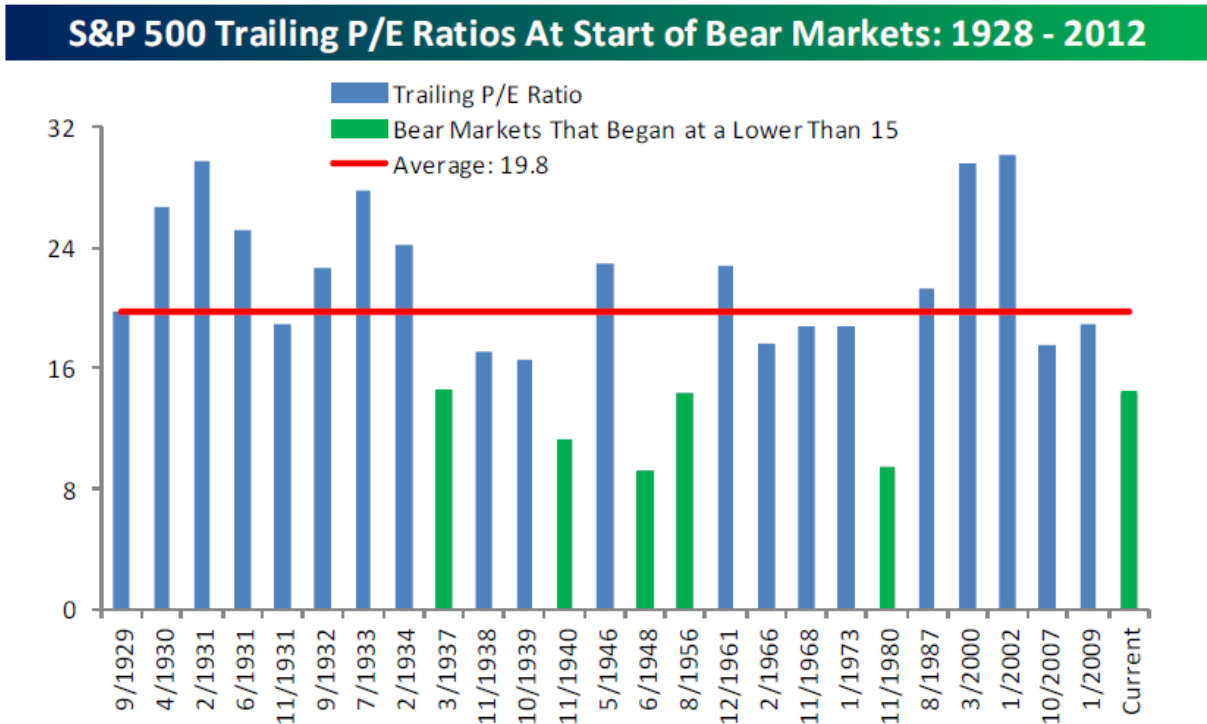


Wise Capital Management Inc.

S&P 500 Perspective

We are still in a bull market that is undervalued by over 30% based on valuation and fundamentals:

- 1) Valuation: At the beginning of April 2012, the S&P 500 index was trading at a trailing Price/Earnings ratio of only 14.5 times. The chart below illustrates the trailing Price/Earnings ratio at the start of all bear markets since 1928, with an average of 19.8 times (red line). Since 1928, there have been only five (out of 25) occurrences, when the S&P 500 traded below 15x and a bear market began.



Source: Bespoke

- 2) Profitability of the underlying S&P 500 companies is exceptionally strong. Currently, the weighted average S&P 500 Return on Equity (ROE) is 14.8%. Wise Capital Global Equity's weighted average ROE is even higher at 17.2%.
- 3) S&P 500 companies continue to exceed expectations. 71% of the companies that have reported in the current quarter have beaten the analysts' forecasts. Wise Capital's picks have done even better: 85%.



- 4) The volatility index (VIX) is a key measure of the market's expectation of stock market volatility over the next 30 day period. It has been steady and currently low relative to historical levels. A low level is usually positive for stock market returns going forward.
- 5) US economy continues to improve:
 - Europe only accounts for 2% of US trade. US exports have been strong over the past four years;
 - The US economy has been growing since summer 2009 and continues to accelerate, as measured by manufacturing;

