

## Monthly Valuation Report

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### Key Takeaways:

- Year to date we continue to beat the Russell 1000 benchmark by **13.36% and 5.88%**, respectively, for our Equal weight and proprietary Reward/Risk weighted portfolios.
- Our Top Sector Pick last month** – the **Industrials Sector** – was the **BEST PERFORMING sector** in the Russell 1K. It remains our top Sector pick this month.
- For the month of September **our portfolio beat the Russell 1K Benchmark by 253 basis points** (6.43% for our portfolio versus 3.9% for the R1K). This demonstrates the stock picking prowess of our Reward/Risk metric.
- PPL Corp** is the stock this month that warrants closer attention given its overly large Return to Risk ratio of 204.29. For this months report, we have chosen to **OVERRIDE** this stock in the Sector and Industry computations.

Through 3 <sup>rd</sup> Quarter 2009		
BRV Portfolio (Equal Wgt)	BRV Portfolio (Rwd/Rsk Wgt)	Russell 1000
32.26%	24.78%	18.90%

### Summary & Latest Sector Ranking:

The **Industrial Sector** was our top sector pick last month and it was also the **TOP performing sector** in the Russell 1K for the month of September. Our hit ratio for picking the right sectors and stocks continues to go quite well year to date.

This month, the **Industrials** and **Energy** sectors are our top picks based on our proprietary Return/Risk metric.

Similarly, the **Utilities** and **Healthcare** are our top two sector picks based on our Discounted Cash Flow proxy valuation metric (i.e. CF Valuation Level).

Russell 1000 performance (9/1/09-9/30/09)	
Sector	PriceReturn
<b>Industrials</b>	6.91
Consumer Discretionary	5.57
Materials	5.40
Energy	5.31
Information Technology	4.50
Telecommunication Serv	3.93
<b>Consumer Staples</b>	3.39
Financials	2.11
<b>Utilities</b>	1.43
<b>Health Care</b>	1.14
BOLD PURPLE font = previous month's sector recommendations	