



The Goldman Guide

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The Past and the Future

To our many faithful readers, my sincere apologies. As many of you are aware, I live in the Mid-Atlantic. In fact, although I have traveled extensively, this area has been my home since my birth. We have gone through some wacky things here but I confess that the weather has been unusual over the past 30 months. In early 2010 we were hit by 2 blizzards that gave us roughly 2 feet of snow—twice in less than 10 days. We have been hit with the remnants of a hurricane, which left many without power for a week. Now, after this past weekend, we have been smacked yet again, by what is called a super derecho.

Once again, many of our friends and neighbors are still without power despite horrific temperatures.

Each time we have been hit, we have been bloodied but recover strongly.

The same thing has happened in the stock market during the past few years. We have been hit multiple times by Europe problems, high oil prices, scandals, poor IPO performance, economic slowdowns, political wrangling, geopolitical issues, etc. Still, the market has moved forward and we are now roughly 10% below our high of the past 3 years on the Russell 2000 Index. At the end of the day, while all of these issues matter, valuation and choice, or proper investment options, play a role in the U.S. equities market.

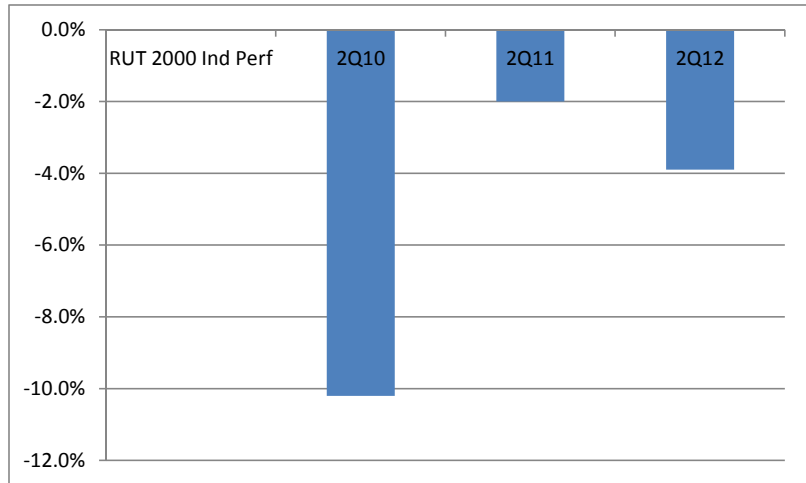
With stabilization in Europe, strong auto sales, better commodities pricing, and realistic EPS forecasts, we are bullish. With the exception of some global manufacturing numbers, the primary issue we see as a possible barrier to success is the geopolitical risk in the Middle East.

Key Takeaways

- ⇒ We are bullish on the market.
- ⇒ We are nearing recent multi-year highs.
- ⇒ Valuations and trends are good.
- ⇒ The performance of our stock picks has been off the hook.
- ⇒ Serious geopolitical risk in the near term could make it rough for us

2Q12: By the Numbers

Just like in 2010 the performance for 2Q12 has been anything positive.

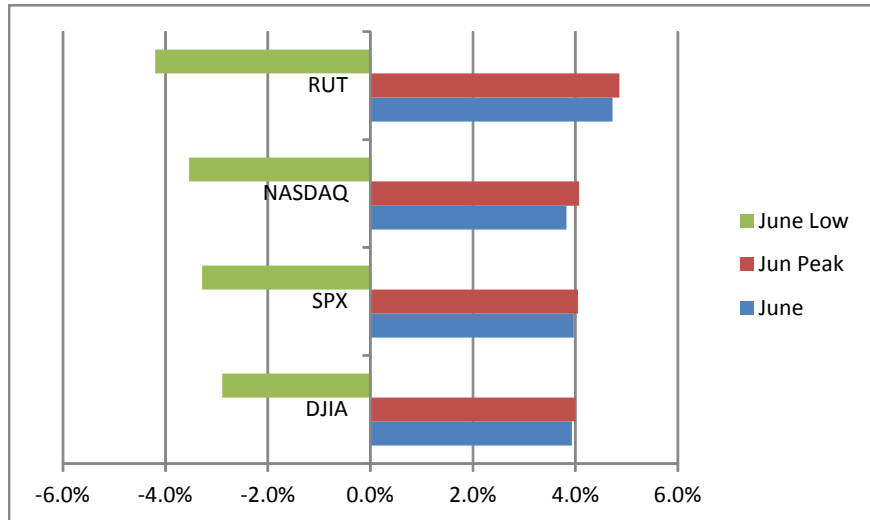


And June's performance was enough to give investors with intestinal fortitude some indigestion.

Key Statistics

Index	Close	YTD
DJIA	12,880	5.4%
S&P 500	1362	8.3%
NASDAQ	2935	12.7%
Russell 2K	799	7.7%

(figures are rounded)



How Did We Fare?

As noted, Q2 was quite an eventful period. At the end of the day, all the major indices declined, with the Russell 2000 Index, a close barometer of stocks featured as part of our Select Research products, dropping by 3.9%.

Despite the rollercoaster, our picks fared extraordinarily well, averaging very high positive returns. The returns were even higher when one looks at the peak performance of the recommendations. For example, at the end of Q1, which was also stellar, we noted we still liked a few of the stocks featured during the period. These 6 picks did extremely well.

GSCR Scorecard					
<i>Select Research: Small Cap Picks</i>					
Favorites Left Over from 1Q12					
Stock	30-Mar	6/29/2012	Return	Peak Price	Return
FHCO	\$5.42	\$5.87	8.3%	\$6.25	15.3%
ABTL	\$0.97	\$0.75	-22.7%	\$0.97	0.0%
DLIA	\$1.40	\$1.55	10.7%	\$1.60	14.3%
SLP	\$4.41	\$4.22	-4.3%	\$4.62	4.8%
WOLF	\$5.72	\$7.85	37.2%	\$8.20	43.4%
NOOF	\$1.55	\$1.64	5.8%	\$1.74	12.3%
Return* (w/o div)			5.8%	15.0%	
Return (with div)			6.1%	15.3%	

Even with one really bad performer, our 6 Goldman Guide features still managed positive gains, as a group.

GSCR Scorecard						
<i>Select Research: The Goldman Guide Features</i>						
2Q12						
Stock	Date	Price	29-Jun	Return	Peak Price	Return
HPOL	5-Apr	\$1.21	\$1.13	-6.6%	\$1.30	7.4%
MEET	13-Apr	\$3.88	\$2.35	-39.4%	\$4.40	13.4%
LEDR	20-Apr	\$3.65	\$5.08	39.2%	\$5.08	39.2%
DENN	25-May	\$4.16	\$4.42	6.2%	\$4.47	7.5%
VOCS	1-Jun	\$15.72	\$18.60	18.3%	\$18.74	19.2%
KITD	15-Jun	\$4.70	\$4.29	-8.7%	\$4.79	1.9%
Avg Return				1.5%	14.8%	

How Did We Fare? (cont'd)

We have been crowing about our daily blogs, called the *Market Monitor*, where we provide intra-day stock picks and pans, and market commentary. Pardon the expression, but these profiles kicked serious ass during Q2. We know many of you visit our site just for microcap stock reports, *The Goldman Guide* or *The 30-30 Report*. But, we are proving every day that if you are active in the market, you must visit the site each day to peruse our trading alerts/ideas, which are meant to be short term ideas.

Speaking of short term ideas, in the last of our shameless plugs for the day, our premium 30-30 Report newsletter is not too shabby either. Our first stock picks have strongly outpaced the market, especially when measured on peak performance numbers.

GSCR Scorecard						
Market Monitor Features						
2Q12 PICKS						
Stock	Date	Price	29-Jun	Return	Peak Price	Return
LEAP	31-May	\$5.82	\$6.43	10.5%	\$6.70	15.1%
REED	5-Jun	\$3.69	\$3.25	-11.9%	\$4.48	21.4%
PAMT	6-Jun	\$5.99	\$9.17	53.1%	\$9.85	64.4%
AMPE	11-Jun	\$3.58	\$5.08	41.9%	\$5.50	53.6%
ZNGA	12-Jun	\$4.97	\$5.44	9.5%	\$6.35	27.8%
KITD	13-Jun	\$3.73	\$4.29	15.0%	\$4.80	28.7%
DSTI	18-Jun	\$1.57	\$1.35	-14.0%	\$1.48	-5.7%
LNDC	19-Jun	\$7.97	\$8.56	7.4%	\$8.70	9.2%
MITK	20-Jun	\$4.13	\$3.89	-5.8%	\$4.75	15.0%
JBLU	21-Jun	\$5.35	\$5.30	-0.9%	\$5.44	1.7%
JAX	25-Jun	\$11.60	\$11.36	-2.1%	\$11.65	0.4%
ATRS	26-Jun	\$3.90	\$3.63	-6.9%	\$3.81	-2.3%
HOV	27-Jun	\$2.86	\$2.90	1.4%	\$2.95	3.1%
KBH	27-Jun	\$8.76	\$9.80	11.9%	\$10.07	15.0%
Avg Return				7.8%	17.9%	
PANS						
DVOX	4-Jun	\$1.39	\$1.12	-19.4%	\$0.99	-28.8%
BVSN	18-Jun	\$13.60	\$11.61	-14.6%	\$10.83	-20.4%
LIVE	28-Jun	\$13.80	\$11.96	-13.3%	\$11.07	-19.8%
Avg Return				-15.8%	-23.0%	

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Rob Goldman founded Goldman Small Cap Research (GSCR) in 2009. Rob has over 20 years of investment and research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell-side analyst, he was a senior member of Piper Jaffray's Technology team. Prior to joining Piper, Rob led Josephthal & Co.'s Emerging Growth Research Group. Rob has also served as Chief Investment Officer of two boutique investment management firms, where he managed Small Cap Growth and Balanced portfolios and *The Blue and White Fund*. As an investment manager, Rob's model portfolio was once ranked the 4th best small cap growth performer in the U.S. by *Money Manager Review*. In addition to his work at GSCR, Rob is the editor of Penny Stock Junction (www.pennystockjunction.com).

Analyst Certification

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