

Monthly Valuation Report

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Key Takeaways:

- We beat the R1000 in March by +70bps (6.68% vs. 5.98% R1K)
- In the First Quarter of 2010, we surpassed the R1K index by over 300bps (8.3% vs 5.2%).
- The market remains attractive at these levels, but we sense some complacency that could undermine the momentum.

Summary & Latest Sector Ranking:

The Sector ranking table, at right, highlights the **Telecommunications Serv & Utilities** Sectors as the **most attractive** based on our Reward/Risk metric on a market cap weighted basis.

Sector Rankings	
by Average Reward / Risk Ratio	
Market Cap-Weighted	
Telecommunication Serv	4.37
Utilities	2.36
Consumer Staples	1.92
Information Technology	1.83
Materials	1.72
Energy	1.70
Financials	1.65
Health Care	1.65
Consumer Discretionary	1.42
Industrials	1.17
Grand Total	1.75

Source: BRV Research

Conversely, the **Industrials** Sector seems to be the **most extended**, based on their Reward/Risk ratios being close to or less than 1.0x.

Bargains currently exist in the

Telecommunications Serv & Information

Technology Sectors given that over 38.88% and 37.31% of the stocks in those Sectors are deemed "Low" risk by our Reward/Risk metric. The second bar from the right within the stacked bar graph below highlights this observation.

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