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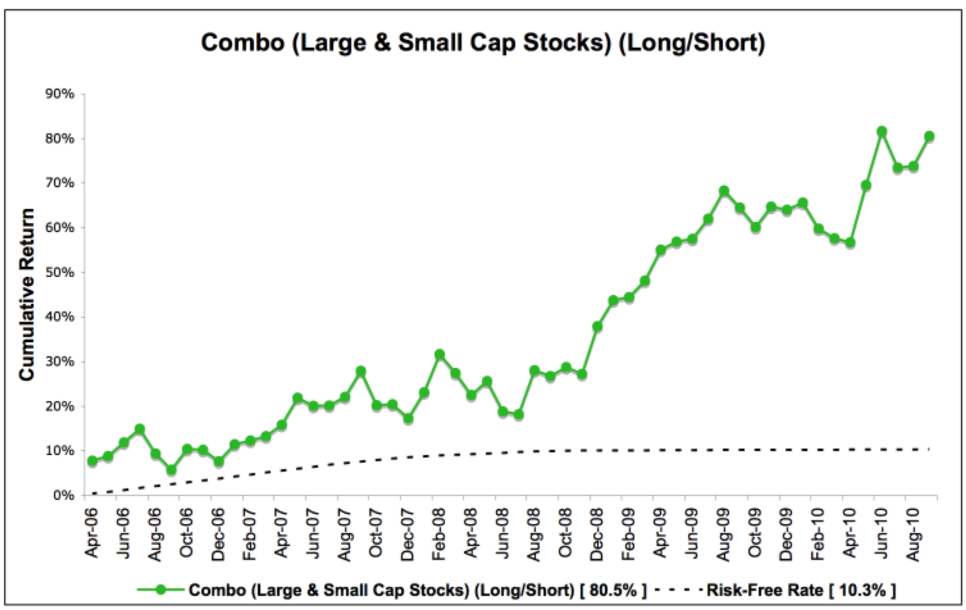
Proof Is In Performance Thru 3Q10

Most Attractive (Long) & Most Dangerous (Short) Stocks

- **The Most Attractive and Most Dangerous Stocks reports offer multiple strategies to outperform in good and bad markets.**
- **The Long/Short strategy in Figure 1 earns 80.5% from April 2006 thru September 2010, beating the Risk-Free Rate by 70.2%.**
- **Figure 1's Long/Short strategy also outperformed the S&P 500 (down 10.5%) by 91% and the Russell 2000 (down 9.4%) by 89.9% from April 2006 thru September 2010.**
- **Barron's and Institutional Investor Magazine highlighted our stock-picking as best amongst all research firms.**
- **Detailed explanations of our Most Attractive and Most Dangerous Stock selection methodologies are included.**

Figure 1: Beat the Market & Lower Risk* with our Long/Short Portfolio based on the Most Attractive/Most Dangerous Stocks



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.
*Simulated performance assumes equal-dollar weighted portfolios for Most Attractive Stocks (long) portfolio and Most Dangerous Stocks (short). See Appendix 1 for performance analysis assumptions.

Key Takeaways

- Few, if any, research firms can rival the success of our Most Attractive and Most Dangerous Stocks portfolios. Even fewer can rival the success of the combined long/short strategy.
- Our success comes from our rigorous research methodology (Appendices 2 and 3).
- We uniquely assess the financial footnotes to extract critical data that impacts valuation and true cash earnings.
- Our models leverage insights into true cash earnings to identify where market expectations are too high and too low.

Overview

This report presents the simulated performance of our Most Attractive and Most Dangerous Stocks research reports. It is divided into five parts:

1. Performance analysis of our long/short strategies based on equal dollar-weighting the Most Attractive and Most Dangerous Stocks
2. Appendix 1: Assumptions behind our simulated performance analysis.
3. Appendix 2: Keys to our success and Investment Philosophy
4. Appendix 3: Explanation of our Most Attractive and Most Dangerous Stocks methodologies
5. Appendix 4: Performance analysis of our Most Attractive Stocks (long strategies) and our Most Dangerous Stocks (short strategies)

We measure performance from two starting points thru September 2010:

1. April 9, 2006: date we published our Most Attractive and Most Dangerous Stocks with the updated selection methodology[1] and
2. January 11, 2005: date we first published the Large and Small Cap Most Attractive and Most Dangerous Stocks reports[2].

The Most Attractive and Most Dangerous Stocks reports are each divided into four types of portfolios matched to the following benchmarks:

1. Long/Short holds Most Attractive as Long and Most Dangerous as Short Stocks: Benchmark is the 3-Month T-Bill, the Risk-Free Rate.
2. Large Cap Stocks: Benchmark is the S&P 500
3. Small Cap Stocks: Benchmark is the Russell 2000
4. Combo Large and Small Cap Stocks: Benchmark is the average of the S&P 500 and Russell 2000.

[1] For details, please see the Most Attractive and Most Dangerous Stocks Reports published on April 9, 2006 available for free from www.newconstructs.com.
[2] Each report provides 20 Large Cap and 20 Small Cap (total of 40) stocks every month for both the Most Attractive and Most Dangerous Stocks portfolios.

Most Attractive and Most Dangerous Stocks Excel As Long/Short Strategies

From April 2006

Figure 2 shows the performance from April 2006 through September 2010 of the long/short strategies offered by our Most Attractive and Most Dangerous Stocks research reports. Our Small Cap, Large Cap and Combo strategies beat the Risk-Free Rate by a wide margin. The Risk-Free Rate outperformed the S&P 500 and Russell 2000 by a wide margin during this time.

Figure 2: Strong Returns For All of Our Long/Short Strategies

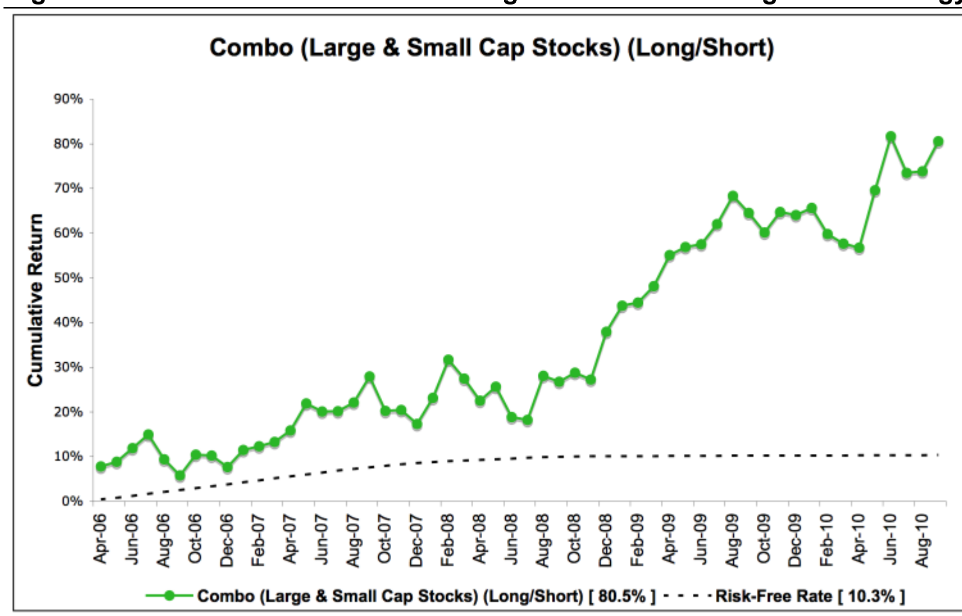
	Cumulative Return	Spread vs Benchmark	Benchmark
Combo (Large & Small Cap Stocks) (Long/Short)	80.5%	70.2%	Risk-Free Rate [10.3%]
Small Cap Stocks (Long/Short)	76.8%	66.5%	Risk-Free Rate [10.3%]
Large Cap Stocks (Long/Short)	77.4%	67.0%	Risk-Free Rate [10.3%]

Start Date: April, 2006

Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on 3-Month T-Bill.
For additional comparisons, the S&P 500 fell 10.5% and the Russell 2000 fell 9.4% during the same time. Combined, the S&P 500 and Russell 2000 fell 9.5%.

Figure 3 charts the long/short performance for our Combo Large and Small Cap Most Attractive/Dangerous Stocks (+80.5%) versus the 3-Month T-Bill (risk-free rate) (+10.3%) from April 2006 through September 2010.

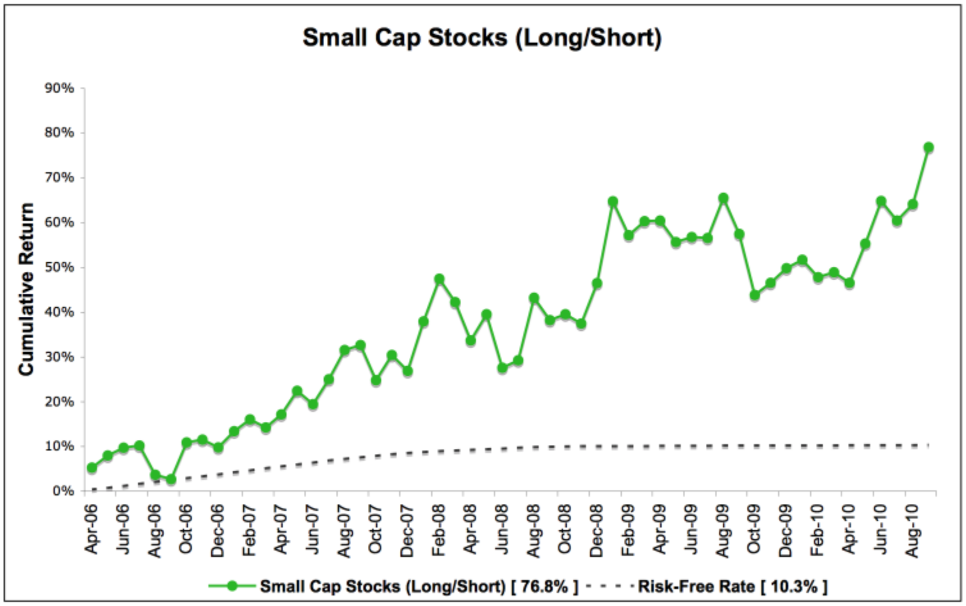
Figure 3: Most Attractive and Most Dangerous Excel as Long/Short Strategy



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on the 3-Month T-Bill.

Figure 4 charts the long/short performance for our Small Cap Most Attractive/Dangerous Stocks (+76.8%) versus the 3-Month T-Bill (risk-free rate) (+10.3%) from April 2006 through September 2010.

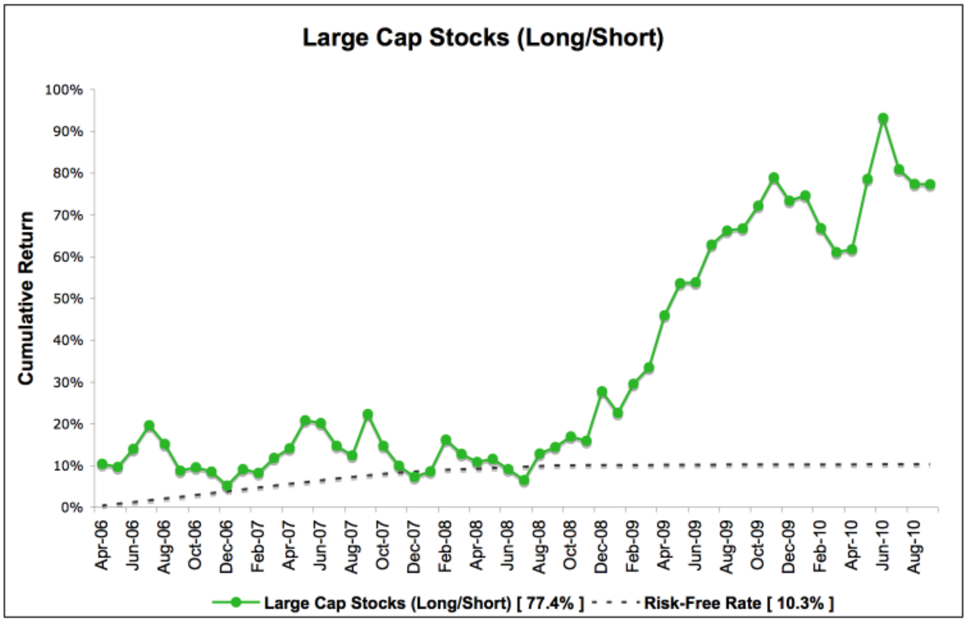
Figure 4: Small Cap Most Attractive and Most Dangerous Excel as Long/Short Strategy



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on the 3-Month T-Bill.

Figure 5 charts the long/short performance for our Large Cap Most Attractive/Dangerous Stocks (+77.4%) versus the 3-Month T-Bill (risk-free rate) (+10.3%) from April 2006 through September 2010.

Figure 5: Large Cap Most Attractive and Dangerous Excel As Long/Short Strategy



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on the 3-Month T-Bill.

From January 2005

Figure 6 shows the performance from January 2005 through September 2010 of the long/short strategies offered by our Most Attractive and Most Dangerous Stocks research reports. Our Small Cap, Large Cap and Combo strategies beat the Risk-Free Rate by a wide margin. The Risk-Free Rate outperformed the S&P 500 and Russell 2000 during this time.

Figure 6: Impressive Excess Returns For All Long/Short Strategies

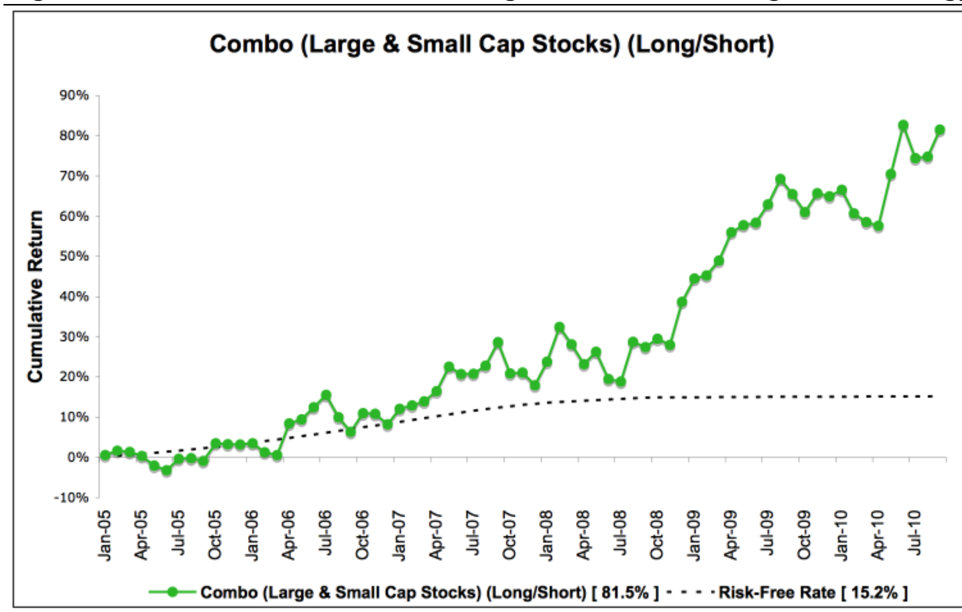
	Cumulative Return	Spread vs Benchmark	Benchmark
Combo (Large & Small Cap Stocks) (Long/Short)	81.5%	66.3%	Risk-Free Rate [15.2%]
Small Cap Stocks (Long/Short)	72.2%	57.0%	Risk-Free Rate [15.2%]
Large Cap Stocks (Long/Short)	83.1%	67.9%	Risk-Free Rate [15.2%]

Start Date: January, 2005

Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on 3-Month T-Bill.
For additional comparisons, the S&P 500 fell 1.5% and the Russell 2000 rose 12.3% during the same time. Combined, the S&P 500 and Russell 2000 rose 5.8%.

Figure 7 charts the long/short performance for our Combo Large and Small Cap Most Attractive/Dangerous Stocks (+81.5%) versus the 3-Month T-Bill (risk-free rate) (+15.2%) from January 2005 through September 2010.

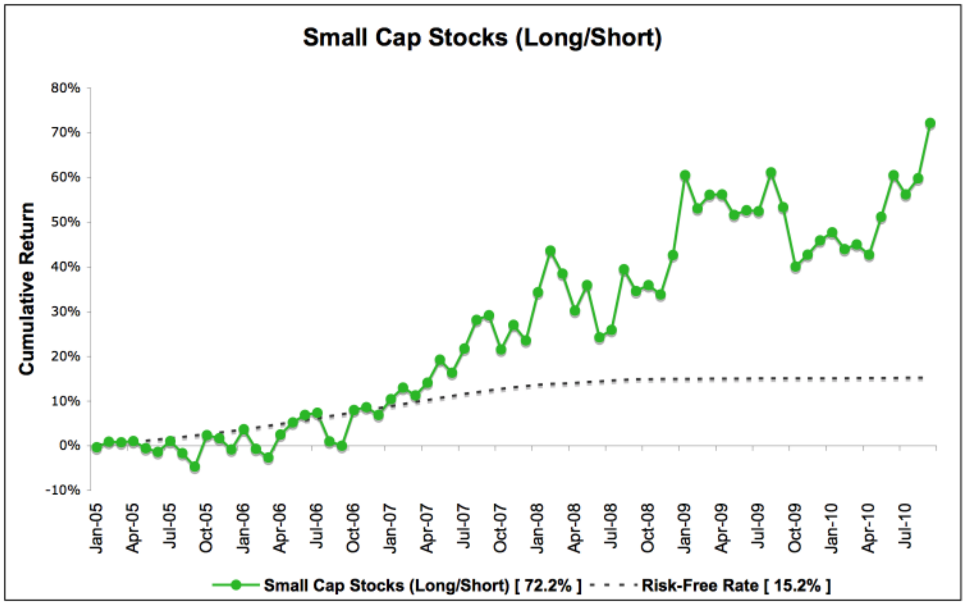
Figure 7: Most Attractive and Most Dangerous Excel As Long/Short Strategy



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on the 3-Month T-Bill.

Figure 8 charts the long/short performance for our Small Cap Most Attractive/Dangerous Stocks (+72.2%) versus the 3-Month T-Bill (risk-free rate) (+15.2%) from January 2005 through September 2010.

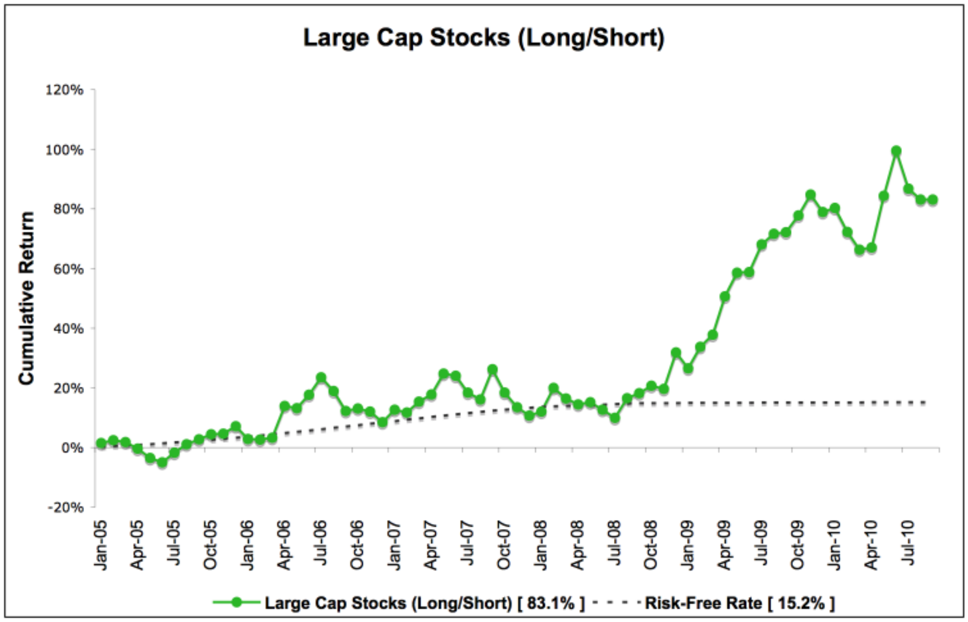
Figure 8: Small Cap Most Attractive and Most Dangerous Excel As Long/Short Strategy



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on the 3-Month T-Bill.

Figure 9 charts the long/short performance for our Large Cap Most Attractive/Dangerous Stocks (+83.1%) versus the 3-Month T-Bill (risk-free rate) (+15.2%) from January 2005 through September 2010.

Figure 9: Large Cap Most Attractive and Most Dangerous Excel As Long/Short Strategy



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates. The Risk-Free Rate is based on the 3-Month T-Bill.

Appendix 1

Assumptions Behind Simulated Performance Analysis

The basic assumptions behind our simulated performance analysis are:

1. Positions are equally dollar-weighted in all portfolios and strategies: going long with the Most Attractive and shorting the Most Dangerous.
2. Holdings are updated on the publish date of the monthly reports.
3. Closing prices are used to open positions on the day each report was published. If a report is published on a non-trading day, then the closing price of the next trading day is used.
4. Positions are closed at the same time new positions are opened.
5. If a stock stops trading before the subsequent monthly report is published, we assume that the position was exited at the last available price.
6. Performance analysis excludes transaction costs, dividends, and the rebates associated with the short portfolios.

Details on Methodology Update in April 2006

As noted throughout this report, on April 9, 2006 we updated our stock selection methodology for the Most Attractive and Most Dangerous Stocks reports. Starting with our April 2006 reports, all of our Most Attractive and Most Dangerous Stocks reports rely on the new methodology. Our methodology adjustment[3] more closely aligns our Most Attractive Stocks and Most Dangerous Stocks selection methodology with our Risk/Reward Rating system[4].

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[3] For details, please see the Most Attractive and Most Dangerous Stocks Reports published on April 9, 2006.

[4] Our Risk/Reward Rating system is described in detail in all of our company reports available from www.newconstructs.com.

Appendix 2

Key To Our Success: Better Data and Better Models

Our proprietary earnings and valuation models leverage large amounts of data from the Notes to the Financial Statements to produce better measures of profitability and valuation. Our report "Why the Notes Matter[5]" provides insights into why our analysis of the Notes to the Financial Statements is critical to understanding the financial performance of companies.

Investment Philosophy: Cash Is King

Our investment philosophy relies on leveraging a better understanding of (1) cash earnings, in place of reported GAAP[6] accounting earnings, and (2) the market's expectations for future cash flows for every company we cover. Having a better model for assessing these core value drivers enables us to exercise greater discipline and enjoy greater success when implementing our "Cash Is King[7]" investment philosophy.

We believe the performance of our Most Attractive and Most Dangerous Stocks portfolios underscores the merits of our investment philosophy.

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[5] You may download this report for free at: http://www.newconstructs.com/nc/research/research.htm?options=16.

[6] GAAP stands for Generally Accepted Accounting Principles, the rules that govern how companies report financial performance and present financial statements.

[7] You may download this report for free at: http://www.newconstructs.com/nc/research/research.htm?options=16.

Appendix 3

Most Dangerous Stocks: Methodology

Stocks make our Most Dangerous list because they have:

1. **Poor-Quality Earnings** based on:
    a. Misleading earnings: rising and positive GAAP earnings while economic earnings are negative and falling; and
    b. Low Returns on Invested Capital (ROIC).

AND

2. **Expensive valuations** based on:
    a. *Free-Cash Flow Yields*[8] that are very low or negative;
    b. *Price-to-Economic Book Value* (EBV) [9] ratios that are relatively high; and
    c. *Growth Appreciation Periods*[10] (GAP) that are relatively high.

Only stocks that earn an Overall Rating of Very Dangerous are allowed on our Most Dangerous Stocks lists.

The above characteristics also qualify stocks for a 'Very Dangerous' or 'Dangerous' Rating, according to our Risk/Reward Rating system. Figure 4 shows our Risk/Reward Rating analysis, which we apply to the 3000+ companies that we cover. Stocks get a grade of 1 to 5 for each criterion, 5 being the worst and 1 being the best score. The Overall score is based on the average score of all five criteria. Stocks must get an average score of 4.25 or above to be rated Very Dangerous. For the most part, only Very Dangerous stocks qualify for our Most Dangerous Stocks lists.

Figure 4: New Constructs Risk/Reward Rating for Stocks

Overall Risk/Reward Rating	Quality of Earnings		Valuation		
	Economic vs Reported EPS	Return on Invested Capital (ROIC)	FCF Yield	Price-to-EBV Ratio	Growth Appreciation Period (yrs)
Very Dangerous	Misleading Trend	Bottom Quintile	<-5%	> 3.5 or -1 > 0	> 50
Dangerous	False Positive	4th Quintile	-5%<-1%	2.4 > 3.5 or < -1	20 > 50
Neutral	Neutral EP	3rd Quintile	-1%<3%	1.6 > 2.4	10 > 20
Attractive	Positive EP	2nd Quintile	3%<10%	1.1 > 1.6	3 > 10
Very Attractive	Rising EP	Top Quintile	>10%	0 > 1.1	0 > 3

Sources: New Constructs, LLC

[8] Free-Cash Flow Yields measure the % of the total value of the firm for which the Free Cash Flows of the firm account. The formula is FCF/Current Enterprise Value.
[9] Economic Book Value (EBV) measures the no-growth value of the business based on its annual after-tax cash flow. The Formula for EBV is: (NOPAT / WACC) + Excess Cash + Non-operating assets – Debt (incl. Operating Leases) - Value of Outstanding Stock Options – Minority Interests.
[10] Growth Appreciation Period measures the number of years, implied by the market-price, that a company will grow its economic earnings. This measure assigns a numerical value to the width of the moat around a firm's business.

Most Attractive Stocks: Methodology

Stocks make our Most Attractive list because they have:

3. **High-Quality Earnings** based on:
    a. Returns on Invested Capital that are rising; and
    b. Economic Earnings/Cash Flows that are positive.

AND

4. **Cheap valuations** based on:
    a. *Free-Cash Flow Yields*[11] that are positive;
    b. *Price-to-Economic Book Value* (EBV)[12] ratios that are relatively low; and
    c. *Growth Appreciation Periods*[13] (GAP) that are relatively low.

Only stocks that earn an Overall Rating of Very Attractive are allowed on our Most Attractive Stocks lists.

The above characteristics also qualify stocks for a 'Very Attractive' or 'Attractive' Rating, according to our Risk/Reward Rating system. Figure 4 shows our Risk/Reward Rating analysis, which we apply to the 3000+ companies that we cover. Stocks get a grade of 1 to 5 for each criterion, 5 being the worst and 1 being the best score. The Overall score is based on the average score of all five criteria. Stocks must get an average score of 1.4 or below to be rated Very Attractive. For the most part, only Very Attractive stocks qualify for our Most Attractive Stocks lists.

Figure 4: New Constructs Risk/Reward Rating for Stocks

Overall Risk/Reward Rating	Quality of Earnings		Valuation		
	Economic vs Reported EPS	Return on Invested Capital (ROIC)	FCF Yield	Price-to-EBV Ratio	Growth Appreciation Period (yrs)
Very Dangerous	Misleading Trend	Bottom Quintile	<-5%	> 3.5 or -1 > 0	> 50
Dangerous	False Positive	4th Quintile	-5%<-1%	2.4 > 3.5 or < -1	20 > 50
Neutral	Neutral EP	3rd Quintile	-1%<3%	1.6 > 2.4	10 > 20
Attractive	Positive EP	2nd Quintile	3%<10%	1.1 > 1.6	3 > 10
Very Attractive	Rising EP	Top Quintile	>10%	0 > 1.1	0 > 3

Sources: New Constructs, LLC

[11] Free-Cash Flow Yields measure the % of the total value of the firm for which the Free Cash Flows of the firm account. The formula is FCF/Current Enterprise Value.
[12] Economic Book Value (EBV) measures the no-growth value of the business based on its annual after-tax cash flow. The Formula for EBV is: (NOPAT / WACC) + Excess Cash + Non-operating assets – Debt (incl. Operating Leases) - Value of Outstanding Stock Options – Minority Interests.
[13] Growth Appreciation Period measures the number of years, implied by the market-price, that a company will grow its economic earnings. This measure assigns a numerical value to the width of the moat around a firm's business.

Appendix 4

Performance Analysis of the Most Attractive Stocks and the Most Dangerous Stocks

Performance Since April 2006

Combo Large and Small Cap Most Attractive and Most Dangerous Stocks

Figure 12 shows our Combo Large and Small Cap Most Attractive (long) and Most Dangerous (short) Stocks from April 2006 through September 2010 versus their benchmarks.

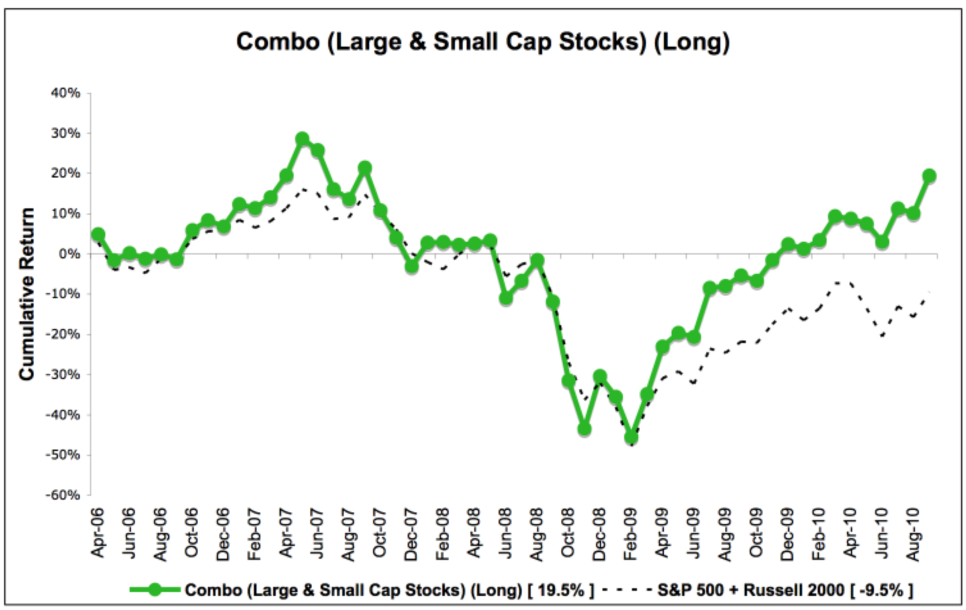
Figure 12: Most Attractive (Long) and Most Dangerous (Short) Outperform

	Cumulative Return	Spread vs Benchmark	Benchmark
Combo (Large & Small Cap Stocks) (Long)	19.5%	29.0%	S&P 500 + Russell 2000 [-9.5%]
Combo (Large & Small Cap Stocks) (Short)	11.2%	24.5%	S&P 500 + Russell 2000 (short) [-13.4%]
Start Date: April, 2006			

Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 13 charts the performance for our Combo Large and Small Cap Most Attractive Stocks (19.5%) versus the average of the S&P 500 and the Russell 2000 (-9.5%) from April 2006 through September 2010.

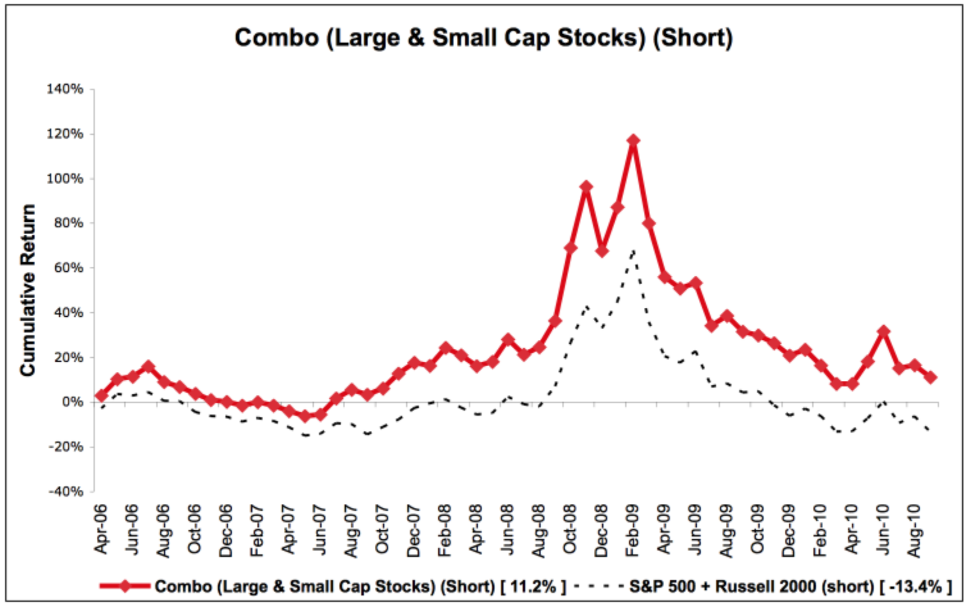
Figure 13: Most Attractive Stocks Outperform The Market Most of The Time



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 14 charts the performance for our Combo Large and Small Cap Most Dangerous Stocks short portfolio (+11.2%) versus shorting the average of the S&P 500 and the Russell 2000 (-13.4%) from April 2006 through September 2010.

Figure 14: Most Dangerous Stocks Consistently Outperform As Short Portfolio



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Small Cap Most Attractive and Most Dangerous Stocks

Figure 15 shows the Small Cap Most Attractive (long) and Most Dangerous (short) Stocks from April 2006 through September 2010 versus their benchmarks.

Figure 15: Most Attractive (Long) and Most Dangerous (Short) Outperform

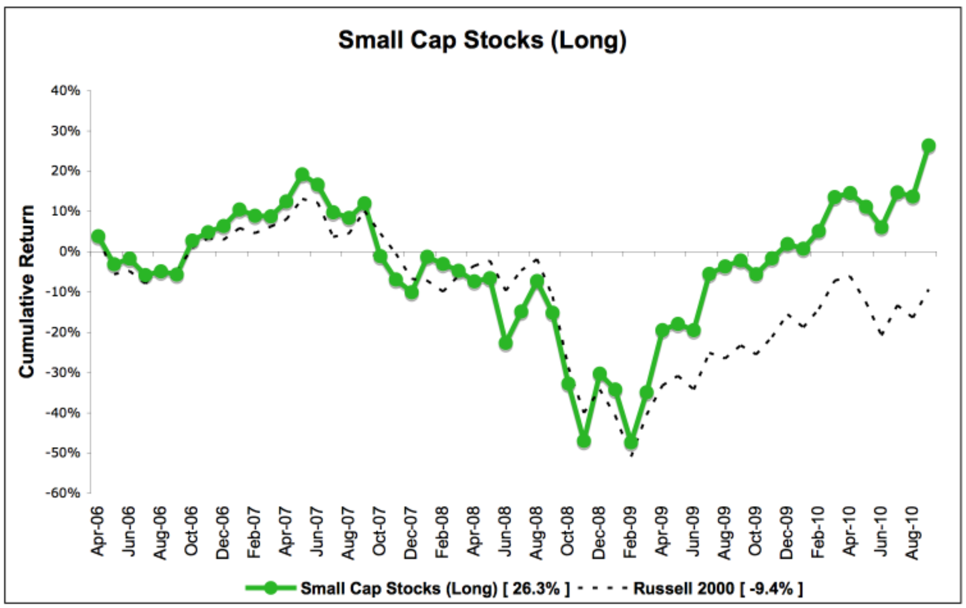
	Cumulative Return	Spread vs Benchmark	Benchmark
Small Cap Stocks (Long)	26.3%	35.7%	Russell 2000 [-9.4%]
Small Cap Stocks (Short)	-9.7%	9.5%	Russell 2000 (short) [-19.2%]

Start Date: April, 2006

Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 16 charts the performance for our Small Cap Most Attractive Stocks (+26.3%) versus the Russell 2000 (-9.4%) from April 2006 through September 2010.

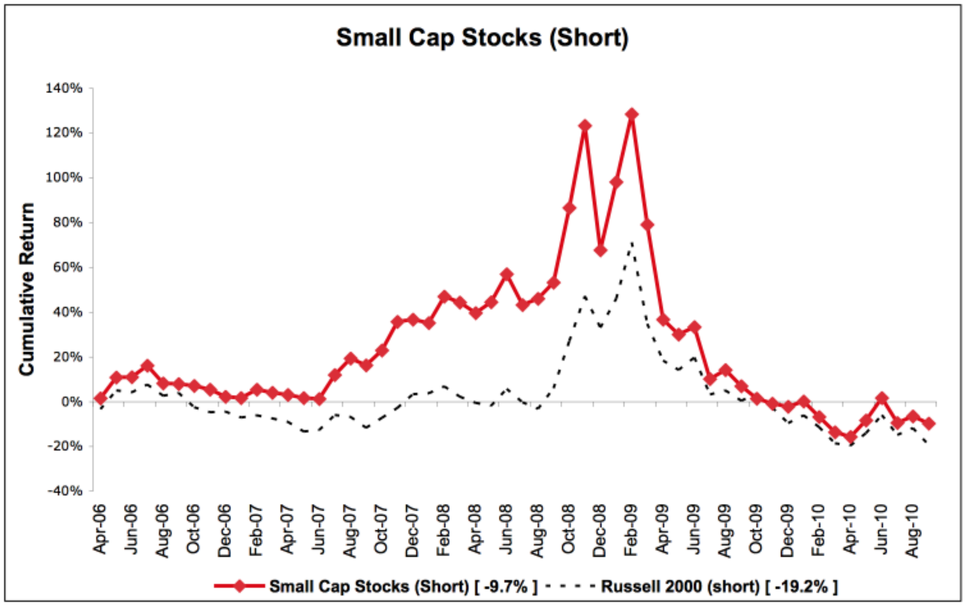
Figure 16: Small Cap Most Attractive Stocks Outperform The Market



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 17 charts the performance for our Small Cap Most Dangerous Stocks short portfolio (-9.7%) versus shorting the Russell 2000 (-19.2%) from April 2006 through September 2010.

Figure 17: Most Dangerous Stocks Outperform As Short Portfolio



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Large Cap Most Attractive and Most Dangerous Stocks

Figure 18 shows the Large Cap Most Attractive (long) and Most Dangerous (short) Stocks from April 2006 through September 2010 outperform their benchmarks.

Figure 18: Most Attractive (Long) and Most Dangerous (Short) Outperform

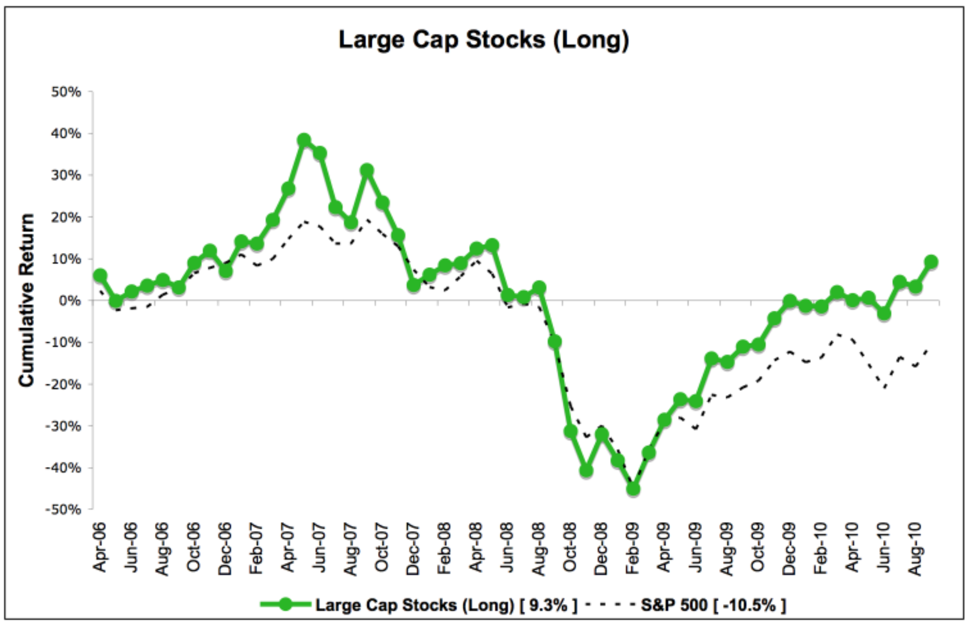
	Cumulative Return	Spread vs Benchmark	Benchmark
Large Cap Stocks (Long)	9.3%	19.8%	S&P 500 [-10.5%]
Large Cap Stocks (Short)	29.3%	37.3%	S&P 500 (short) [-7.9%]

Start Date: April, 2006

Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 19 charts the performance for our Large Cap Most Attractive Stocks (9.3%) versus the S&P 500 (-10.5%) from April 2006 through September 2010.

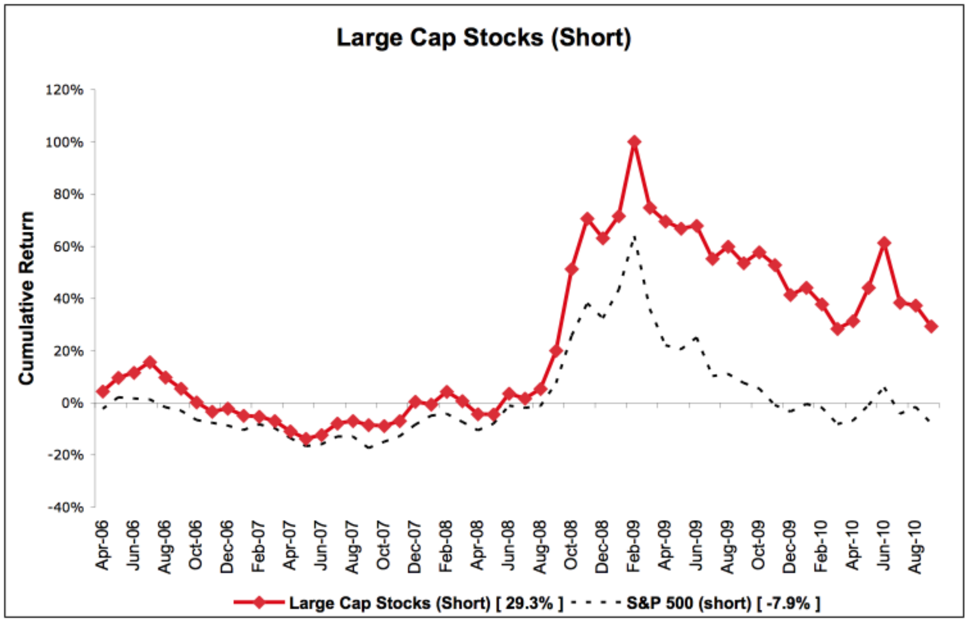
Figure 19: Most Attractive Stocks Outperform The Market



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 20 charts the performance for our Large Cap Most Dangerous Stocks short portfolio (+29.3%) versus shorting the S&P 500 (-7.9%) from April 2006 through September 2010.

Figure 20: Most Dangerous Stocks Consistently Outperform As Short Portfolio



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Performance Since January 2005

Combo Large and Small Cap Most Attractive and Most Dangerous Stocks

Figure 21 shows our Combo Large and Small Cap Most Attractive (long) and Most Dangerous (short) Stocks from January 2005 through September 2010 outperform their benchmarks.

Figure 21: Most Attractive (Long) and Most Dangerous (Short) Outperform

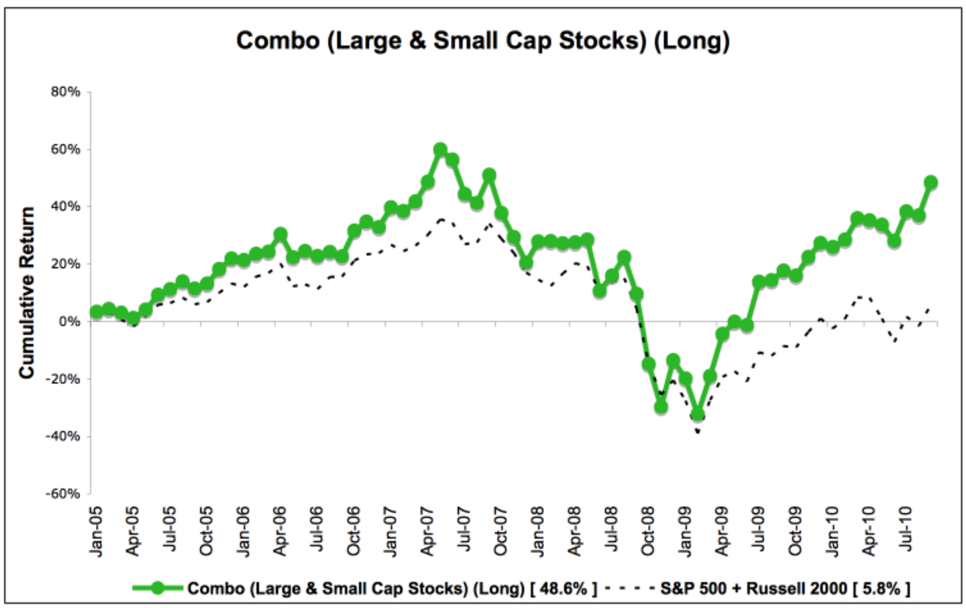
	Cumulative Return	Spread vs Benchmark	Benchmark
Combo (Large & Small Cap Stocks) (Long)	48.6%	42.8%	S&P 500 + Russell 2000 [5.8%]
Combo (Large & Small Cap Stocks) (Short)	-11.1%	15.4%	S&P 500 + Russell 2000 (short) [-26.5%]

Start Date: January, 2005

Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 22 charts the performance for our Combo Large and Small Cap Most Attractive Stocks (+48.6%) versus the average of the S&P 500 and the Russell 2000 (5.8%) from January 2005 through September 2010.

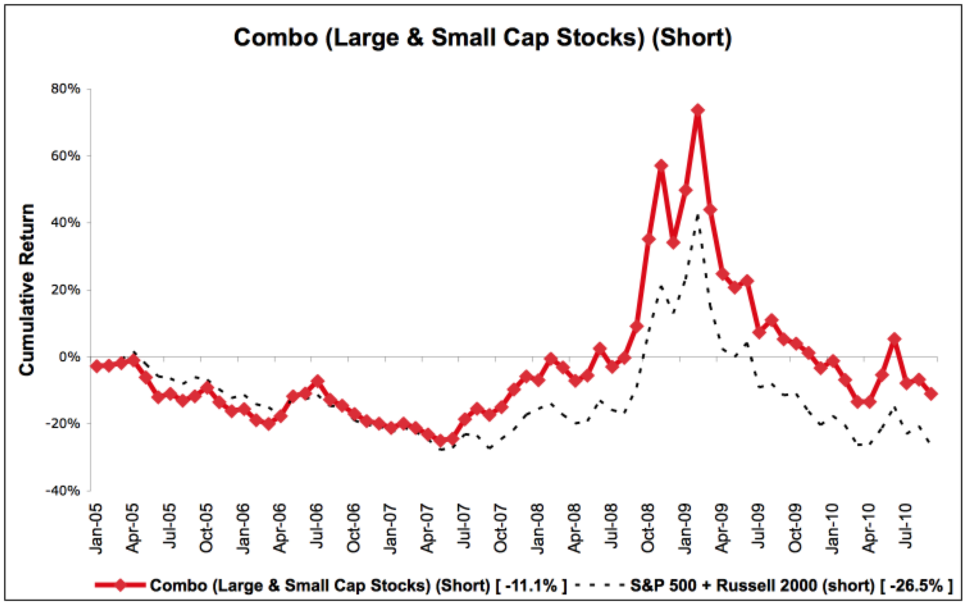
Figure 22: Most Attractive Stocks Consistently Outperform The Market



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 23 charts the performance for our Combo Large and Small Cap Most Dangerous Stocks short portfolio (-11.1%) versus shorting the average of the S&P 500 and the Russell 2000 (-26.5%) from January 2005 through September 2010.

Figure 23: Most Dangerous Stocks Outperform As Short Portfolio



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Small Cap Most Attractive and Most Dangerous Stocks

Figure 24 shows the Small Cap Most Attractive (long) and Most Dangerous (short) Stocks from January 2005 through September 2010 versus their benchmarks.

Figure 24: Most Attractive (Long) and Most Dangerous (Short) Outperform

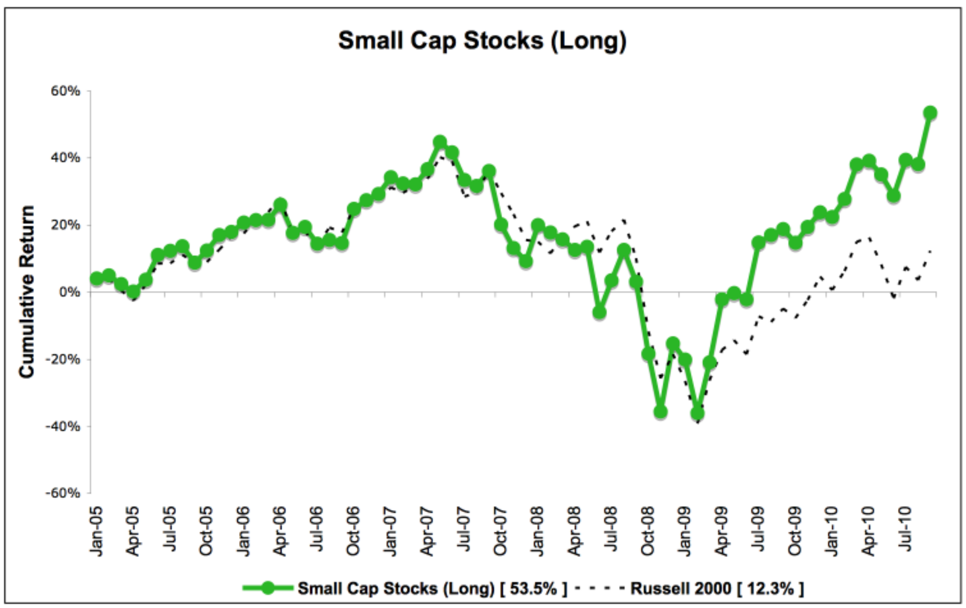
	Cumulative Return	Spread vs Benchmark	Benchmark
Small Cap Stocks (Long)	53.5%	41.2%	Russell 2000 [12.3%]
Small Cap Stocks (Short)	-28.5%	7.2%	Russell 2000 (short) [-35.8%]

Start Date: January, 2005

Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 25 charts the performance for our Small Cap Most Attractive Stocks (+53.5%) versus the Russell 2000 (12.3%) from January 2005 through September 2010.

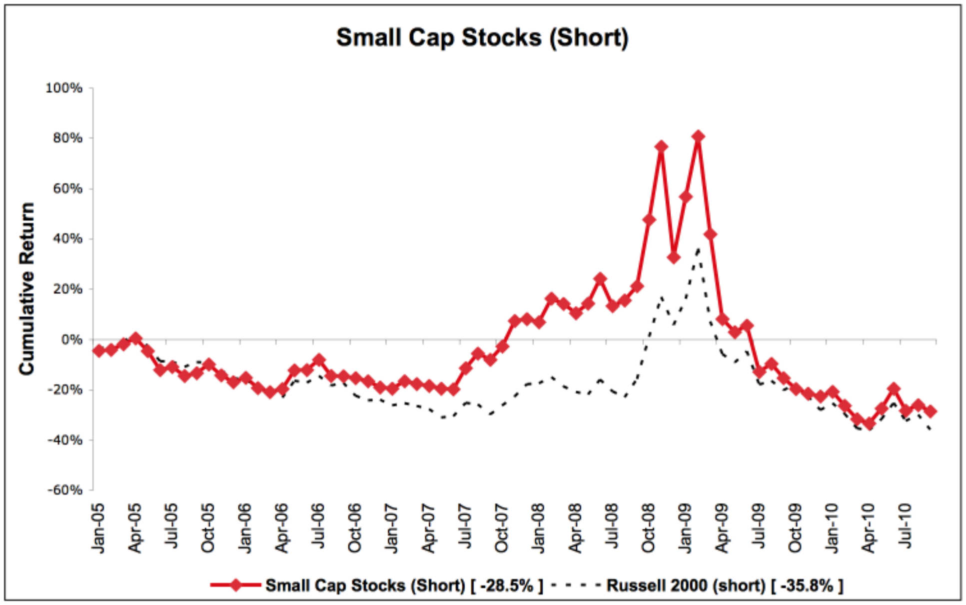
Figure 25: Small Cap Most Attractive Stocks Outperform The Market



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 26 charts the performance for our Small Cap Most Dangerous Stocks short portfolio (-28.5%) versus shorting the Russell 2000 (-35.8%) from January 2005 through September 2010.

Figure 26: Most Dangerous Stocks Consistently Outperform As Short Portfolio



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Large Cap Most Attractive and Most Dangerous Stocks

Figure 27 shows the Large Cap Most Attractive (long) and Most Dangerous (short) Stocks from January 2005 through September 2010 versus their benchmarks.

Figure 27: Most Attractive (Long) Stocks Outperform

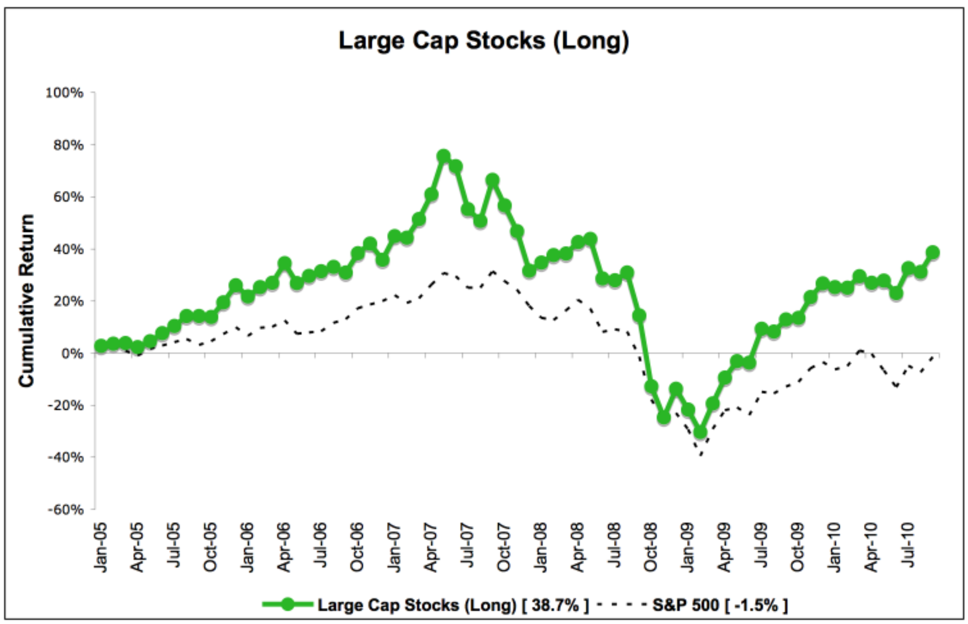
	Cumulative Return	Spread vs Benchmark	Benchmark
Large Cap Stocks (Long)	38.7%	40.2%	S&P 500 [-1.5%]
Large Cap Stocks (Short)	4.4%	21.2%	S&P 500 (short) [-16.8%]

Start Date: January, 2005

Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 28 charts the performance for our Large Cap Most Attractive Stocks (+38.7%) versus the S&P 500 (-1.5%) from January 2005 through September 2010.

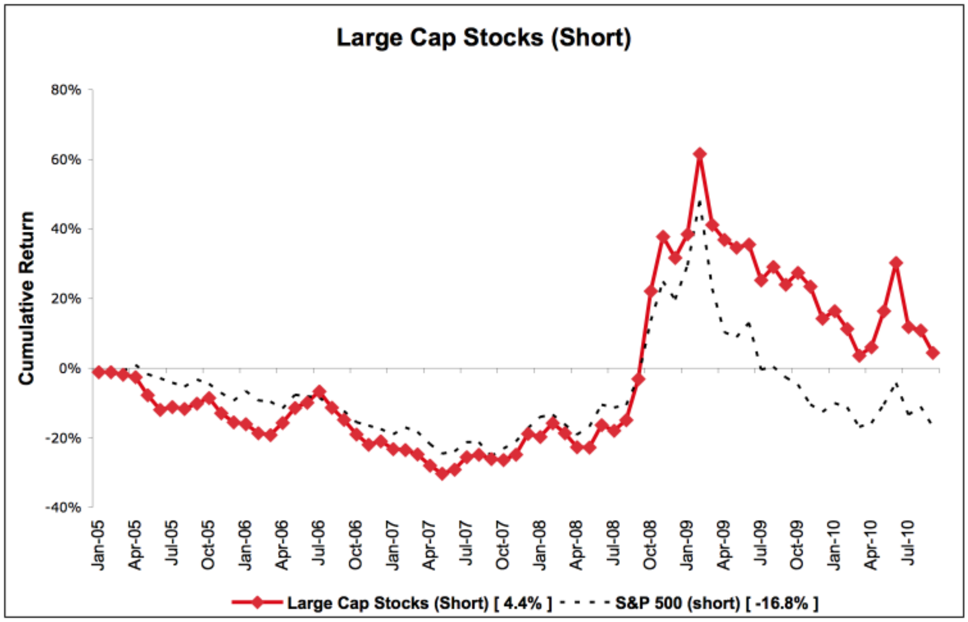
Figure 28: Most Attractive Stocks Consistently Outperform the Market



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

Figure 29 charts the performance for our Large Cap Most Dangerous Stocks short portfolio (+4.4%) versus shorting the S&P 500 (-16.8%) from January 2005 through September 2010.

Figure 29: Large Cap Most Dangerous Stocks Outperform As Short Portfolio When It Matters Most



Source: New Constructs, LLC
Note: Gain/Decline performance analysis excludes transaction costs, dividends and rebates.

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Our main products are MaxVal®, MaxStrategy® and MaxData®. These research tools are delivered via www.newconstructs.com. MaxVal is a DCF-based, equity valuation model that allows clients to define their own forecasts and forecast drivers. MaxStrategy is a stock screening/ranking tool that enables clients to analyze stocks based on many metrics, several unique to our platform. Both MaxVal & MaxStrategy are integrated with MaxData, our proprietary financial database. Unlike many other research firms, we do not buy our raw material - corporate financial data - from commercial vendors. Rather, we source it ourselves to create MaxData.

The key advantage provided by MaxData is that it delivers data drawn directly from SEC filings, including the *Notes to the Financial Statements*. We can cost-effectively deliver any reported data point. We believe our capabilities in this area are unmatched. For example, our MaxVal models provide both a high-integrity economic analysis as well as a traditional GAAP accounting analysis.

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