

## **Announcing the Launch of the Customer Value Index 200: Identifying the Leading Customer Engagement Companies**

**New York, NY – January 17, 2013** – The Porter Group, Brady Capital Research ([www.bradycap.com](http://www.bradycap.com)), and wRatings Corporation ([www.wRatings.com](http://www.wRatings.com)) today announced the launch of the Customer Value Index 200 ([www.cvi200.com](http://www.cvi200.com)). This innovative index offers investors an opportunity to capture the value offered by companies that have historically delivered high quality economic profits and developed deeply emotional customer relationships based on cultures of transparency, authenticity, and engagement. By combining a patented approach to identifying companies with superior competitive positions and harnessing the power of social media the CVI200 offers a play on the appreciating value of “social capital” over the next decade and the real value creating powers of strong core values, dynamic corporate cultures, and stakeholder community focus.

**The CVI 200 is a research-based analysis that provides investors with exposure to the top 10% of North American-listed companies with a market capitalization over \$1 billion that score the highest in terms of competitive strength, social attributes, and authentic core values.** The investment thesis of the CVI 200 rests upon the premise that engaged and loyal customers are amongst the most powerful determinants of a company’s ability to generate long-term sustainable cash flow.

Our assessment methodology identifies the leading customer engagement companies through the following three-tier process:

- 1. Competitive Strength and Social Strength Screening<sup>SM</sup>.** Using wRating’s patented customer research methodology, we identified economically profitable companies with the highest level of competitive strength by uncovering how companies are meeting customer functional and emotional needs (measured in regard to moat barriers created in their supply, product, and delivery chain). Through a proprietary back-tested algorithm, we identified a subset of 9 of the 17 customer needs we track that most closely associate with social strength.
- 2. Social Attributes Assessment<sup>SM</sup>.** Our proprietary Social Attributes Assessment<sup>SM</sup> acts as a listening post to measure the quality with which companies are using social media to enhance customer relationships, organizational culture, and community relationships. It uses a Likert Scale of 30 social “attributes” that seek to measure the firm’s level of transparency, authenticity, and engagement.
- 3. Ranking by Social Capital Score<sup>SM</sup>.** To select the CVI 200, we combine the Strength Analysis<sup>SM</sup> with the Social Attributes Assessment<sup>SM</sup> to arrive at our proprietary Social Capital Score<sup>SM</sup>. This ranks the final list of companies based on how well they are generating economic profit through customer engagement and a business built on a broader social purpose.

**On a back-dated basis, the CVI 200 outperformed the S&P 500 Index since the beginning of 2007, generating a 10.7% annualized rate of return (compared to -0.7% for the S&P 500).** Please note that historical performance is not indicative of future performance. Since live calculation of the Index began on November 15, 2012, the CVI 200 is up 11.2% versus 8.6% for the S&P 500, an outperformance of 260 basis points over the two-month period.

Jeff Cherry, CEO and Managing Partner of The Porter Group, LLC, said, *“We believe a stakeholder focus and dynamic organizational cultures are the foundation for long-term growth, sustainability and value creation. The CVI 200 represents the culmination of many years of research into the dynamic nature of the relationships between companies and customers. We think this analysis can give investors deep insight into a company’s ability to manage intangible assets and generate long-term shareholder and societal value.”*

Barbara Gray, Co-Founder of Brady Capital Research, added *“For the last few years, I have been driven by a dream: to create a way for people to invest in “good” companies and play the appreciating value of the new form of equity I call social capital.”*

*“The world has changed and has become so customer-driven, yet investors don’t have any product that truly focuses on who is creating that new value,”* says Gary A. Williams, Founder & CEO of wRatings Corporation. *“We’ve been tracking competitive strength for over a decade now, and we can clearly see the power of social capital and its impact on financial results through the CVI 200. Better yet, investors can see it now, too.”*

The Customer Value Index 200 is a rules-based, equal-weighted Index that is calculated on a daily basis by Structured Solutions, AG, a leading global index provider based in Frankfurt, Germany. To be included in the Index, a company must trade on a U.S. or Canadian exchange and have a market capitalization of at least \$1 billion. Relative to the S&P 500, **the Index is overweight small-to-mid cap growth-oriented companies operating in the consumer and information technology sectors.** The Index is rebalanced on a monthly basis and includes leading companies such as Starbucks (SBUX-NASDAQ), Chipotle Mexican Grill (CMG-NYSE), and Whole Foods Market (WFM-NASDAQ).

Investors can discover more about the CVI 200 at the Index’s website, [www.cvi200.com](http://www.cvi200.com).

**Please contact us to receive a copy of our whitepaper “Customer Engagement, Social Media and the New Paradigm in Long-Term Value Creation”.**

### **About The Porter Group**

The Porter Group (TPG) is a boutique investment consultancy and private investment bank founded by Jeff Cherry (<http://www.linkedin.com/in/jeffcherry26>) and based in New York City. TPG provides an interconnected set of investment and strategic advice services to support investors, investment managers, hedge funds, private equity partnerships and executives who want to create extraordinary financial as well as societal value.

### **About Brady Capital Research**

Brady Capital Research is an investment research firm based in Vancouver, Canada founded by Barbara Gray, CFA (<http://www.linkedin.com/in/barbcfa>), a former top-ranked Equity Analyst, and Greg Scott (<http://www.linkedin.com/in/innovating>), an entrepreneur focused on company culture and social media. For the past three years, they have been developing their social capital investment thesis on how social media is leading to the creation of a new form of equity called social capital that will change companies' underlying risk/growth profiles and accelerate the value creation/erosion process. For more information, visit BradyCap.com.

### **About wRatings Corporation**

The wRatings Corporation is an independent stock research firm based in metro Washington DC. The company was founded by Harvard Business Review author, Gary A. Williams (<http://www.linkedin.com/in/garyawilliams>). He and his team continually study customer buying behavior to project the future earnings performance of companies. Since 1999, their original set of leading indicators uses a common framework to measure the competitive strength of companies. For more information, visit wRatings.com.

Source: Brady Capital Research, The Porter Group and wRatings Corporation

###

**An investor cannot invest directly in an index. Returns reflect past performance of the Index and do not guarantee future results.** Results reflect the reinvestment of dividends and capital gains, if any. Index returns do not represent Fund returns. The Index does not charge management fees or brokerage expenses, nor does the Index lend securities, and no revenues from securities lending were added to the performance shown.