

The path to financial truth.

October 2011 Model Update

Despite high stock correlations, PRVIT stock-selection model still effective



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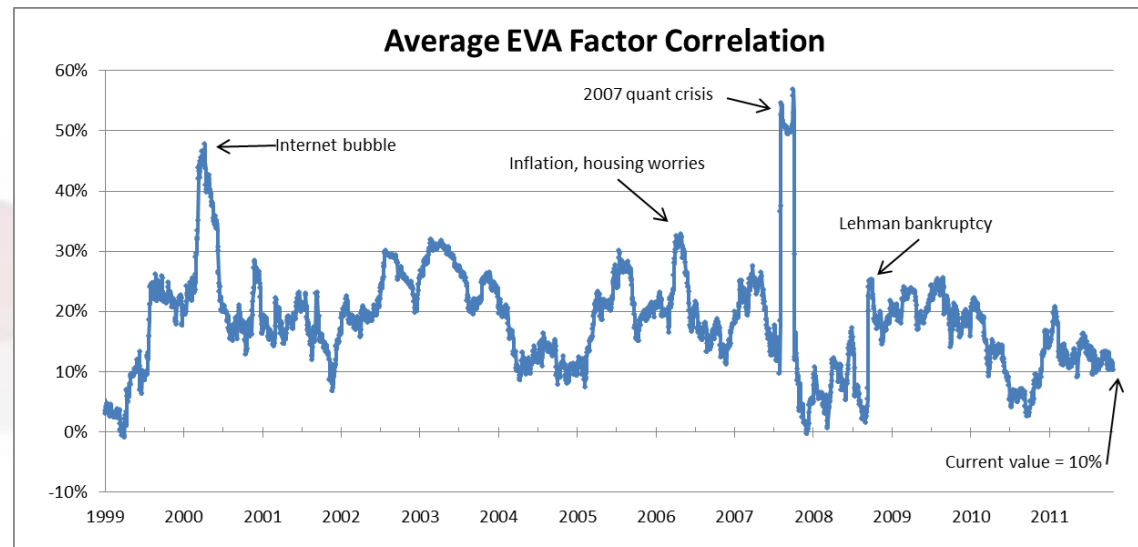
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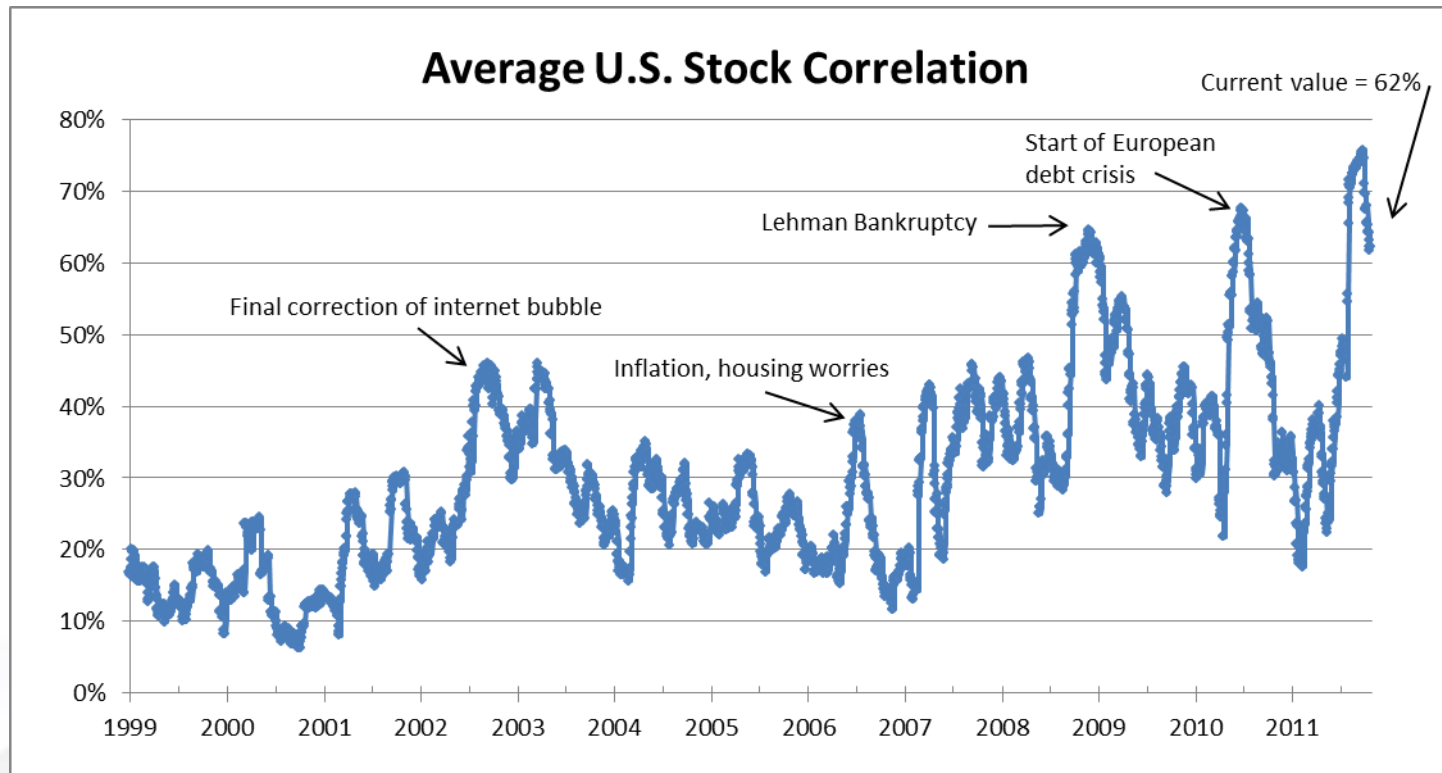
Summary

- Stock-by-stock correlations are at extreme levels, making active management difficult...
- ...but the correlation between EVA Dimensions' major factor sub-groups remains low, providing some degree of relief for active investors using EVAD factors (see chart below).
- The PRVIT composite factor posted a strong month with a top-bottom spread of **2.7%** and an information coefficient of **9.6%**.
- EVA-based performance and risk factors predicted stock returns very well; value factors based on cash flow did well while “deep value” factors languished. Since mid-2010, this has been a very common pattern during months when the market has rallied.
- PRVIT has been effective over the trailing 1, 3, 12, and 60 months, and over a longer time frame.

Despite high levels of stock-by-stock correlations, the correlation between EVA Dimensions factors remains relatively low.



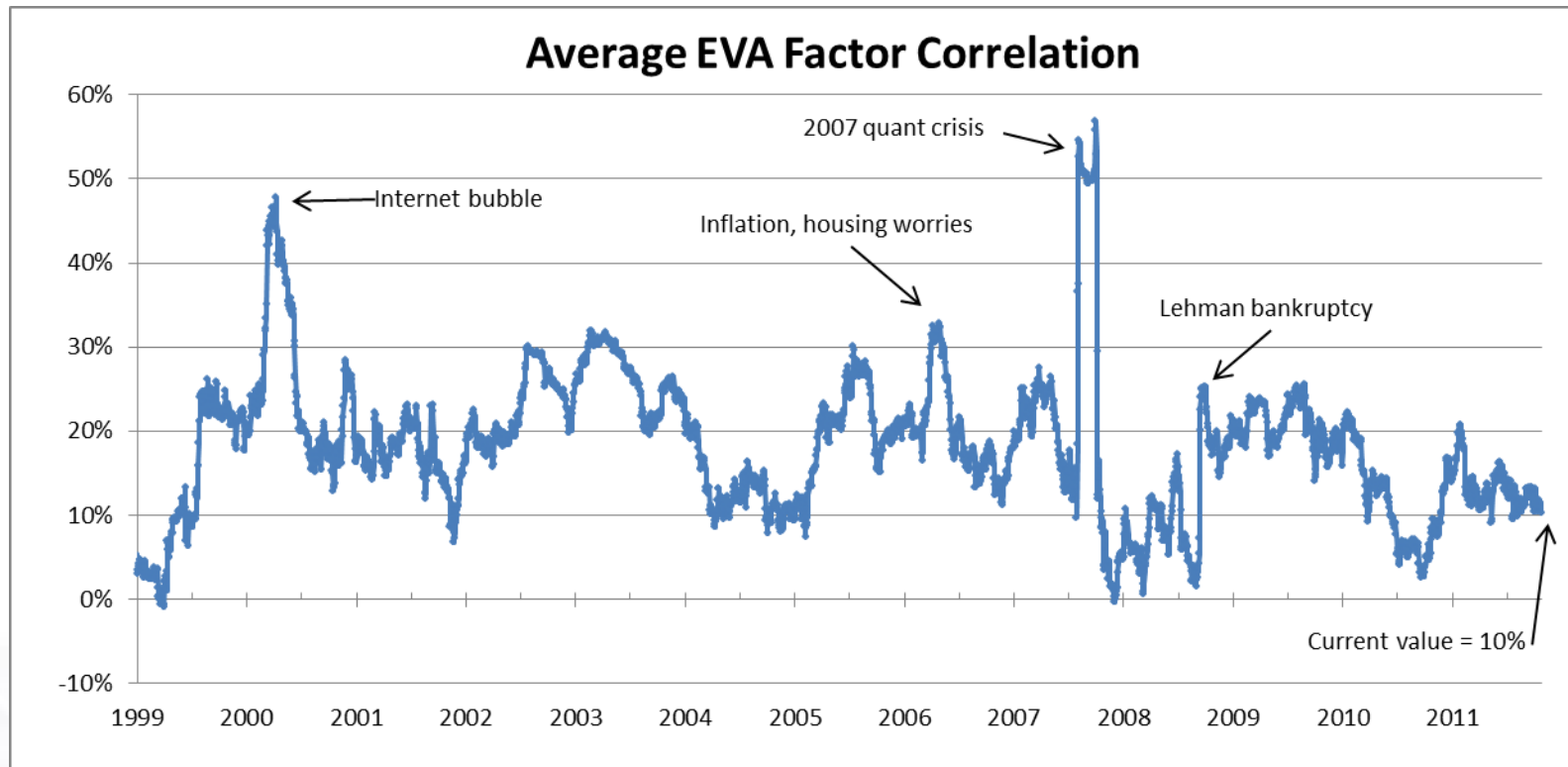
Correlation Environment



- The chart above shows the rolling average of 2-month correlations of all stocks in the S&P 500.
- Correlations are at extremely high levels – higher than the levels reached during the Lehman bankruptcy or the Spring 2010 selloff. This makes active portfolio management more difficult, since that activity depends on buying (or shorting) stocks which have different and superior (inferior) returns compared to the market, i.e. relative to all other stocks. Risk diversification benefits are also diminished as correlations increase.
- The silver lining may be that the average correlation level seems to be headed down from its recent peak.

* Graphed is the average of all rolling 42-day pairwise correlations of excess returns of stocks in the S&P 500.

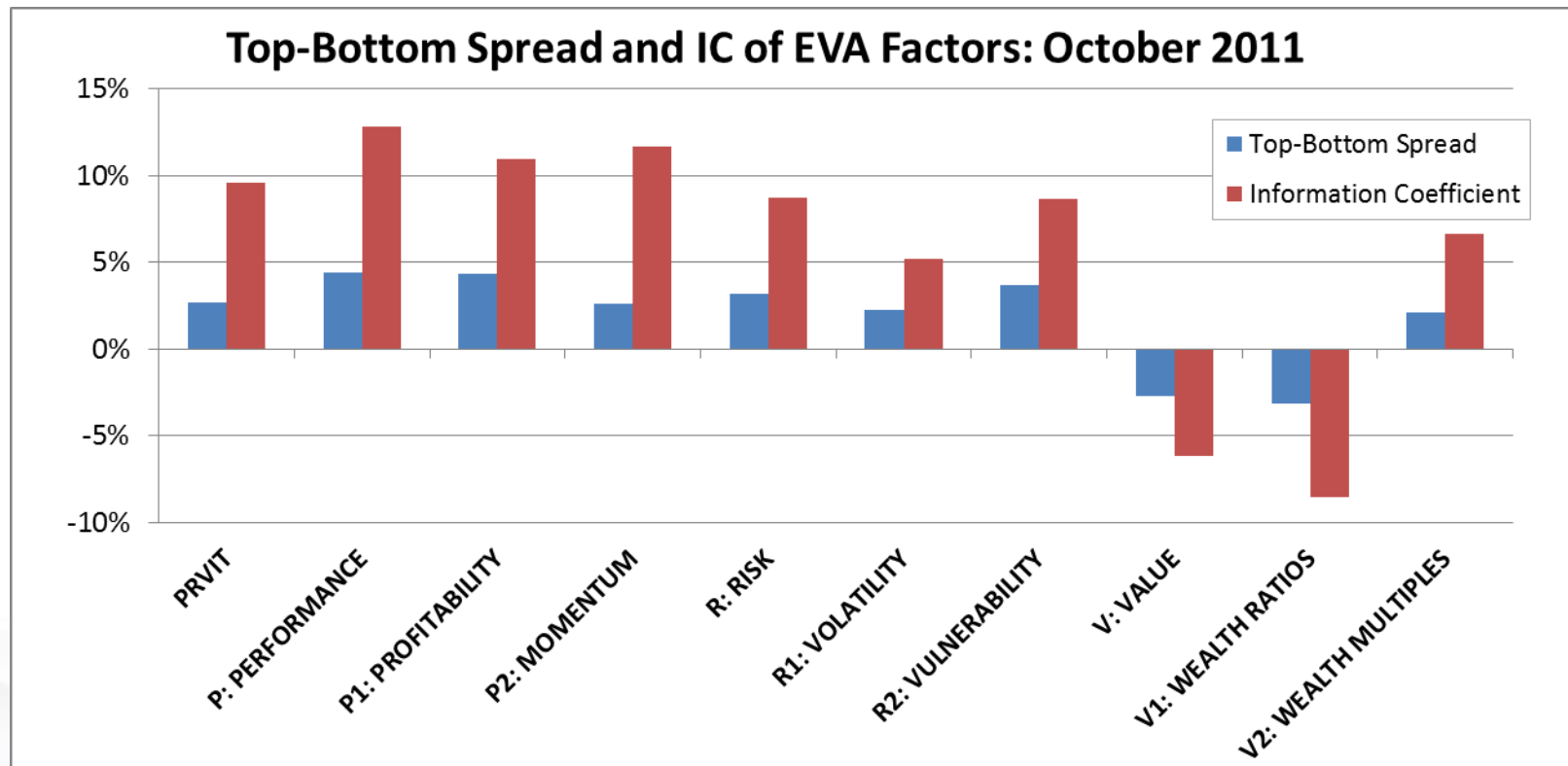
Factor Correlation



- The chart above shows the rolling 2-month average correlation between EVA Dimensions' major factor sub-groups (see the "Detailed Factor Performance" section for definitions). Higher factor correlations would make using the factors for active management more difficult, since higher correlations reduce diversification.
- While stock-by-stock correlations are extremely high, the current average level of EVAD factor correlation (**10%**) is below the long-term average of **18%** and well below peak crisis levels. This, at least, should provide some degree of relief for active investors using the EVAD factors in their investment processes.

* Factor returns are decile spreads of the 6 PRVIT factor subgroups (e.g. P1, P2...). The average correlation is the average of the 15 pairwise 42-day correlations. Industry-neutral factors are used as well as returns residual of the market and EVAD industries.

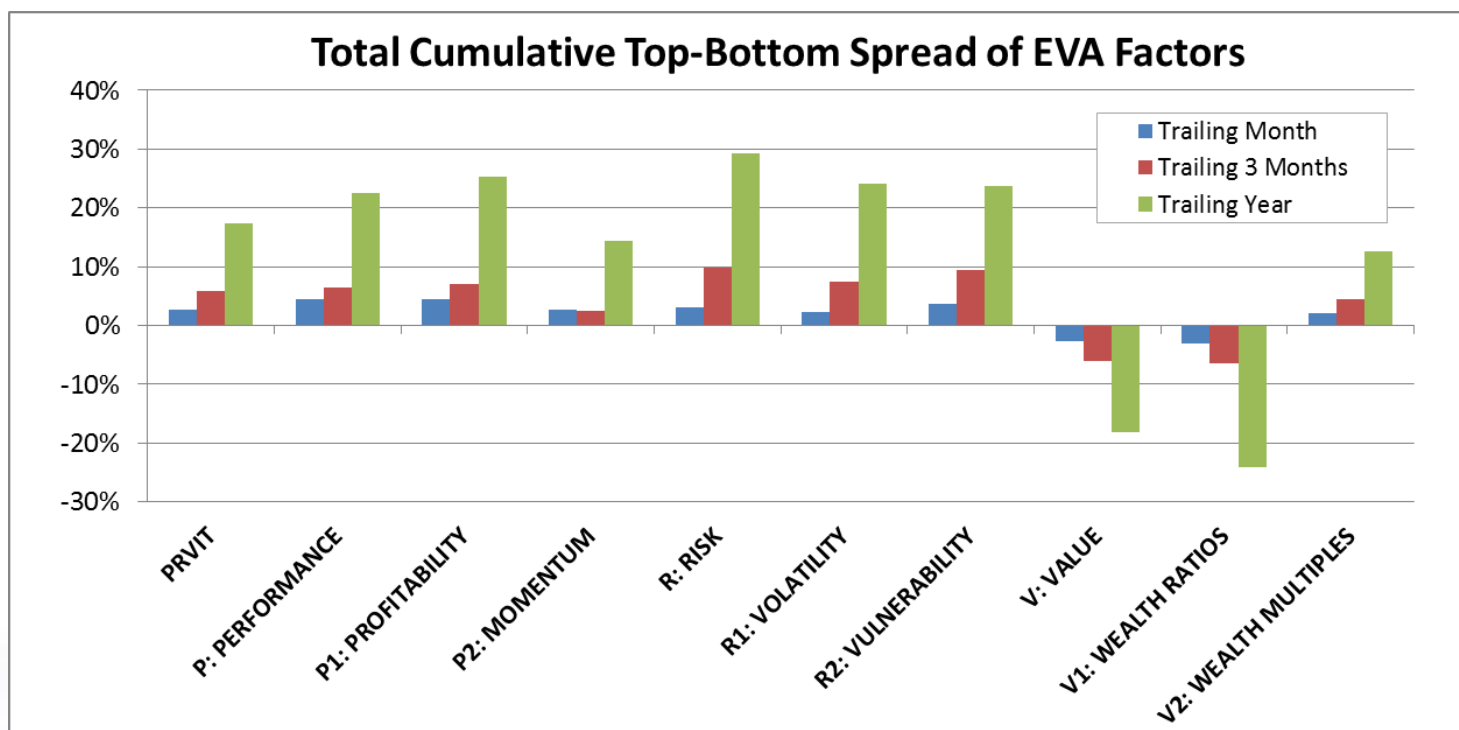
Recent Performance



- The PRVIT composite factor posted a strong month with a top-bottom spread of **2.7%** and an information coefficient of **9.6%**.
- U.S. stocks rallied strongly in October as investors brushed aside recession concerns and anticipated at least a temporary resolution to the problems in Europe. EVA-based performance and risk factors predicted stock returns very well; value factors based on cash earnings measures did well while “deep value” factors languished. Since mid-2010, this has been a very common pattern during months when the market has rallied.

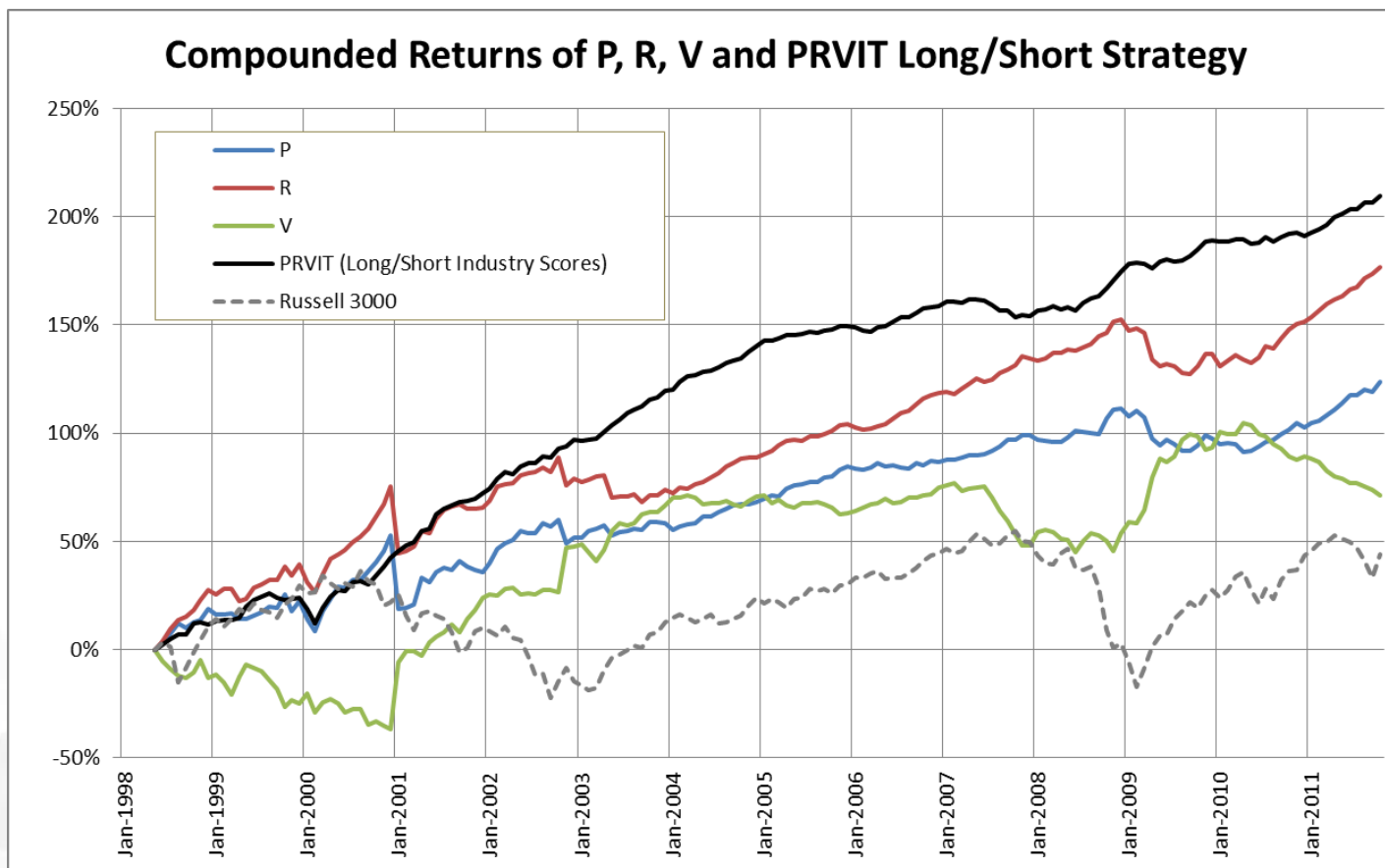
* The **spread** between the top and bottom deciles is the industry-neutral return to going long the top 10% of stocks ranked by PRVIT and short the bottom 10%, without transaction costs. The **information coefficient** is the correlation between PRVIT scores and future residual stock returns. Both are measures of signal strength.

Medium-Term Performance



- PRVIT has been effective over the trailing 1, 3, and 12 months.
- Over the trailing year, investors have rewarded companies with high performance and low risk characteristics. Last month was the first meaningfully negative return to the performance factor since November of last year, and we wondered if investors might be beginning to question if currently high-performing companies can sustain their profitability. If so, they brushed those concerns aside this month and were willing to pay for high-performing companies with low risk profiles. The appendices contain lists of stocks which stand to benefit / suffer if the trends of the past year continue.
- Deep value measures, like the wealth ratios in V1, remain in an extended slump, when used in isolation. However, the value measures in the V2 factor, which include ratios based on EBITDAR and NOPAT, have done well over the trailing year.

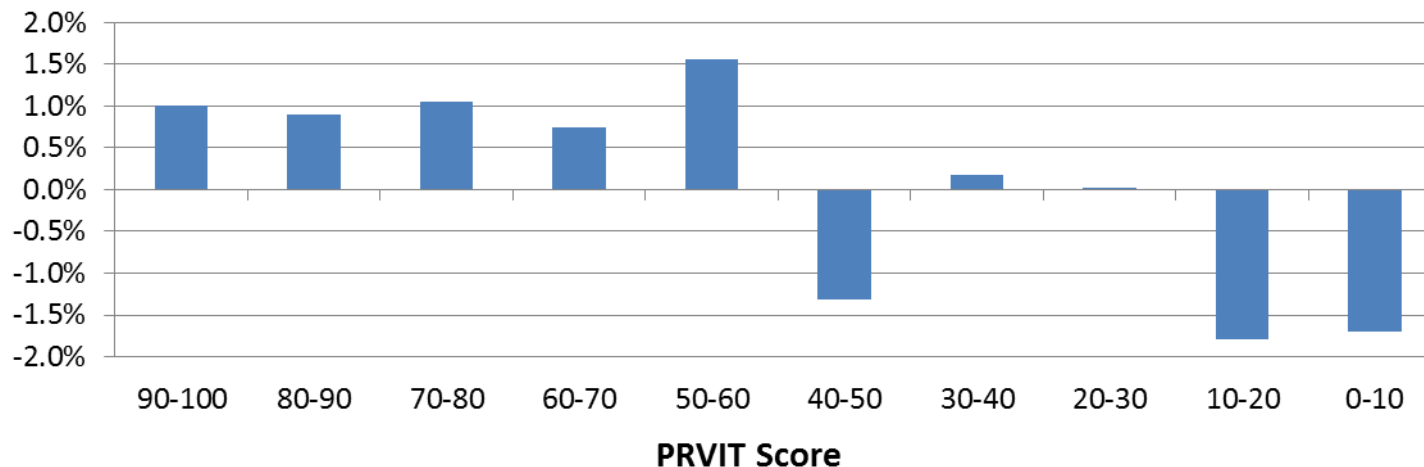
Long-Term Performance



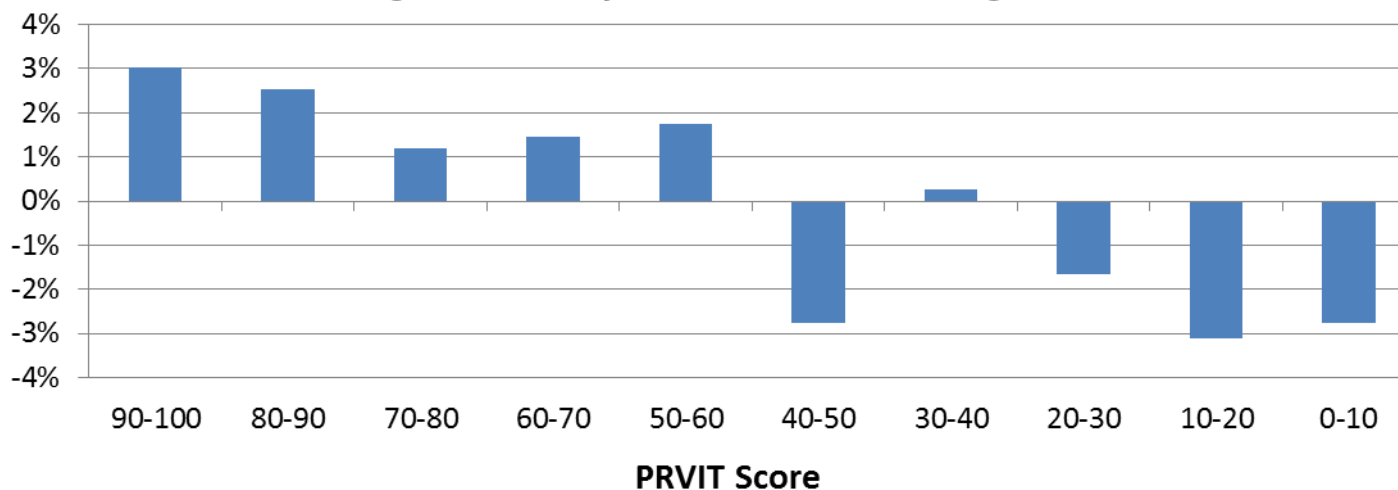
- The black line is the return to an industry-neutral basket which is long the top 10% of PRVIT-ranked stocks and short the bottom 10% – a basket of about 600 stocks. The colored lines are similar returns for the Performance, Risk, and Value sub-components of the PRVIT model. The dashed line is the Russell 3000, for reference. Transaction costs are not included.

Performance by Deciles

Average Returns by PRVIT Scores; October 2011



Cumulative Avg. Returns by PRVIT Scores; Trailing Three Months



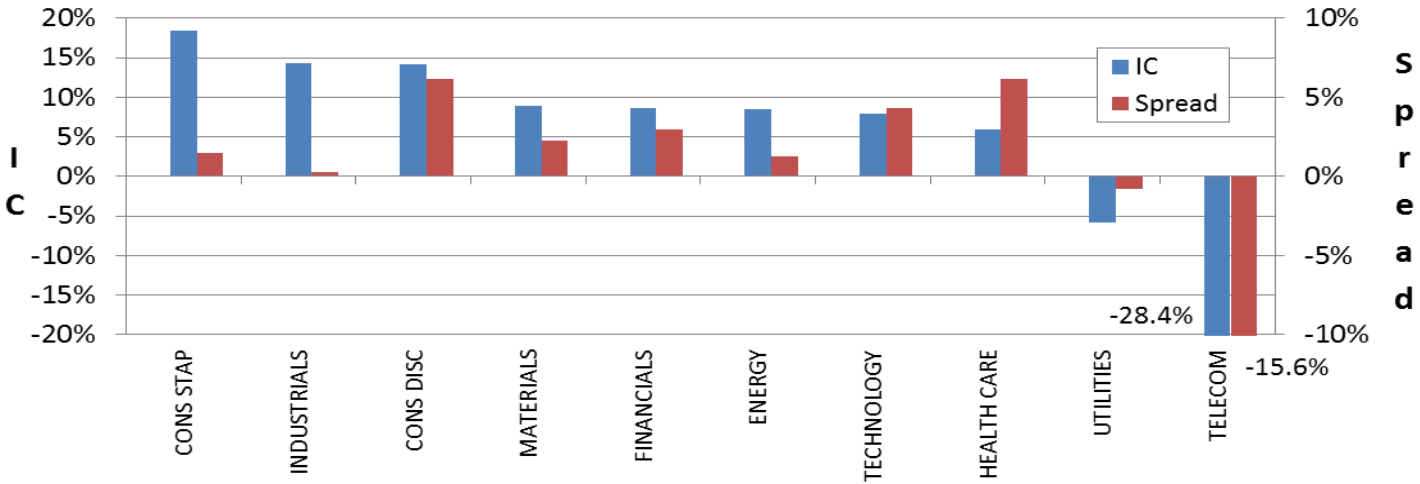
- Returns across PRVIT deciles show that the signal posted a good month. Stocks in the top half of PRVIT scores clearly outperformed those in the bottom half, despite the differentiation within each half being weak.

- PRVIT has worked well over the last three months. Over this time frame, the top stocks have beat the bottom ones by **5.8%** and the average information coefficient was **8.7%**.

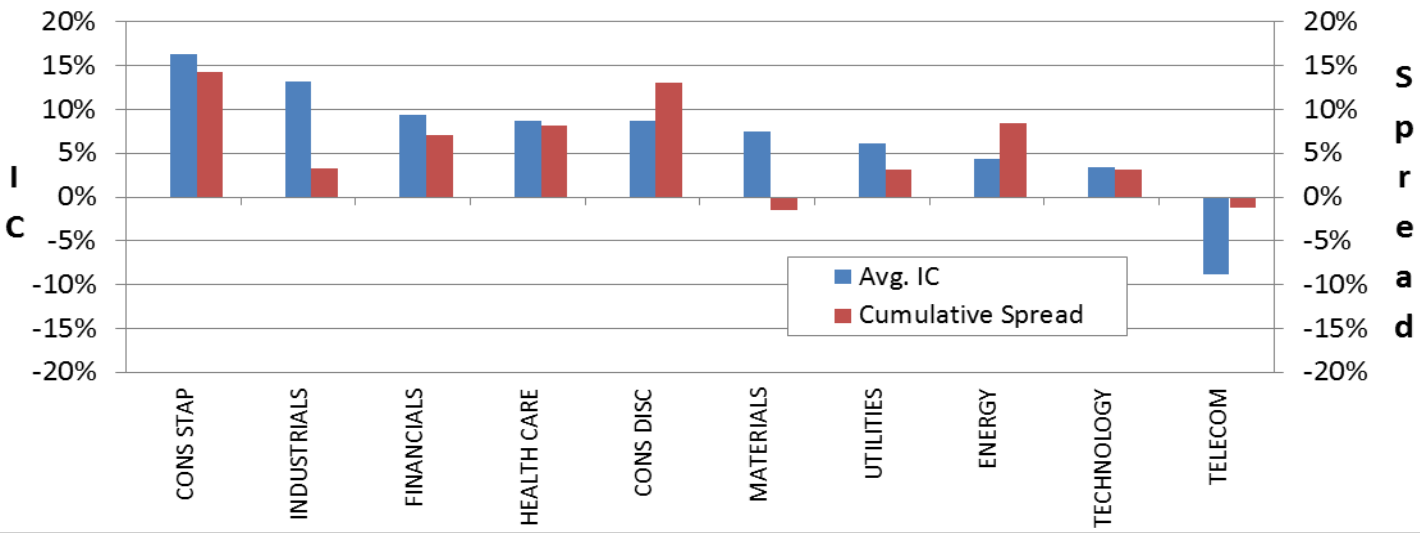
* The **spread** between the top and bottom deciles is the industry-neutral return to going long the top 10% of stocks ranked by PRVIT and short the bottom 10%, without transaction costs. The **information coefficient** is the correlation between PRVIT scores and future residual stock returns. Both are measures of signal strength.

Performance by Sector

PRVIT IC and Spread by Sector; October 2011



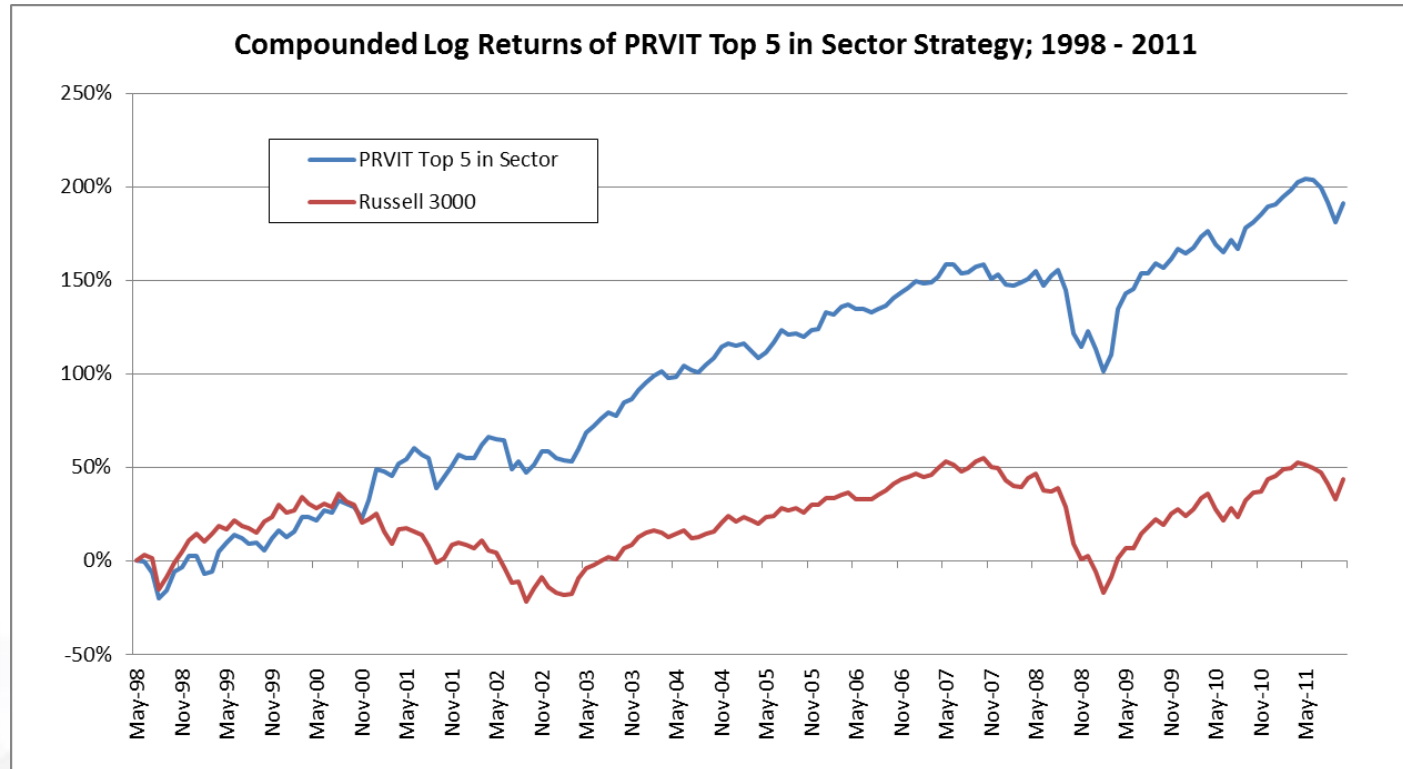
PRVIT IC and Spread by Sector; Trailing Three Months



- PRVIT worked well this month across all sectors except utilities and telecom. The bad performance in telecom was caused by a few very negative returns of highly ranked stocks (NIHD and IDT). Both of these sectors have a small number of stocks and so statistics are heavily influenced by outliers. The use of PRVIT for utilities is not recommended as companies in that sector are generally driven by regulatory and other external factors.
- Over the past three months, PRVIT had a positive average information coefficient in all sectors except telecom.

* The **spread** between the top and bottom deciles is the industry-neutral return to going long the top 10% of stocks ranked by PRVIT and short the bottom 10%, without transaction costs. The **information coefficient** is the correlation between PRVIT scores and future residual stock returns. Both are measures of signal strength.

PRVIT Top-Five-in-Sector Strategy



- The PRVIT Top-Five-in-Sector Strategy buys the top five PRVIT picks in each of nine sectors, each month, equal-weighted, for a basket of 45 stocks. But it will not buy stocks which are ranked low by the Predictive Accuracy Score – such as ultra-high growth stocks. Transaction costs of 30 bps each way are included.
- Last month, the strategy returned **10.7%** compared to a Russell 3000 return of **11.5%**, for **-0.86%** of alpha after costs. Over the trailing year, the strategy has outperformed the index by **3.2%**.

Annualized Stats with Costs	1998-2011	Trailing Three Years	Trailing Year	Last Month (not annualized)
Strategy Return	16.4%	26.5%	12.3%	10.65%
Russell 3000 Return	4.8%	13.6%	9.1%	11.51%
Active Return	11.7%	12.9%	3.2%	-0.86%
Active Risk	11.5%	11.5%	7.6%	
Information Ratio	1.01	1.12	0.42	
Turnover	391%	410%	385%	24%

* Statistics are annualized from monthly returns. This slide uses total, not residual, returns.

Detailed Factor Performance

As of 10/30/2011	Trailing Month		Trailing 3 Months		Trailing Year		Trailing 5 Years		05/31/1998 - Present		
	IC	Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	Avg Monthly Spread	Avg IC	IC t-stat	Avg Monthly Spread
PERFORMANCE	12.8%	4.4%	9.0%	2.1%	8.0%	1.9%	4.0%	0.7%	3.6%	7.5	0.9%
P1: PROFITABILITY	10.9%	4.4%	9.3%	2.3%	8.0%	2.1%	4.3%	0.8%	3.5%	7.7	0.8%
P2: MOMENTUM	11.7%	2.6%	5.1%	0.8%	5.1%	1.2%	2.2%	0.6%	2.5%	6.2	0.7%
RISK	8.7%	3.2%	11.9%	3.3%	9.2%	2.4%	4.8%	1.1%	4.5%	10.7	1.2%
R1: VOLATILITY	5.2%	2.3%	8.8%	2.4%	8.1%	2.0%	4.7%	0.9%	4.1%	10.0	0.8%
R2: VULNERABILITY	8.6%	3.7%	9.4%	3.1%	6.5%	2.0%	3.0%	0.9%	3.1%	9.8	1.1%
VALUE	-6.2%	-2.7%	-5.8%	-2.0%	-4.3%	-1.5%	-1.5%	0.1%	0.3%	0.4	0.6%
V1: WEALTH RATIOS	-8.5%	-3.2%	-7.8%	-2.2%	-5.8%	-2.0%	-2.6%	-0.3%	-0.7%	-1.1	0.2%
V2: WEALTH MULTIPLES	6.6%	2.1%	4.8%	1.5%	3.6%	1.0%	2.7%	0.9%	3.6%	9.1	1.1%
P1 + V1	3.4%	0.5%	2.0%	0.4%	1.6%	0.3%	1.4%	0.5%	2.6%	6.2	1.0%
PRVIT (INDUSTRY SCORES)	9.6%	2.7%	8.7%	1.9%	6.3%	1.5%	3.6%	0.9%	4.2%	12.2	1.3%

- The **spread** between the top and bottom deciles is the return to going long the top 10% of stocks ranked by a given factor and short the bottom 10%, without transaction costs. The **information coefficient** is the correlation between scores and future stock returns. Both are measures of signal strength.
- The universe for the above statistics is an all-cap universe composed of the union of the Russell 3000 plus the S&P 1500, ex-REITS and ex-all companies with sales under \$10 MM.
- All indicators and groups of indicators are constructed such that a positive information coefficient (IC) and spread are good. All stock returns used in the calculations are residualized with respect to the market and EVAD industries.

Appendix: Stocks with High Performance and Low Risk

- The tables on the next two pages list 150 stocks with high Performance and low Risk scores. The list only includes members of the S&P 1500. If the trends of the past year continue and high returns to Performance and Risk factors persist, these stocks will be poised to do **well**.

Company Name	Ticker	MCap (\$MM)	Industry	Company Name	Ticker	MCap (\$MM)	Industry	Company Name	Ticker	MCap (\$MM)	Industry
ABBOTT LABORATORIES	ABT	83,853	Pharmaceutic	CAPELLA EDUCATION CO	CPLA	503	Diversified Co	EXPEDITORS INTL WASH INC	EXPD	9,671	Air Freight & L
ACCENTURE PLC	ACN	38,621	IT Services	CARBO CERAMICS INC	CRR	3,147	Energy Equipm	EXPONENT INC	EXPO	658	Professional S
ADTRAN INC	ADTN	2,165	Communicati	CH ENERGY GROUP INC	CHG	822	Multi-Utilities	EXPRESS SCRIPTS INC	ESRX	22,267	Health Care P
AETNA INC	AET	14,405	Health Care P	CHEVRON CORP	CVX	210,413	Oil, Gas & Co	EXXON MOBIL CORP	XOM	379,683	Oil, Gas & Co
ALLEGIANT TRAVEL CO	ALGT	990	Airlines	CINCINNATI BELL INC	CBB	641	Diversified Te	F5 NETWORKS INC	FFIV	8,227	Communicati
ALLERGAN INC	AGN	25,868	Pharmaceutic	CLARCOR INC	CLC	2,435	Machinery	FACTSET RESEARCH SYSTEMS	FDS	4,484	Software
AMERICAN PUBLIC EDUCATI	APEI	639	Diversified Co	CLECO CORP	CNL	2,251	Electric Utiliti	FASTENAL CO	FAST	11,244	Trading Comp
AMERICAN SCIENCE ENGINEI	ASEI	627	Aerospace & I	COACH INC	COH	18,888	Textiles, Appa	FEI CO	FEIC	1,494	Electronic Equ
AMERISOURCEBERGEN CORP	ABC	10,986	Health Care P	COGNIZANT TECH SOLUTION	CTSH	22,091	IT Services	FIRST CASH FINANCIAL SVCS	FCFS	1,248	Consumer Fin
ANALOG DEVICES	ADI	10,950	Semiconducto	COMMERCE BANCSHARES IN	CBSH	3,370	Commercial B	FIRST FINL BANKSHARES INC	FFIN	999	Commercial B
APPLE INC	AAPL	376,206	Computers &	COMMVAULT SYSTEMS INC	CVLT	1,896	Software	FLOWERS FOODS INC	FLO	2,754	Food Products
APTARGROUP INC	ATR	3,203	Containers &	COMPASS MINERALS INTL IN	CMP	2,504	Metals & Min	FLUOR CORP	FLR	9,881	Construction
ARBITRON INC	ARB	1,081	Media	CONTANGO OIL & GAS CO	MCF	988	Oil, Gas & Co	FMC CORP	FMC	5,653	Chemicals
AUTOZONE INC	AZO	12,907	Specialty Reta	COPART INC	CPRT	2,876	Commercial S	FORD MOTOR CO	F	43,554	Automobiles
BALCHEM CORP -CL B	BCPC	1,067	Chemicals	COSTCO WHOLESALE CORP	COST	36,078	Food & Staple	FREEMONT-MCMORAN COP&	FCX	38,162	Metals & Min
BALLY TECHNOLOGIES INC	BYI	1,573	Hotels, Restau	CUBIC CORP	CUB	1,260	Aerospace & I	GENTEX CORP	GNTX	4,311	Auto Compon
BED BATH & BEYOND INC	BBBY	15,129	Specialty Reta	CUBIST PHARMACEUTICALS I	CBST	2,324	Biotechnology	GRACO INC	GGG	2,563	Machinery
BLUE NILE INC	NILE	644	Internet & Cat	CYBERONICS INC	CYBX	806	Health Care E	GRAINGER (W W) INC	GWV	11,949	Trading Comp
BMC SOFTWARE INC	BMC	5,916	Software	DIME COMMUNITY BANCSH	DCOM	416	Thrifths & Mor	HEALTHCARE SERVICES GROU	HCSG	1,156	Commercial S
BOSTON BEER INC -CL A	SAM	797	Beverages	DIRECTV	DTV	33,563	Media	HEARTLAND EXPRESS INC	HTLD	1,187	Road & Rail
BRISTOL-MYERS SQUIBB CO	BMY	53,530	Pharmaceutic	DONALDSON CO INC	DCI	4,773	Machinery	HI TECH PHARMACAL CO INC	HITK	453	Pharmaceutic
BROWN-FORMAN -CL B	BF.B	6,548	Beverages	DPL INC	DPL	3,573	Electric Utiliti	HIBBETT SPORTS INC	HIBB	1,105	Specialty Reta
BUCKEYE TECHNOLOGIES INC	BKI	1,210	Paper & Fores	DTS INC	DTSI	483	Electronic Equ	HITTITE MICROWAVE CORP	HITT	1,649	Semiconducto
BUCKLE INC	BKE	2,110	Specialty Reta	DUN & BRADSTREET CORP	DNB	3,289	Professional S	HMS HOLDINGS CORP	HMSY	2,077	Health Care P
C H ROBINSON WORLDWIDE	CHRW	11,450	Air Freight & L	EATON VANCE CORP	EV	3,074	Capital Marke	HUBBELL INC -CL B	HUB.B	3,095	Electrical Equ

* In the tables, all factors and factor sub-groups are neutralized within EVAD industry. Scores are derived from the EVAD standard universe but only stocks in the S&P1500 are shown.

Appendix: Stocks with High Performance and Low Risk #2

- For a deeper dive on any of these names or for custom screening, contact EVA Dimensions' equity research sales desk.

Company Name	Ticker	MCap (\$MM)	Industry	Company Name	Ticker	MCap (\$MM)	Industry	Company Name	Ticker	MCap (\$MM)	Industry
HUMANA INC	HUM	14,162	Health Care P	MTS SYSTEMS CORP	MTSC	574	Electronic Equ	ROCKWELL AUTOMATION	ROK	9,688	Electrical Equ
ICU MEDICAL INC	ICUI	544	Health Care E	NEUSTAR INC	NSR	2,309	IT Services	ROLLINS INC	ROL	3,186	Commercial S
IDEXX LABS INC	IDXX	4,042	Health Care E	NEUTRAL TANDEM INC	TNDM	331	Diversified Te	SCRIPPS NETWORKS INTERA	SNI	5,412	Media
INFORMATICA CORP	INFA	4,854	Software	NEWMONT MINING CORP	NEM	32,627	Metals & Min	SEI INVESTMENTS CO	SEIC	2,956	Capital Marke
INSPERITY INC	NSP	682	Professional S	NIKE INC	NKE	36,006	Textiles, Appa	SEMTECH CORP	SMTC	1,619	Semiconducto
INTERCONTINENTALEXCHAN	ICE	9,542	Diversified Fi	NORDSON CORP	NDSN	3,142	Machinery	SHUFFLE MASTER INC	SHFL	575	Hotels, Restau
INTL FLAVORS & FRAGRANC	IFF	4,898	Chemicals	NSTAR	NST	4,671	Multi-Utilities	SIGMA-ALDRICH CORP	SIAL	7,886	Chemicals
INTUITIVE SURGICAL INC	ISRG	16,918	Health Care E	NVR INC	NVR	3,198	Household Du	SMITH (A O) CORP	AOS	1,438	Building Prod
JOS A BANK CLOTHIERS INC	JOSB	1,487	Specialty Reta	OCEANEERING INTERNATION	OII	4,540	Energy Equipm	STURM RUGER & CO INC	RGR	573	Leisure Equipm
KANSAS CITY SOUTHERN	KSU	6,939	Road & Rail	O'REILLY AUTOMOTIVE INC	ORLY	9,769	Specialty Reta	SYNAPTICS INC	SYNA	1,087	Computers &
KOHL'S CORP	KSS	14,283	Multiline Reta	OYO GEOSPACE CORP	OYOG	499	Energy Equipm	TECHNE CORP	TECH	2,549	Life Sciences T
LIMITED BRANDS INC	LTD	12,741	Specialty Reta	PACKAGING CORP OF AMER	PKG	2,649	Containers &	THORATEC CORP	THOR	2,181	Health Care E
LINEAR TECHNOLOGY CORP	LLTC	7,488	Semiconducto	PALL CORP	PLL	5,886	Machinery	TORCHMARK CORP	TMK	4,301	Insurance
LITTELFUSE INC	LFUS	1,126	Electronic Equ	PAYCHEX INC	PAYX	10,560	IT Services	TORO CO	TTC	1,657	Machinery
LOGMEIN INC	LOGM	989	Internet Softw	PLANTRONICS INC	PLT	1,560	Communicati	TOWER GROUP INC	TWGP	978	Insurance
LORILLARD INC	LO	14,940	Tobacco	POLARIS INDUSTRIES INC	PII	4,379	Leisure Equipm	TUPPERWARE BRANDS CORP	TUP	3,427	Household Du
MANHATTAN ASSOCIATES IN	MANH	876	Software	PRICELINE.COM INC	PCLN	25,269	Internet & Cat	TYCO INTERNATIONAL LTD	TYC	21,152	Industrial Cor
MASTERCARD INC	MA	41,908	IT Services	PROASSURANCE CORP	PRA	2,342	Insurance	UNITED THERAPEUTICS CORP	UTHR	2,551	Biotechnology
MCKESSON CORP	MCK	20,025	Health Care P	PROGRESSIVE CORP-OHIO	PGR	11,798	Insurance	VARIAN MEDICAL SYSTEMS I	VAR	6,881	Health Care E
MEAD JOHNSON NUTRITION	MJN	14,626	Food Products	PUBLIC SERVICE ENTRP GRP I	PEG	17,049	Multi-Utilities	WATERS CORP	WAT	7,319	Life Sciences T
MEDIFAST INC	MED	254	Personal Prod	QLOGIC CORP	QLGC	1,452	Computers &	WORLD ACCEPTANCE CORP/	WRLD	1,018	Consumer Fin
METTLER-TOLEDO INTL INC	MTD	4,897	Life Sciences T	QUALITY SYSTEMS INC	QSII	2,289	Health Care T	WORLD FUEL SERVICES CORP	INT	2,835	Oil, Gas & Co
MICROCHIP TECHNOLOGY IN	MCHP	6,896	Semiconducto	QUESTAR CORP	STR	3,421	Gas Utilities	XILINX INC	XLNX	8,872	Semiconducto
MOODY'S CORP	MCO	7,879	Diversified Fi	RED HAT INC	RHT	9,574	Software	YUM BRANDS INC	YUM	24,669	Hotels, Restau
MSC INDUSTRIAL DIRECT -CL	MSM	3,153	Trading Comp	RLI CORP	RLI	1,483	Insurance	ZEBRA TECHNOLOGIES CP -C	ZBRA	1,925	Office Electro

* In the tables, all factors and factor sub-groups are neutralized within EVAD industry. Scores are derived from the EVAD standard universe but only stocks in the S&P1500 are shown.

Appendix: Stocks with Low Performance and High Risk

- The tables on the next two pages list 150 stocks with low Performance and high Risk scores. The list only includes members of the S&P 1500. If the trends of the past year continue and high returns to Performance and Risk factors persist, these stocks will be poised to do **poorly**.

Company Name	Ticker	MCap (\$MM)	Industry	Company Name	Ticker	MCap (\$MM)	Industry	Company Name	Ticker	MCap (\$MM)	Industry
AAR CORP	AIR	806	Aerospace & D	CIENA CORP	CIEN	1,277	Communicati	FEDERAL SIGNAL CORP	FSS	294	Machinery
AES CORP	AES	8,779	Independent P	CIRCOR INTL INC	CIR	601	Machinery	FIRST AMERICAN FINANCIAL	FAF	1,264	Insurance
AGILYSYS INC	AGYS	195	Electronic Equ	CME GROUP INC	CME	18,425	Diversified Fi	FIRST SOLAR INC	FSLR	4,299	Semiconducto
AK STEEL HOLDING CORP	AKS	919	Metals & Min	COLDWATER CREEK INC	CWTR	125	Specialty Reta	FIRSTENERGY CORP	FE	18,803	Electric Utiliti
ALEXANDER & BALDWIN INC	ALEX	1,731	Marine	COMMERCIAL METALS	CMC	1,436	Metals & Min	GATX CORP	GMT	1,770	Trading Comp
ALLIANCE ONE INTL INC	AOI	232	Tobacco	COMSTOCK RESOURCES INC	CRK	869	Oil, Gas & Co	GENTIVA HEALTH SERVICES I	GTIV	127	Health Care P
ALLSCRIPTS HEALTHCARE SO	MDRX	3,600	Health Care Te	CORELOGIC INC	CLGX	1,295	IT Services	GENWORTH FINANCIAL INC	GNW	3,131	Insurance
AMERICAN INTERNATIONAL	AIG	46,861	Insurance	CORINTHIAN COLLEGES INC	COCO	162	Diversified Co	GOODYEAR TIRE & RUBBER C	GT	3,509	Auto Compon
AMN HEALTHCARE SERVICES	AHS	191	Health Care P	CREE INC	CREE	3,089	Semiconducto	GREAT PLAINS ENERGY INC	GXP	2,820	Electric Utiliti
APOGEE ENTERPRISES INC	APOG	309	Building Prod	CTS CORP	CTS	319	Electronic Equ	HANCOCK HOLDING CO	HBHC	2,566	Commercial B
AVNET INC	AVT	4,497	Electronic Equ	DELTA TIMBER CORP	DEL	852	Paper & Fores	HARMONIC INC	HLIT	636	Communicati
BANCORPSOUTH INC	BXS	816	Commercial B	DOW CHEMICAL	DOW	32,932	Chemicals	HEADWATERS INC	HW	107	Construction
BANK OF NEW YORK MELLO	BK	25,805	Capital Marke	DREAMWORKS ANIMATION	DWA	1,349	Media	HEIDRICK & STRUGGLES INTL	HSII	353	Professional S
BARNES & NOBLE INC	BKS	738	Specialty Reta	E TRADE FINANCIAL CORP	ETFC	3,095	Capital Marke	HORACE MANN EDUCATORS	HMN	537	Insurance
BB&T CORP	BBT	16,270	Commercial B	EASTMAN KODAK CO	EK	299	Leisure Equip	HORNBECK OFFSHORE SVCS	HOS	884	Energy Equipm
BOYD GAMING CORP	BYD	559	Hotels, Restau	EDISON INTERNATIONAL	EIX	13,228	Electric Utiliti	INTERFACE INC -CL A	IFSIA	764	Commercial S
BROWN SHOE CO INC	BWS	374	Specialty Reta	EL PASO CORP	EP	19,304	Oil, Gas & Co	INTERMEC INC	IN	481	Computers &
CABELAS INC	CAB	1,734	Specialty Reta	ELECTRONIC ARTS INC	ERTS	7,704	Software	INTEVAC INC	IVAC	184	Computers &
CALAMOS ASSET MANAGEM	CLMS	251	Capital Marke	ENPRO INDUSTRIES INC	NPO	714	Machinery	KID BRANDS INC	KID	63	Household Du
CARMAX INC	KMX	6,806	Specialty Reta	ENERGY CORP	ETR	12,228	Electric Utiliti	K-SWISS INC -CL A	KSWWS	124	Textiles, Appa
CDI CORP	CDI	252	Professional S	EPIQ SYSTEMS INC	EPIQ	508	Software	LIVE NATION ENTERTAINMEI	LVV	1,776	Media
CENTRAL GARDEN & PET CO	CENTA	343	Household Pr	EQUINIX INC	EQIX	4,552	Internet Softw	LIZ CLAIBORNE INC	LIZ	758	Textiles, Appa
CHECKPOINT SYSTEMS INC	CKP	531	Electronic Equ	ESTERLINE TECHNOLOGIES C	ESL	1,711	Aerospace & I	LOUISIANA-PACIFIC CORP	LPX	879	Paper & Fores
CHRISTOPHER & BANKS COR	CBK	120	Specialty Reta	EXELON CORP	EXC	29,431	Electric Utiliti	MARINEMAX INC	HZO	189	Specialty Reta
CIBER INC	CBR	248	IT Services	EXTERRAN HOLDINGS INC	EXH	607	Energy Equipm	MEMC ELECTRONIC MATRIAI	WFR	1,380	Semiconducto

* In the tables, all factors and factor sub-groups are neutralized within EVAD industry. Scores are derived from the EVAD standard universe but only stocks in the S&P1500 are shown.

Appendix: Stocks with Low Performance and High Risk #2

- For a deeper dive on any of these names or for custom screening, contact EVA Dimensions' equity research sales desk.

Company Name	Ticker	MCap (\$MM)	Industry	Company Name	Ticker	MCap (\$MM)	Industry	Company Name	Ticker	MCap (\$MM)	Industry
METLIFE INC	MET	37,185	Insurance	PETROLEUM DEVELOPMENT	PETD	616	Oil, Gas & Co	SOUTH JERSEY INDUSTRIES IN	SJI	1,691	Gas Utilities
MICRON TECHNOLOGY INC	MU	5,521	Semiconducto	PHARMERICA CORP	PMC	458	Health Care P	SPRINT NEXTEL CORP	S	7,696	Wireless Tele
MICROSEMI CORP	MSCC	1,600	Semiconducto	PINNACLE FINL PARTNERS IN	PNFP	515	Commercial B	STATE STREET CORP	STT	20,358	Capital Marke
MIDAS INC	MDS	131	Specialty Reta	PNC FINANCIAL SVCS GROU	PNC	28,251	Commercial B	SUPERVALU INC	SVU	1,702	Food & Staple
MOBILE MINI INC	MINI	816	Commercial S	PRESTIGE BRANDS HOLDING	PBH	533	Personal Prod	SWS GROUP INC	SWS	179	Capital Marke
MOHAWK INDUSTRIES INC	MHK	3,620	Household Du	PRUDENTIAL FINANCIAL INC	PRU	26,233	Insurance	TAKE-TWO INTERACTIVE SFT	TTWO	1,369	Software
MONSTER WORLDWIDE INC	MWW	1,189	Internet Softw	PULSE ELECTRONICS CORP	PULS	147	Electronic Equ	TENET HEALTHCARE CORP	THC	2,185	Health Care P
MORGAN STANLEY	MS	34,002	Capital Marke	RANGE RESOURCES CORP	RRC	11,101	Oil, Gas & Co	TEREX CORP	TEX	1,824	Machinery
MOVADO GROUP INC	MOV	305	Textiles, Appa	REGIONS FINANCIAL CORP	RF	4,947	Commercial B	TEXAS INDUSTRIES INC	TXI	837	Construction
NCI BUILDING SYSTEMS INC	NCS	181	Building Prod	ROGERS CORP	ROG	693	Electronic Equ	TRINITY INDUSTRIES	TRN	2,185	Machinery
NETWORK EQUIPMENT TECH	NWK	58	Communicati	ROVI CORP	ROVI	5,512	Software	UNITED COMMUNITY BANKS	UCBI	307	Commercial B
NEW YORK TIMES CO -CL A	NYT	1,117	Media	ROWAN COS INC	RDC	4,395	Energy Equipm	UNITED RENTALS INC	URI	1,467	Trading Comp
NOBLE CORP	NE	9,389	Energy Equipm	RTI INTL METALS INC	RTI	797	Metals & Min	UNITED STATES STEEL CORP	X	3,652	Metals & Min
NORTHWEST NATURAL GAS	NWN	1,246	Gas Utilities	RUBY TUESDAY INC	RT	534	Hotels, Restau	UNIVERSAL HEALTH SVCS IN	UHS	3,615	Health Care P
NOVATEL WIRELESS INC	NVTL	127	Computers &	SANDERSON FARMS INC	SAFM	1,096	Food Products	VERTEX PHARMACEUTICALS	VRTX	8,253	Biotechnology
NRG ENERGY INC	NRG	5,168	Independent P	SCHOOL SPECIALTY INC	SCHS	145	Diversified Co	VIAD CORP	VVI	426	Commercial S
NYSE EURONEXT	NYX	6,956	Diversified Fi	SEARS HOLDINGS CORP	SHLD	8,358	Multiline Reta	VULCAN MATERIALS CO	VMC	4,043	Construction
O'CHARLEY'S INC	CHUX	136	Hotels, Restau	SEMPRA ENERGY	SRE	12,871	Multi-Utilities	WEYERHAEUSER CO	WY	9,659	Real Estate In
OFFICEMAX INC	OMX	441	Specialty Reta	SENECA FOODS CORP	SENEA	202	Food Products	WHIRLPOOL CORP	WHR	3,882	Household Du
OLD REPUBLIC INTL CORP	ORI	2,292	Insurance	SERVICE CORP INTERNATION	SCI	2,280	Diversified Co	WILSHIRE BANCORP INC	WIBC	244	Commercial B
OVERSEAS SHIPHOLDING GR	OSG	380	Oil, Gas & Co	SHAW GROUP INC	SHAW	1,659	Construction	WINTRUST FINANCIAL CORP	WTFC	1,037	Commercial B
OWENS-ILLINOIS INC	OI	3,298	Containers &	SKECHERS U S A INC	SKX	550	Textiles, Appa	WRIGHT EXPRESS CORP	WXS	1,812	IT Services
PACWEST BANCORP	PACW	657	Commercial B	SKYLINE CORP	SKY	57	Household Du	ZALE CORP	ZLC	119	Specialty Reta
PALOMAR MED TECHNOLOG	PMTI	162	Health Care E	SLM CORP	SLM	7,030	Consumer Fin	ZEP INC	ZEP	330	Chemicals
PENN VIRGINIA CORP	PVA	278	Oil, Gas & Co	SMITH MICRO SOFTWARE IN	SMSI	42	Software	ZIONS BANCORPORATION	ZION	3,199	Commercial B

* In the tables, all factors and factor sub-groups are neutralized within EVAD industry. Scores are derived from the EVAD standard universe but only stocks in the S&P1500 are shown.

Appendix: About PRVIT

- PRVIt (“prove-it”) is the “performance-risk-valuation investment technology”
- It is based on a daily statistical analysis of the financial results of all Russell 3000 firms
- PRVIt uses 24 EVA-based measures to assess essence of performance trends, risk factors, and valuation multiples:
 - **Performance (P)** EVA Margin, EVA Momentum
 - **Risk (R)** Share price and EVA Margin Variability, Cash Generation, Debt Coverage
 - **Value (V)** Market-to-Book (MVA ratios); Multiples to Cash Flow, Profit, and EVA
- PRVIt develops a 0-100 percentile rating by computing and ranking all firms on (P-R)/V – a comparative risk-adjusted return on value index, a proxy for intrinsic value/actual value

- The PRVIt Express Excel-based research system provides daily-updated PDF reports on all Russell 3000 companies plus several hundred ADRs
- It also provides a tool to screen for stocks based on key EVA metrics, PRVIt scores, and conventional criteria
- It also enables investors to track the PRVIt score of their portfolios, and to scan the PRVIt profile for an entire sector



- Snapshot (familiarization)
- Idea Generation (screening)
- Sell discipline
- Pair Trades
- Industry Scan
- Portfolio PRVIt Score

$$\text{PRVIt} = \frac{\text{Intrinsic Value}}{\text{Actual Value}} = \frac{\text{P} - \text{R}}{\text{V}} = \frac{0 - 100}{1}$$

High PRVIt → Buy
 Low PRVIt → Sell

Further Information

- Visit www.evadimensions.com and download resources
- Read *The Investor's Guide to EVA and The Empirical Case for EVA and PRVIt*
- Software demonstration
- Contacts
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Investment Research

Our *Express Suite*, including the PRVIt stock ranking and screening system and the analysis and valuation tools in EVA Express and Value Express, help professional investors make better and faster buy-sell decisions for their portfolios.

[EVA for Investors >>](#)

Corporate Finance Tools

Use our next generation EVA Momentum framework and software tools to measure, manage and maximize value. Set accurate targets, generate actionable insights into performance and plans, measure acquisition value -- all with the push of a button.

[EVA Tools for the CFO >>](#)

EVA Learning Center

Learn all about EVA, and why it is the best way to measure performance and maximize value. Learn about EVA Dimensions' powerful advance on EVA -- the new EVA Momentum ratio-based framework. Review rankings, research reports and product manuals.

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True financial intelligence for management and investment decisions

What is EVA?

EVA, or economic value added, is a special way to measure profit that is better than all others. It measures "economic profit" as opposed to accounting profit. It is measured after

Best description of EVA framework and the new EVA ratio metrics

Proof EVA better explains share prices than other metrics

Best description of how EVA drives better corporate decisions

Best short description of EVA Momentum measure and methodology

Case studies in value creation from using EVA

Best description of our process for advancing EVA and FRS