

## VALUATION SUMMARY

Stocks Undervalued	65.75%	Stocks Overvalued	34.25%
Stocks Undervalued by 20%	28.83%	Stocks Overvalued by 20%	11.37%

ValuEngine currently finds the markets attractive with the majority of stocks covered undervalued according to the research.

## INDEX OVERVIEW

Index	Date	Last Close	MTD	QTD	YTD
S&P 500	2/7/2019	2,706.05	0.07%	7.95%	8.86%
Dow 30	2/7/2019	25,169.53	0.68%	7.90%	9.14%
Nasdaq	2/7/2019	7,288.35	0.09%	9.84%	10.69%
Russell 2000	2/7/2019	1,505.63	0.41%	11.65%	12.54%

## PERFORMANCE HISTORY



## SECTOR AVERAGE COMPARISON

Sector Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio
Oils-Energy	27.44% undervalued	-15.39%	17.68	-0.4011
Construction	15.44% undervalued	-13.17%	18.30	0.1016
Transportation	12.16% undervalued	-8.68%	16.89	-0.0942
Industrial Products	11.56% undervalued	-4.11%	19.75	0.0541
Auto-Tires-Trucks	10.21% undervalued	-21.01%	10.72	-0.0645
Basic Materials	9.60% undervalued	-15.45%	20.66	-0.1371
Consumer Discretionary	7.04% undervalued	-3.94%	23.62	0.0108
Retail-Wholesale	6.55% undervalued	1.97%	21.98	-0.0099
Multi-Sector Conglomerates	6.16% undervalued	-7.64%	17.04	0.0320
Finance	5.15% undervalued	-2.53%	15.60	0.2049
Medical	4.61% undervalued	10.90%	29.18	-0.1841
Consumer Staples	4.01% undervalued	-0.33%	23.22	0.1827
Business Services	1.00% overvalued	4.05%	22.77	0.0967
Aerospace	2.68% overvalued	8.65%	23.89	0.2322
Utilities	3.36% overvalued	8.84%	20.78	0.1885
Computer and Technology	5.13% overvalued	9.48%	30.75	0.1074

## TOP INDUSTRIES

Industry Name	Valuation	Momentum	P/E Ratio	Sharpe Ratio	Market Cap (bil)
Solar	-0.56%	33.09%	37.86	-0.4441	0.8376
Elec Power	-18.98%	2.91%	10.62	0.0660	3.4304
Communications Components	3.82%	15.55%	35.17	-0.0627	3.6115
Schools	-3.39%	-0.02%	27.96	-0.1636	1.7936
Pollution Control Eq & Svs	-0.29%	3.61%	38.07	-0.0419	1.3291
Mining-Iron	-15.00%	24.09%	5.82	-0.0904	29.6166
Machinery-Farm	-14.56%	-19.68%	17.37	-0.0052	7.9945
Finance-Investment Bkrs	-15.05%	-5.51%	16.06	0.0395	10.7472
Agricultural Operations	-16.50%	-13.06%	8.75	-0.1115	9.1855

## STOCK OF THE WEEK - ULTI

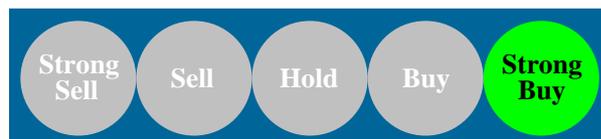
Company Name: Ultimate Softwr

Sector: Computer and Technology

Industry: Computer-Software

## ValuEngine Recommendation

ValuEngine recommendation covers more than 5000 companies. The recommendations are based on the proprietary ValuEngine one-year forecast return model output for each individual equity. ValuEngine's Five-Engine rating stocks have an averaged annual return of 12.58% since 2002.



## Data Summary

Trade Date: Feb 7, 2019	Last Close: \$332.06	Avg Volume: 350257
1-Yr Forecast: 13.74%	Valuation: 38.79%	1-Yr Momentum: 43.02%
Trailing P/E: 149.13	Forward P/E: 119.37	PEG Ratio: 5.98
Market Cap (bil): \$9.42	EPS Growth: 24.93%	Beta: 1.23
5-Yr Avg Return: 10.29%	Volatility: 24.65%	Sharpe Ratio: 0.42
P/S Ratio: 8.67	M/B Ratio: 21.72	Alpha: 0.21

## Forecast Analysis

The predictive variables used in Valuengine's forecast model include both proprietary and well-established variables derived from credible financial studies and publications. We use a distinct forecasting model for each time horizon and apply the most advanced statistical/econometric techniques to ensure that our stock return forecasts are as reliable as possible.

	Target Price	Exp. Return
1-Month	\$335.86	1.14%
3-Month	\$338.03	1.80%
6-Month	\$351.95	5.99%
1-Year	\$377.70	13.74%
2-Year	\$371.42	11.85%
3-Year	\$381.68	14.94%

[Click for more information on ValuEngine's models.](#)

## STOCK OF THE WEEK - ULTI

### Price And Recommendation History



### ValuEngine Evaluation & Rankings

	Value	Ranking
1-Yr Forecast	13.74%	99
Valuation	38.79%	6
1-Yr Momentum	43.02%	95
P/E Ratio	149.13	32
Market Cap(bil)	9.4205	88
EPS Growth	24.93%	63
5-Yr Avg Return	10.29%	84
Volatility	24.65%	61
Sharpe Ratio	0.4175	83
P/S Ratio	8.67	13
M/B Ratio	21.72	7
Surprise	26.29%	82

Just as important as the percentages shown for our predictive variables for each stock is the way they are ranked against @7000 stocks in our database. This is sometimes confusing to newcomers to ValuEngine. Each of these quantitative measurements is ranked on a scale of 1 to 100. Generally the higher the ranking, the more positive the influence each measurement has on the overall attractiveness of the stock. In other words a high rank is always better. For example:

- \* Forecast rank 99: 1% of stocks have higher forecast returns.
- \* Valuation rank 6: 94% of stocks are more undervalued.
- \* Momentum rank 95: 5% of stocks have higher momentum.
- \* P/E rank 32: 68% of stocks have lower P/E ratios.
- \* Size rank 88: 12% of stocks have higher market capitalization.
- \* Volatility rank 61: 39% of stocks have less volatility.

### Business Summary

Ultimate Software is a leading provider of cloud-based human capital management solutions, with more than 33 million people records in the cloud. Ultimate's award-winning UltiPro delivers HR, payroll, talent, and time and labor management solutions that connect people with the information they need to work more effectively. In 2017, Ultimate ranked #7 on Fortune's 100 Best Companies to Work For list, its sixth consecutive year in the top 25; #7 on Forbes' list of 100 Most Innovative Growth Companies; #2 on People's 50 Companies That Care list; and the National Customer Service Association named Ultimate Service Organization of the Year in the Large-Business category. Ultimate has more than 3,700 customers with employees in 160 countries, including Bloomin' Brands, Culligan International, Feeding America, Major League Baseball, Red Roof Inn, SUBWAY, Texas Roadhouse, and Yamaha Corporation of America.

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- Other customized services

**Please call (321) 325-0519 or contact support@valuengine.com**

**VALUENGINE'S METHODOLOGY**

ValuEngine's research combines the most advanced academic concepts with real world Wall Street practice. The result is state-of-the-art fair market valuation and price forecasting technologies.

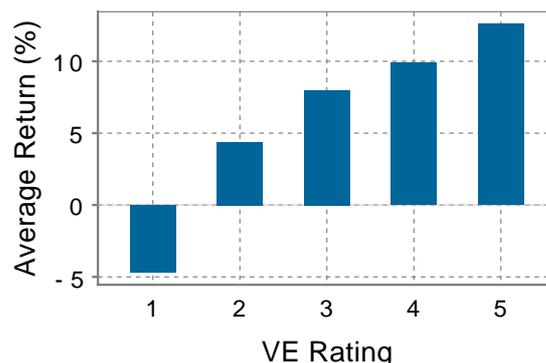
ValuEngine's stock valuation employs a sophisticated, three-factor approach. Fundamental variables, such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimate of the company's future 12-month EPS, and the 30-year Treasury yield, are all used to create a more accurate reflection of a company's fair value. Together with eleven additional variables, ValuEngine paints a detailed picture of a company's fair value, represented by the model price.

ValuEngine's stock forecasts capture several important tendencies that stock prices consistently exhibit over six time horizons to ensure forecasts are established relative to a stock's proper peer groups. Advanced statistical/econometric techniques are used to run thousands of simulations estimating the probability of a double in stock price, as well as the probability of meeting and exceeding any given portfolio or stock investment target.

VE Engine Rating is an assessment of a stock's overall attractiveness. It is based on the one year forecast target price, which is the final evolution of VE's equity modeling. On average, only 2 percent of ValuEngine's 5,500 stocks under coverage achieve a 5 rating. 5 and 4 rated stocks are expected to outperform the overall markets, 3 rated to roughly match market performance, and 2 and 1 rated are expected to underperform.

For additional information about ValuEngine's financial research and financial modeling, please click [www.valuengine.com](http://www.valuengine.com)

**VE Rating and Average Annual Return  
(Jan 2002 - Jan 2019)**



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**STOCK RATINGS:** The terms below are used to rate a stock's 12-month performance:

1. Buy: Expected to outperform the SP500 producing above average returns.
2. Hold: Expected to perform in line with the SP500 with average returns.
3. Sell: Expected to underperform the SP500 producing below-average returns.

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