

### Universe Valuation - Large Cap

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#### An examination of traditional and non-traditional approaches identifies mispriced opportunities

##### Summary:

Our research approach can be best characterized as a relentless pursuit to uncover investment opportunities that beat associated benchmarks. The current equity market environment, plagued with the effects of credit contagion and recession realities, provides the most difficult backdrop in many years for equity investors to achieve, even, relative returns. Through our platform, *ELROI—The Electronic Analyst®*, we analyze stocks and portfolios in search of opportunities to garner above-benchmark returns. This inaugural report begins a monthly analysis to uncover areas in the domestic equity markets where we believe superior returns can be found.

In this study, our analysis identifies opportunities in the Russell 1000 as defined by two separate valuation metrics—A traditional 2-stage DCF and a non-traditional PEG ratio proxy. We detail and examine both stocks and industries, ranking them best-to-worst, and provide our assessment of the most and least favorable opportunities to exploit in the current market.

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Sector Rankings			
by Average Reward / Risk Ratio		by Average CF Valuation Level	
Average of Reward / Risk Ratio		Average of Rank Assignment for Color	
SectorName	Total	SectorName	Total
<b>Information Technology</b>	9.45	<b>Utilities</b>	<b>6.61</b>
<b>Industrials</b>	8.53	<b>Health Care</b>	<b>6.06</b>
Financials	5.88	Consumer Staples	5.79
Energy	5.61	Materials	5.66
Telecommunication Serv	5.59	Information Technology	5.61
Utilities	4.36	Consumer Discretionary	5.60
Health Care	3.67	Industrials	5.58
Consumer Staples	2.99	Telecommunication Serv	5.33
Consumer Discretionary	2.84	Financials	5.11
Materials	2.36	Energy	4.80
Average Ranking	5.49	Average Valuation	5.55

Source: BRV Research

**Sub-Industry Average of Color Indicator for Valuation between: 0.0 To 1.39**

**Sub-Industry Average of Color Indicator for Valuation between: 1.4 To 2.79**

**Sub-Industry Average of Color Indicator for Valuation between: 2.8 To 4.19**

**Sub-Industry Average of Color Indicator for Valuation between: 4.2 To 5.59**

**Sub-Industry Average of Color Indicator for Valuation between: 5.6 To 7.00**

