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INITIATION REPORT

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OncoSec Medical Inc. (NASDAQ: ONCS)

July 27, 2020

BUY: Turning "Cold" Tumors "Hot" – IL12 + ElectroPoration

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We are initiating coverage of OncoSec Medical with a Buy rating and $10.00 price target. OncoSec has developed a plasmid-based vector that is delivered using a novel local system of administration, electroporation. The lead product today is a plasmid that encodes for the production of IL-12 for the treatment of skin cancer (melanoma stage III/IV). We ultimately expect to see expansion into the broader Melanoma market, as well as other indications such as Squamous Cell Carcinoma Head and Neck Cancer (SCCHNCC) and Triple Negative Breast Cancer (TNBC).

Reversing Resistance to Checkpoint Therapies. TAVO, which is plasmid-based interleukin-12, is administered locally via OncoSec's electroporation gene delivery system. TAVO induces the local expression of IL-12, turning "cold" tumors "hot" and enabling checkpoint therapies such as Keytruda (pembrolizumab) to be effective.

What's the Data Show?

- **In a Phase 2 trial on Immunologically Quiescent Melanoma**, patients were treated with intratumoral TAVO plus pembrolizumab. In the study of N = 22 patients, nine, or 41%, were observed to have best overall objective response rate - ORR (CR+PR), with 36% displaying complete responses to treatment of their target lesions. Critically important is that the combination was well tolerated with adverse events similar to those of pembrolizumab alone.
- **A Phase 2 trial in Metastatic Melanoma (stage III/IV)** showed patients were treated intratumorally with TAVO. In the study of N = 28 patients, 36% were observed to have an ORR, with 18% displaying a complete response to treatment of their target lesions. Here too, intratumoral TAVO was well tolerated and led to systemic immune responses in advanced melanoma patients. While tumor regression and increased immune infiltration were observed in treated as well as untreated/distal lesions, adaptive immune resistance limited the response.

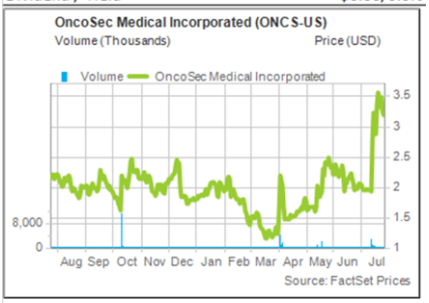
Valuation: We project revenues in Melanoma, initially in Phase III/IV patients, and then assume broader adoption in earlier-stage patients followed by entry in the SCCHNCC and TNBC markets. We apply probabilities of success in our therapeutic models ranging from 70% to just 50%. Given the micro-cap nature of the company, we use our highest discount rate of 30% in our FCFF, dEPS, and SOP models, which are averaged and rounded to the nearest whole number to determine our 12-month price target.

Risks to our thesis include the following: (1) commercial; (2) regulatory; (3) clinical; (4) manufacturing; (5) financial; (6) liability; and (7) intellectual property. We review these and other risks in the Risk Analysis section of this report.

Current Price	**$3.19**
Price Target	**$10.00**

Estimates	F2020A	F2021E	F2022E
Expenses ($000s)	35,314	31,000	34,500
1Q March	9,838	7,750	8,625
2Q June	13,524	7,750	8,625
3Q September	9,835	7,750	8,625
4Q December	2,117	7,750	8,625
	F2020A	F2021E	F2022E
*EPS (diluted)	(2.74)	(1.27)	(0.80)
1Q	(0.92)	(0.35)	(0.20)
2Q	(1.27)	(0.35)	(0.20)
3Q	(0.45)	(0.35)	(0.20)
4Q	(0.10)	(0.21)	(0.20)
EBITDA/Share	($2.16)	($1.20)	$1.00
EV/EBITDA (x)	-22	-40	47

Stock Data	
52-Week Range	$1.04 - $3.85
Shares Outstanding (mil.)	23.0
Market Capitalization (mil.)	$73.5
Enterprise Value (mil.)	$47.5
Debt to Capital	0.0%
Book Value/Share	$4.95
Price/Book	1.0
Average Three Months Trading Volume (M)	0.1
Insider Ownership	60.0%
Institutional Ownership	7.9%
Short interest (mil.)	0.7%
Dividend / Yield	$0.00/0.0%



*YE July

Company Description: OncoSec Medical Inc. is a biopharmaceutical company developing cytokine-based intratumoral immunotherapies to stimulate the body's immune system to target and attack cancer. The company has built a deep clinical pipeline utilizing its primary technology, TAVO™ (tavokinogene telseplasmid), as a potential treatment for multiple cancer indications either as a monotherapy or in combination with leading checkpoint inhibitors.

TAVO is DNA-based interleukin-12 (IL-12), a naturally occurring protein in the body with immune-stimulating functions. TAVO is administered directly into the tumor using a proprietary electroporation (EP) gene delivery system, which employs a series of momentary energy pulses. Those pulses are designed to increase the permeability of the cell membrane and facilitate uptake of IL-12 coded DNA into cells. This non-invasive method is easy to perform and avoids systemic toxicity issues historically associated with IL-12 usage.

Clinical studies have demonstrated that TAVO induces local expression of IL-12, converting immunologically suppressed "cold tumors" into T-cell inflamed "hot tumors," which is fundamental to generating objective responses in both treated and untreated distant tumors.

TAVO is being studied in multiple clinical trials, including a registration-directed pivotal Phase 2 trial in metastatic Melanoma and two Phase 2 trials in triple-negative breast cancer (TNBC) and head and neck cancer. Results from recently completed clinical studies of TAVO have demonstrated a local immune response, and subsequently, a systemic effect as either a monotherapy or combination treatment approach.

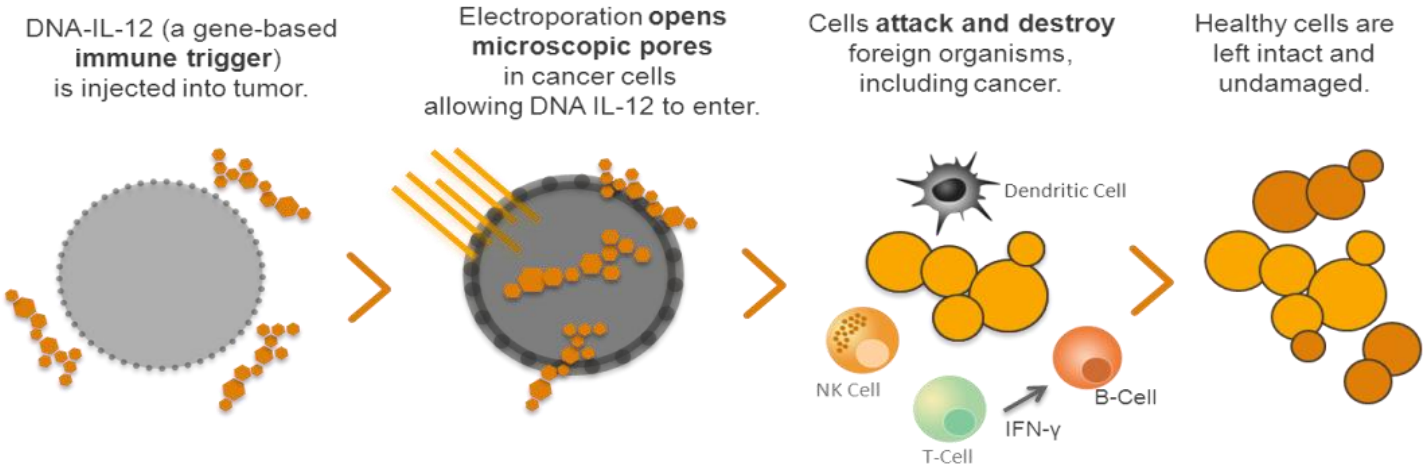
Introducing pro-inflammatory cytokine proteins into the body as an anti-cancer therapy has demonstrated encouraging data. Interleukin-12 (IL-12) cytokine is a naturally occurring protein that activates and increases the levels of circulating macrophages and cytotoxic T-cells. In turn, this activity eliminates both foreign organisms and emerging cancerous cells.

In the past, cytokines were not considered a viable anti-cancer therapy because toxic levels were required to achieve an effective dose. Cytokine delivery using TAVO and electroporation technology is accomplished at much lower levels than what was previously used in the treatment for Melanoma.

Initial evidence suggests that this gene therapy has the potential to not only treat cancer cells in the target area but to also trigger immune responses affecting remote cancer cells outside the direct treatment area, including distant lesions.

Exhibit 1. Highly Targeted and Minimally Invasive

ImmunoPulse therapy uses the body's own immune system to target and eliminate cancer. It is administered in an outpatient setting, and clinicians can combine it with other therapeutic approaches. The electroporation (ImmunoPulse) increases uptake by 4000X and achieves results with non-toxic dosages of DNA-IL-12. It triggers a systemic response that reaches remote cancer cells beyond just the treatment area or lesion.

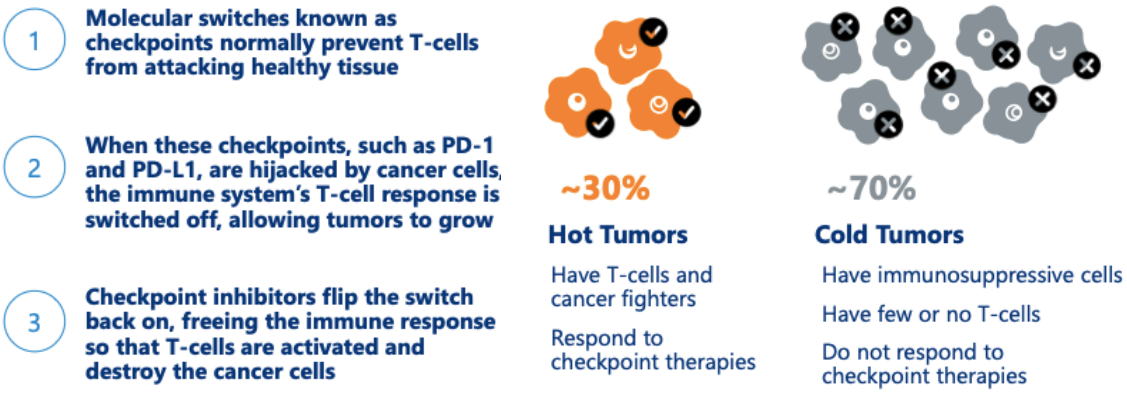


Source: OncoSec Medical, Inc.

How Does It Work? The generator creates a pulsed electric field that temporarily increases the porosity of cell membranes within the treatment field. The hand-held applicator supplies a series of short-duration electrical pulses of specific voltage through a series of needles. Together, the action of the generator and applicator creates a rotating array of pulses that uniformly subject the targeted cell membranes to electroporation.

What is TAVO? TAVO is an intratumoral DNA plasmid-based IL-12 delivered via electroporation and has demonstrated promising anti-tumor activity with abscopal responses in Melanoma and four other cancer types. Anti-tumor activity has been observed in treatment with TAVO both as a monotherapy and in combination with anti-PD-1 checkpoint inhibitors.

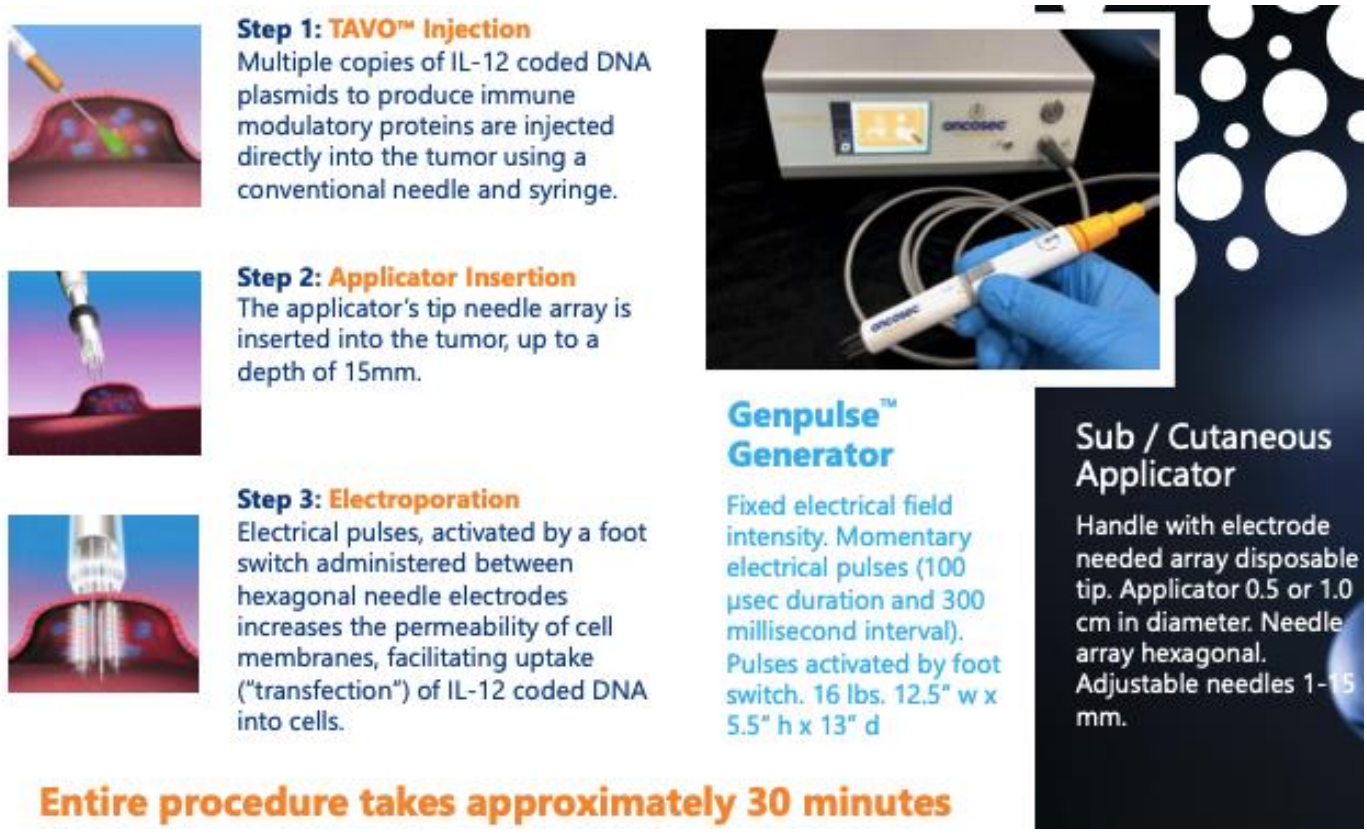
Exhibit 2. How Checkpoint Inhibitors Work



Source: OncoSec Medical, Inc.

TAVO (plasmid-based interleukin-12) is administered locally at the tumor site using OncoSec's electroporation gene delivery system. TAVO is designed to induce local expression of IL-12, turning "cold" tumors "hot" and enabling checkpoint therapies to be effective.

Exhibit 3. Seamless Delivery of Plasmid IL-12 + Energy



Source: OncoSec Medical, Inc.

Exhibit 4. TAVO + KEYTRUDA (pembrolizumab) Electroporation Visibly Demonstrates Regression of Accessible Lesions

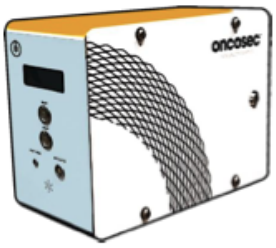
Source: OncoSec Medical, Inc.

Exhibit 5. Visceral Lesion Applicator (VLA)

VLA technology is designed to treat non-cutaneous, internal tumors through direct delivery of TAVO™, or other immunologically relevant genes, including the company's SPARK plasmid. Lesions located within organs of the gastrointestinal tract, lung, liver, pancreas, and bone can often be difficult to treat successfully with conventional therapies. Currently, there are no FDA-approved intratumoral, direct-injection immunotherapy options for cancers other than unresectable, metastatic Melanoma.

Flexible catheter-based applicator

Rigid trocar-based applicator



Lower voltage Apollo generator to be used with VLA

CAN BE USED WITH

Endoscope

Bronchoscope

Trocar

Cystoscope

Source: OncoSec Medical, Inc.

Exhibit 6. Upcoming Catalysts for OncoSec Medical

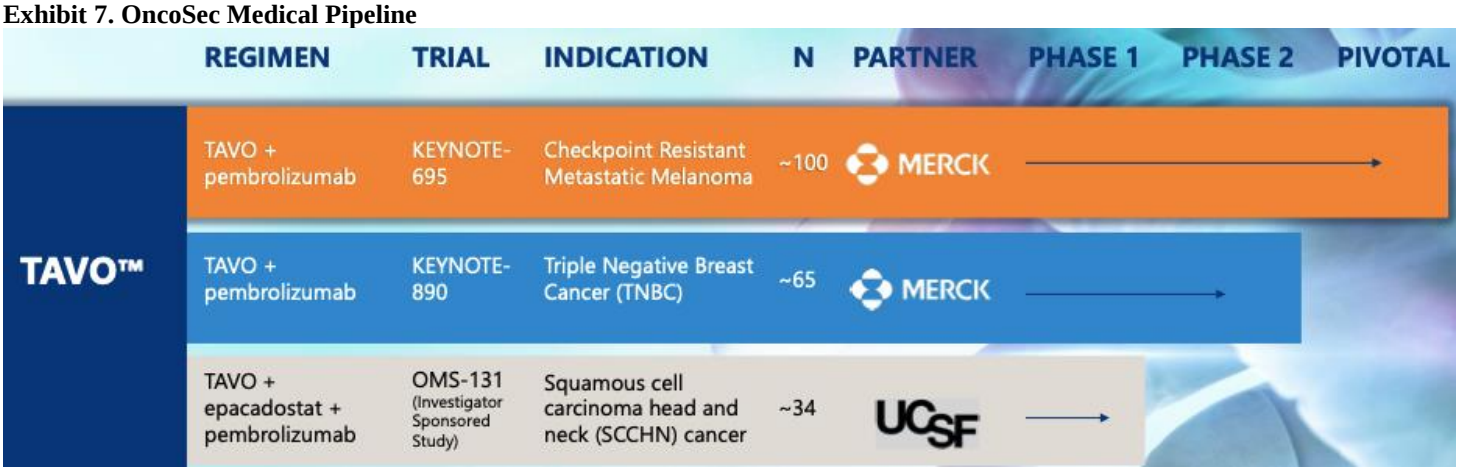
Product	Geography	Indication	Event	Timeline	Impact	Peak Sales
TAVO + pembrolizumab	Global	Melanoma	Complete enrollment in pivotal KEYNOTE-695 study	3Q 2020	+	
TAVO + pembrolizumab	Global	Melanoma	study for checkpoint resistant metastatic melanoma	2Q 2021	++	
TAVO + pembrolizumab	Global	Melanoma	metastatic melanoma	2Q 2021	++	
TAVO + epacadostat + pembrolizumab	US	SCCHN	Estimated primary completion date	2Q 2022	++	
TAVO + pembrolizumab	Global	TNBC	Estimated primary completion date	4Q 2023	++	
TAVO + pembrolizumab	Global	TNBC	Estimated study completion date	2Q 2024	+++	
TAVO + epacadostat + pembrolizumab	US	SCCHN	Estimated study completion date	2Q 2024	+++	

Stock Significance Scale: + of moderate importance; ++ higher level; +++ highly

Stock Significance Scale: + of moderate importance; ++ higher level; +++ highly

Source: Company reports and Dawson James estimates

Exhibit 7. OncoSec Medical Pipeline



Source: OncoSec Medical, Inc.

Model Assumptions:

1. We assume an initial commercial launch of TAVO in Stage III/IV Melanoma beginning in 2020. The market is relatively small, based on our assumptions, just 12,000 patients annually. We assume a price of $90,000 per year and a peak share of just 9%. We use a 70% probability of success or a 30% risk cut.
2. We assume expansion to the broader metastatic Melanoma marketplace by 2025, targeting 78,000 patients initially. We assume a starting share of just 1% but growing to 17% by 2030. We assume the same pricing as Stage III/IV. We use a 50% probability of success or a 50% risk cut.
3. We assume expansion to SCCHNCC in 2023, 60,000 patients initially. We assume a starting share of just 1% and rising to just 3% by 2030. We assume $125,000 per therapy course and apply a 55% risk cut.
4. We assume expansion to Triple Negative Breast Cancer in 2024, 41,000 patients initially. We assume a starting share of just 1% and rising to just 7% by 2030. We assume $100,000 per therapy course and apply a 70% risk cut or 30% probability of success.

Exhibit 8. Therapeutic Models

Melanoma (Stage III/IV)	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Prevalence	100,350	101,354	102,367	103,391	104,425	105,469	106,524	107,589	108,665	109,751	110,849
Growth	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Stage III/IV	12,042	12,162	12,284	12,407	12,531	12,656	12,783	12,911	13,040	13,170	13,302
% Market Share			0%	2%	3%	4%	5%	6%	7%	8%	9%
Total Patients			0	248	376	506	639	775	913	1054	1197
Cost per year			$90,000	$92,700	$95,481	$98,345	$101,296	$104,335	$107,465	$110,689	$114,009
% Price Increase			3%	3%	3%	3%	3%	3%	3%	3%	3%
Sales ($M)			$0	$23,002	$35,894	$49,787	$64,742	$80,822	$98,092	$116,623	$136,488
Risk Adjustment			30%	30%	30%	30%	30%	30%	30%	30%	30%
Revenue ($M)			**$0**	**$16,102**	**$25,126**	**$34,851**	**$45,320**	**$56,575**	**$68,664**	**$81,636**	**$95,542**

Source: Company reports and Dawson James

Melanoma (All Ex. Stage III/IV)	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Prevalence	100,350	101,354	102,367	103,391	104,425	105,469	106,524	107,589	108,665	109,751	110,849
Growth	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Stage II	75,263	76,015	76,775	77,543	78,318	79,102	79,893	80,692	81,499	82,313	83,137
% Market Share			0%	0%	1%	5%	8%	12%	15%	16%	17%
Total Patients			0	0	783	3955	6391	9683	12225	13170	14133
Cost per year			$90,000	$92,700	$95,481	$98,345	$101,296	$104,335	$107,465	$110,689	$114,009
% Price Increase			3%	3%	3%	3%	3%	3%	3%	3%	3%
Sales ($M)			$0	$0	$74,779	$388,964	$647,423	$1,010,272	$1,313,732	$1,457,787	$1,611,319
Risk Adjustment			50%	50%	50%	50%	50%	50%	50%	50%	50%
Revenue ($M)			**$0**	**$0**	**$37,390**	**$194,482**	**$323,712**	**$505,136**	**$656,866**	**$728,893**	**$805,660**

SCCHNC	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Prevalence	59,067	59,658	60,254	60,857	61,465	62,080	62,701	63,328	63,961	64,601	65,247
Growth	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
% Market Share			0%	1%	2%	3%	3%	3%	3%	3%	3%
Total Patients			0	609	1229	1862	1881	1900	1919	1938	1957
Cost per year			$125,000	$128,750	$132,613	$136,591	$140,689	$144,909	$149,257	$153,734	$158,346
% Price Increase			3%	3%	3%	3%	3%	3%	3%	3%	3%
Sales ($M)			$0	$78,353	$163,021	$254,387	$264,639	$275,304	$286,398	$297,940	$309,947
Risk Adjustment			55%	55%	55%	55%	55%	55%	55%	55%	55%
Revenue ($M)			**$0**	**$35,259**	**$73,360**	**$114,474**	**$119,087**	**$123,887**	**$128,879**	**$134,073**	**$139,476**

Source: Company reports and Dawson James

Breast Cancer - Triple Negative	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
BC Prevalence	276,480	279,245	282,037	284,858	287,706	290,583	293,489	296,424	299,388	302,382	305,406
Growth	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Triple Negative Breast Cancer (15%)	41,472	41,887	42,306	42,729	43,156	43,587	44,023	44,464	44,908	45,357	45,811
ercent of PD1/PD-L1 non-responders (70%)	29,030	29,321	29,614	29,910	30,209	30,511	30,816	31,125	31,436	31,750	32,068
% Market Share				0%	1%	2%	3%	4%	5%	6%	7%
Total Patients				-	302	610	924	1,245	1,572	1,905	2,245
Cost per year				$100,000	$103,000	$106,090	$109,273	$112,551	$115,927	$119,405	$122,987
% Price Increase				3%	3%	3%	3%	3%	3%	3%	3%
Sales ($M)				$0	$31,115	$64,739	$101,022	$140,124	$182,213	$227,468	$276,074
Risk Adjustment				70%	70%	70%	70%	70%	70%	70%	70%
Revenue ($M)				**$0**	**$9,335**	**$19,422**	**$30,306**	**$42,037**	**$54,664**	**$68,240**	**$82,822**

Source: Company reports and Dawson James estimates

Valuation. Using our therapeutic models above (see those assumptions), we project revenues out to the year 2030. Our valuation is also based on projected, fully diluted, out-year share count and assumes multiple capital raises. We apply probabilities of success in our therapeutic models ranging from 70% to just 50%. Given the micro-cap nature of the company, we use our highest discount rate of 30% in our FCFF, dEPS, and SOP models, which are averaged and rounded to the nearest whole number to determine our 12-month price target.

Exhibit 9. Free Cash Flow Model

	Average	$ 10

	Price Target	$ 10
	Year	2020

DCF Valuation Using FCFF (M):

units ('000)		2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT		(30,275)	(35,398)	(31,000)	(34,500)	10,252	95,745	298,197	442,217	636,464	804,877	901,052	1,003,625
Tax Rate		0%	0%	0%	0%	10%	20%		30%	35%	36%	37%	38%
EBIT(1-t)		(30,275)	(35,398)	(31,000)	(34,500)	9,227	76,596	298,197	309,552	413,701	515,121	567,662	622,247
Change in NWC													
FCF		(30,275)	(35,398)	(31,000)	(34,500)	9,227	76,596	298,197	309,552	413,701	515,121	567,662	622,247
PV of FCF		(39,357)	(35,398)	(23,846)	(20,414)	4,200	26,818	80,313	64,132	65,930	63,148	53,530	45,137
Discount Rate	30%												
Long Term Growth Rate	1%												
Terminal Cash Flow	2,167,137												
Terminal Value YE2030	157,200												
NPV	441,393												
NPV-Debt	7,528												
Shares out (thousands)	44,568	2030E											
NPV Per Share	$ 10												

Source: Dawson James estimates

Exhibit 10. Discounted EPS Model

Current Year		2020
Year of EPS		2030
Earnings Multiple		10
Discount Factor		30%
Selected Year EPS	$	13.96
NPV	$	10

ırce: Company reports and Daw son James

Earnings Multiple	Discount Rate and Earnings Multiple Varies, Year is Constant 2030 EPS					
	5%	10%	15%	20%	25%	30%
0	**$0.00**	$0.00	$0.00	$0.00	$0.00	$ -
5	$42.85	$26.91	$17.25	$11.27	$7.50	$ 5.06
10	$85.71	$53.83	$34.51	$22.55	$14.99	$ 10.13
15	$128.56	$80.74	$51.76	$33.82	$22.49	$ 15.19
20	$171.42	$107.65	$69.02	$45.10	$29.98	$ 20.25
25	$214.27	$134.56	$86.27	$56.37	$37.48	$ 25.32
30	$257.12	$161.48	$103.53	$67.64	$44.97	$ 30.38
35	$299.98	$188.39	$120.78	$78.92	$52.47	$ 35.44

Source: Dawson James estimates

Exhibit 11. Sum-of-the-Parts Model

Oncosec Medical Sum of the Parts	LT Gr	Discount Rate	Yrs. to Mkt	% Success	Peak Sales MM's	Term Val
Melanoma (Stage III/IV)	1%	30%	3	70%	$136	$471
NPV						$2.36
Melanoma (other)	1%	30%	5	50%	$901	$3,108
NPV						$6.57
SCCHNC	1%	30%	5	45%	$139	$481
NPV						$0.92
Breast Cancer - Triple Negative	1%	30%	7	30%	$276	$952
NPV						$0.71
Pipeline	1%	30%	5	50%	$100	$345
NPV						$0.73
Net Margin						70%
MM Shrs OS (2030E)						45
Total						$11

Source: Dawson James estimates

Risk Analysis

Clinical and regulatory risk. There is no assurance that any of the company's products will be approved for any of the proposed indications and or that the clinical data will be compelling. We recognize the competitive environment is evolving rapidly, and as such, it is possible that clinical programs may need to be revised, extending timelines.

Commercial risk. There are multiple competing therapies, and there can be no assumption that TAVO can be competitive if and when it is ready for approval and commercialization.

Financial risk. The company may need to raise capital in the marketplace, and there can be no assurances that the company will be able to raise capital and do so on favorable terms successfully.

Liability. There can be no assurances that the products and company are exposed to liabilities from products once commercialized.

Manufacturing. The company will need to manufacture its devices and products, and this may require expansion and capital resources to be able to provide products at scale prior to commercialization. There can be no assurances that the company will be able to overcome such hurdles.

Intellectual property risk. The company may have to defend its patents and technical know-how, and there can be no assurances that the licenses will not be infringed or will be held as valid if challenged, and the company may infringe on third parties' patents.

Reimbursement and insurance payment risk. Insurance payment for products may be an additional hurdle to adoption.

Exhibit 12. Income Statement

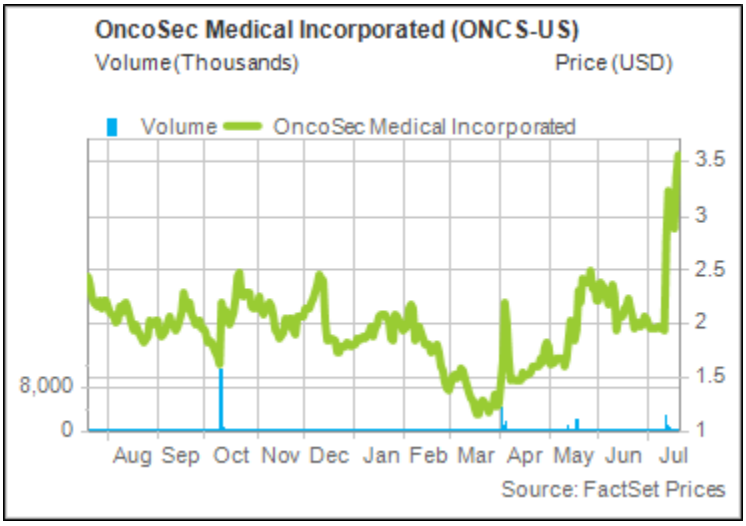
Oncosec Medical Inc. Income Statement ($000)	7.2019	7.2020	7.2021	7.2022	7.2023	7.2024	7.2025	7.2026	7.2027	7.2028	7.2029	7.2030
Oncosec Medical .: YE Jul 31	**2019A**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Revenue ($000)												
Checkpoint Resistant Metastatic Melanoma - Stage III/IV		-	-	-	16,102	25,126	34,851	45,320	56,575	68,664	81,636	95,542
Other Melanoma's		-	-	-	-	37,390	194,482	323,712	505,136	656,866	728,893	805,660
Squamous cell carcinoma head and neck (SCCHN) cancer		-	-	-	35,259	73,360	114,474	119,087	123,887	128,879	134,073	139,476
Triple Negative Breast Cancer (TNBC)		-	-	-	-	9,335	19,422	30,306	42,037	54,664	68,240	82,822
Total Product Sales	**-**	**-**	**-**	**-**	**51,361**	**145,210**	**363,229**	**518,425**	**727,635**	**909,074**	**1,012,843**	**1,123,500**
Milestones												
Total Revenues	**-**	**-**	**-**	**-**	**51,361**	**145,210**	**363,229**	**518,425**	**727,635**	**909,074**	**1,012,843**	**1,123,500**
Expenses												
Cost of Goods Sold	-	-	-	-	4,109	10,165	25,426	36,290	50,934	63,635	70,899	78,645
COGS%			10%	9%	8%	7%	7%	7%	7%	7%	7%	7%
General and Administrative	11,971	16,500	17,000	20,000	22,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
G & A %												
Research and Development	18,445	18,814	14,000	14,500	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230
R&D %	-	-										
Total expenses	**30,417**	**35,314**	**31,000**	**34,500**	**41,109**	**49,465**	**65,032**	**76,208**	**91,171**	**104,196**	**111,791**	**119,875**
Oper. Inc. (Loss)	(30,417)	(35,314)	(31,000)	(34,500)	10,252	95,745	298,197	442,217	636,464	804,877	901,052	1,003,625
Other income, net	440	184										
Interest expense	(4)	(1)										
Loss on disposal of property and equipment	(1)	-										
Foreign currency exchange gain (loss), net	(281)	(267)										
Realized loss on sale of securities, net	(12)	-										
Warrant inducement expense	-	-										
Loss before income taxes	**(30,275)**	**(35,398)**	**(31,000)**	**(34,500)**	**10,252**	**95,745**	**298,197**	**442,217**	**636,464**	**804,877**	**901,052**	**1,003,625**
Provision for income taxes	(1)	(2)	-	-	1,025	19,149	74,549	132,665	222,762	289,756	333,389	381,377
Tax Rate			0%	0%	10%	20%	25%	30%	35%	36%	37%	38%
GAAP Net Income (loss)	**(30,276)**	**(35,400)**	**(31,000)**	**(34,500)**	**9,227**	**76,596**	**223,648**	**309,552**	**413,701**	**515,121**	**567,662**	**622,247**
Non-GAAP, Adj.												
Net Margin	NM	NM	NM	NM	0.18	0.53	0.62	0.60	0.57	0.57	0.56	0.55
GAAP-EPS	**(4.29)**	**(2.74)**	**(1.27)**	**(0.80)**	**0.21**	**1.76**	**5.12**	**7.06**	**9.39**	**11.65**	**12.79**	**13.96**
Non GAAP EPS (dil)	(4.29)	(2.74)	(1.27)	(0.80)	0.21	1.76	5.12	7.06	9.39	11.65	12.79	13.96
Wgtd Avg Shrs (Bas) - '000s	7,053	16,322	25,780	43,165	43,338	43,511	43,686	43,861	44,036	44,213	44,390	44,568
Wgtd Avg Shrs (Dil) - '000s	7,053	16,322	25,780	43,165	43,338	43,511	43,686	43,861	44,036	44,213	44,390	44,568

Source: Company reports and Dawson James estimates

Companies mentioned in this report:

Important Disclosures:

Price Chart:



Price target and ratings changes over the past three years:
Initiated – Buy – July 27, 2020 – Price Target $10.00

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1) **Buy**: The analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months;
2) **Neutra**l: The analyst believes the price of the stock is fairly valued for the next 12-18 months;
3) **Sel**l: The analyst believes the price of the stock will decline by at least 20% over the next 12-18 months and should be sold.

The following chart reflects the range of current research report ratings for all companies followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

	Company Coverage		Investment Banking	
Ratings Distribution	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	24	92%	4	17%
Market Perform (Neutral)	2	8%	1	50%
Market Underperform (Sell)	0	0%	2	0%
Total	26	100%	7	27%

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