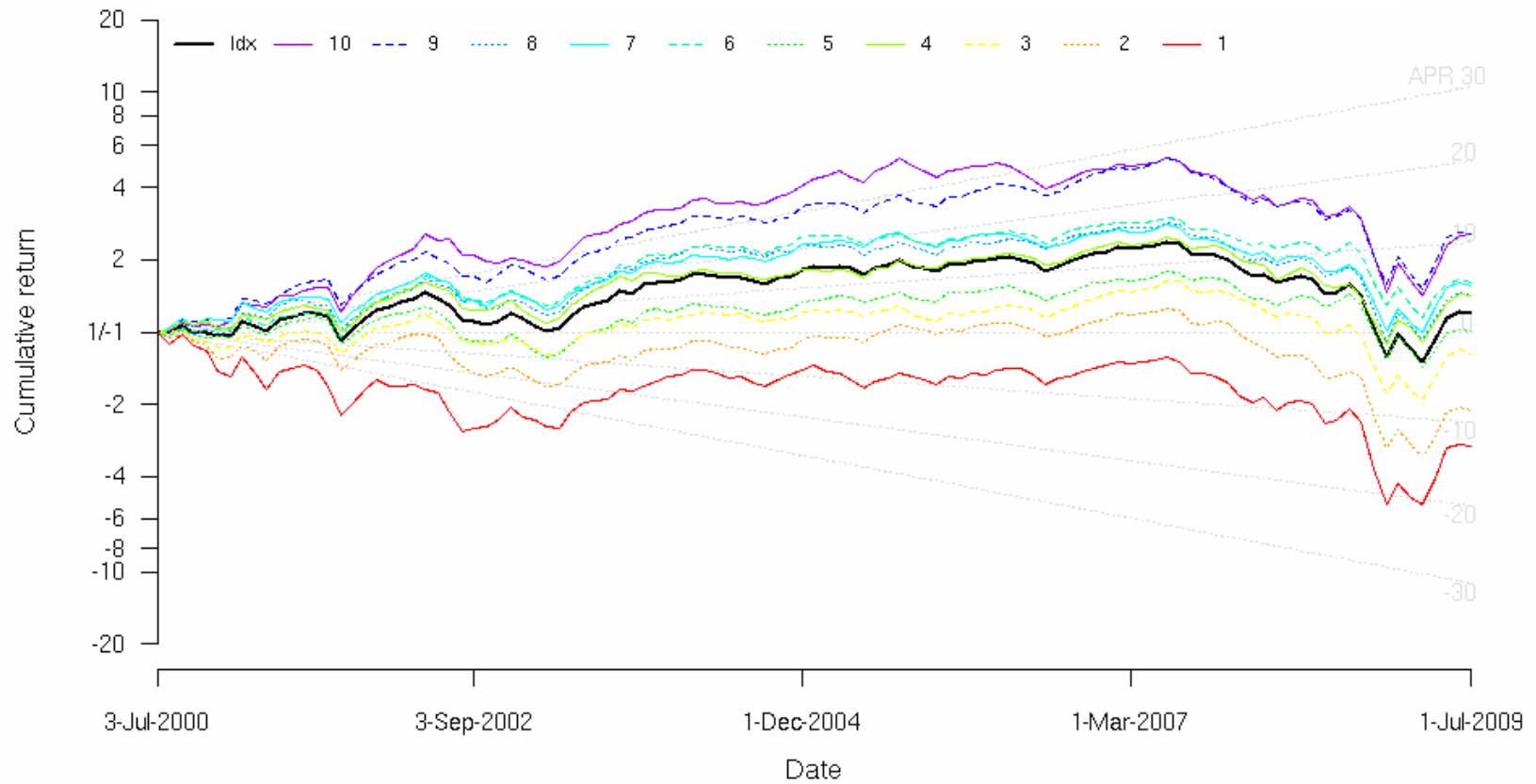
VCU-ROX for Healthcare Sector



VCU-ROX for InfoTech Sector



VCU-ROX for Consumer Discretionary Sector



VCU Specialty Strategy

Effective for:

- ✓ Indexing & portfolio weighting
- ✓ Hedging & pairs trading
- ✓ Absolute return long/short strategies
- ✓ Options enhancement strategies

Testimonials

- ◆ "As an investment advisor for more than 40 years, I have seen, tested and used numerous research tools, and I've watched a host of analysts and firms come and go. However, **Sabrient's models have worked extremely well for me....** So, for an investor who seeks to improve 'hit' rate and investment returns, **I wholeheartedly recommend Sabrient.**"
 - Roger H., an investment advisor in Atlanta, GA
- ◆ "I have been using **QMAXX** for over a year now, through the most horrendous market conditions I've ever seen. As a financial advisor, it has been **extremely valuable in helping me identify good quality stocks that fit my clients' individual needs.** I am very happy with it."
 - John Green, financial advisor, Saskatoon, SK, Canada
- ◆ "You have put together a very nice web site with tools and products that can be **extremely valuable to portfolio managers and investors alike.**"
 - Matt Brown, InfoEx.com, New York, NY
- ◆ "I am very impressed with the capabilities and potential of Sabrient **for making money in all market environments**"
 - Jim H., a hedge fund manager in Santa Barbara, CA

Summary

Why Quant?

- ✓ Unbiased, emotionless, rules-based
- ✓ Leverages computer power & large volumes of data
- ✓ Strategies can be back-tested for robustness

Why Sabrient?

- ✓ Experienced & talented research team, led by David Brown
- ✓ Consistently strong performance history
- ✓ Unique, proven methodology:
- ✓ Innovative, actionable product line
- ✓ Strategies tailored to the needs & niche of the PM



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