

# Agenda

## Employees' Retirement System Board Meeting

May 9, 2012 at 1:30 PM  
Conference Room C

Troy City Hall  
500 West Big Beaver  
Troy, Michigan 48084  
(248) 524-3330

### Roll Call

### Minutes from the April 11, 2012 Meeting

Don't forget John Szerlag's going  
away lunch at 11:30 am!  
It will be held at Picano's.  
3775 Rochester Road

### Retirement Requests

<b>Name</b>	Mary Williams
<b>Pension Program</b>	DC
<b>Retirement Date</b>	May 1, 2012
<b>Department</b>	Finance
<b>Service Time</b>	

### Other Business

### Investments

Quarterly Report- UBS Presentation

### Public Comment

### Adjourn



A meeting of the Employees' Retirement System Board of Trustees was held on Wednesday, April 11, 2012 at Troy City Hall, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting was called to order at 12:07 p.m.

**Trustees Present:** Mark Calice  
Wade Fleming  
Thomas J. Gordon, II  
Steve Pallotta  
Milton Stansbury (arrived at 12:58 pm)  
John Szerlag  
William R. Need (Ex-Officio)

**Trustees Absent:**

**Also Present:** Thomas Darling, CPA  
Justin Breyer  
Monica Irelan

**Minutes**

**Resolution # ER – 2012-05-07**

Moved by Pallotta  
Seconded by Gordon

RESOLVED, That the Amended Minutes of the March 14, 2012 meeting be approved.

Yeas: All-5  
Absent: Stansbury

**Other Business -Statement of Investment Objectives and Policy Guidelines**

The board discussed reviewing the investment police and broker relations report at the June Regular Meeting.

**Investments-**

**Resolution # ER – 2012-05-08**

Moved by Szerlag  
Seconded by Gordon

RESOLVED, That the board sell the following:

- Sell: 5,000 Shares of Green Mountain
- Buy: 6,000 shares of DirecTV
- 5,000 shares of Boeing

Yeas: All- 5  
Absent: Stansbury

**Other Business -Change of Time for the May Meeting**

**Resolution # ER – 2012-05-08**

Moved by Calise

Seconded by Pallotta

RESOLVED, That the board move the Regular Meeting for May from 12:00 pm to 1:30 pm.

Yeas: All- 6

Absent:

**Public Comment**

None.

The next meeting is May 9, 2012 at 1:30 p.m. at Troy City Hall, Conference Room C, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting adjourned at 1:03 p.m.

## **STOCKS TO WATCH:**

### **1) Possible Buys**

- a. Bank of Nova Scotia (December 8, 2011)**
- b. Caterpillar (December 8, 2011)**
- c. FedEx (December 8, 2011)**
- d. COSTCO (December 8, 2011)**
- e. Flower Foods (March 8, 2012)**
- f. Starbucks (March 8, 2012)**
- g. Priceline (April 11, 2012)**
- h. Copa (April 11, 2012)**

### **2) Possible Sells**

- a. ALCOA (December 8, 2011)**

### **3) Monitor**

- a. DEO (December 8, 2011)**

# Portfolio

Fundamentals	Name	Watch List (add) (<af href=watchlist_edft...	Ticker Symbol	Quote/Price	52-Week Range	Annual Dividend
	Bank of Nova Scotia		BNS	53.06 e	45.79-61.83	2.2000
	Caterpillar Inc	X	CAT	96.49	67.54-116.95	1.8400
	Copa Holdings SA	X	CPA	78.63 e	55.80-83.48	1.6400
	Costco Wholesale Corp		COST	82.64 e	70.22-92.10	0.9600
	FedEx Corp		FDX	88.96 e	64.07-98.66	0.5200
	Flowers Foods Inc		FLO	19.93	17.79-23.13	0.6000
	priceline		PCLN	716.20 e	411.26-774.96	0.0000
	Starbucks Corp		SBUX	54.19 e	33.72-62.00	0.6800

Totals:

5/9/2012

File: Aggregate Accounts

Old Mission Investment Company  
880 Munson Ave, Suite B  
Traverse City, MI 49686

T 231-929-4100  
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www.OMICO.net

Robert W. Stibbs, CPA, CFP  
Kurt A. Schuler  
Christopher M. Lamb, CIMA, CTFA  
Jeffrey A. Johnson  
Daniel O. McNamara, CFP, CTFA

May 2, 2012

Monica Irelan  
City of Troy Retirement Plan Board  
500 W Big Beaver Rd  
Troy, MI 48084

Dear Monica,

We are currently recommending two purchases:

<u>Purchase</u>	<u>Price</u>	<u>Dividend</u>	<u>Yield</u>
Western Union Company (WU)	\$18.40	\$.40	2.17%
Lear Corporation (LEA)	\$41.87	\$.56	1.30%

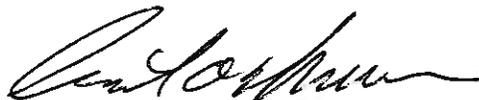
Please find the attached summary of our rationale for the above recommendations. Feel free to call if you have any questions or would like additional information.

Thank you for the opportunity to provide you with our financial services.

Sincerely,



Robert W. Stibbs, CPA, CFP  
Principal



Daniel McNamara, MBA, CFP  
Financial Advisor

Encls. (2)

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May 1, 2012

### Investment Recommendation

### Purchase

Western Union Company (WU)

Price \$18.40                      Annual Dividend \$.40                      Yield 2.17%

Western Union is a leader in global payment services. Western Union payment services provide consumers and businesses with fast, reliable and convenient ways to send and receive money around the world, to send payments and to purchase money orders. Services are offered through a network of approximately 500,000 agent locations in 200 countries and territories. In 2011, the company completed 226 million consumer to consumer transactions worldwide, moving \$81 billion of principal between consumers, and completed 425 million business payments.

When immigrants flow from poorer to wealthier countries, seeking better opportunities, they often leave behind family members who need support. To send money back home they often use money transmitters like Western Union, whose brand is the most widely recognized in the industry. With the addition of each Western Union agent it becomes incrementally more convenient for customers. In April, when the company announced its 500,000<sup>th</sup> agent location, CEO Hikmet Ersek said "Our vision is to establish one million Western Union touch points."

Operating margins in the first quarter of 2012 came in at 23.9%, down from 26.3% in 2011, excluding restructuring expenses in the prior period. The company projects operating expense for the full year 2012 at 25%. We feel that once the benefits from the company's 2011 restructuring are fully in place and once the integration of the 2011 Travelex Global Business Payments acquisition is complete, improving margins will boost earnings growth.

In the first quarter ended March 31, 2012, Western Union reported revenue growth of 5% in its core consumer to consumer segment, which represents 81% of total revenue. Earnings per share in the first quarter were \$.40 compared to \$.35 in the prior year. Analysts' consensus estimates for the calendar years 2012 and 2013 are currently \$1.70 and \$1.94, respectively, which would represent 14% year over year growth. We feel that Western Union represents a good value at less than 11 times 2012 earnings estimates. Also, we like that the company has been allocating a portion of its substantial free cash flow to buy back shares and recently increased its dividend by 25%.

**Western Union Co**

**S&P Recommendation** **HOLD** ★★☆☆

**Price**  
\$18.57 (as of Apr 27, 2012)

**12-Mo. Target Price**  
\$21.00

**Investment Style**  
Large-Cap Blend

**UPDATE: PLEASE SEE THE ANALYST'S LATEST RESEARCH NOTE IN THE COMPANY NEWS SECTION**

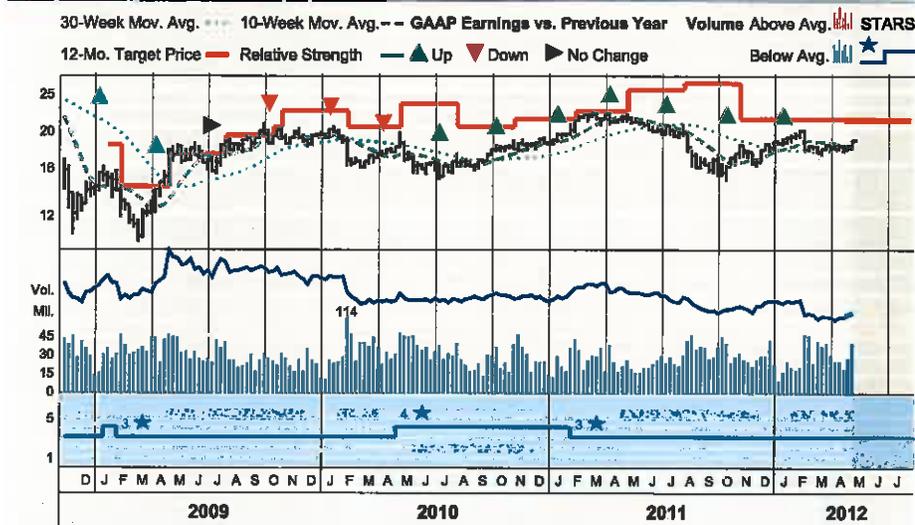
**GICS Sector** Information Technology  
**Sub-Industry** Data Processing & Outsourced Services

**Summary** Spun off from First Data in September 2006, Western Union is a leading independent provider of consumer money transfer services.

**Key Stock Statistics** (Source: S&P, Vickers, company reports)

52-Wk Range	\$21.49–14.55	S&P Oper. EPS 2012E	1.70	Market Capitalization(B)	\$11,520	Beta	1.39
Trailing 12-Month EPS	\$1.84	S&P Oper. EPS 2013E	NA	Yield (%)	2.15	S&P 3-Yr. Proj. EPS CAGR(%)	7
Trailing 12-Month P/E	10.1	P/E on S&P Oper. EPS 2012E	10.9	Dividend Rate/Share	\$0.40	S&P Credit Rating	A-
\$10K Invested 5 Yrs Ago	\$8,947	Common Shares Outstg. (M)	620.3	Institutional Ownership (%)	92		

**Price Performance**



Analysis prepared by Equity Analyst **Scott Kessler** on Mar 27, 2012, when the stock traded at **\$18.12**.

**Highlights**

- We project that revenues will rise 5% in 2012. We think much of the global remittance markets served by WU have stabilized, although some disruptions are to be expected in light of geopolitical events. In consumer money transfer, we expect modest growth from the Americas, but think Asia should show greater resilience and growth. Finally, we see Global Business Payments segment growth limited by somewhat restrained volumes of U.S. consumer bill payments tied to consumer credit, including mortgages, auto loans and credit cards.
- We expect annual operating margins to widen to 27% in 2012, from 25% in 2010 and 2011, as restructuring efforts and improvements related to 2011 acquisitions should yield some benefits in 2012. However, we expect investment in support of a new payments initiative to temper this effect somewhat.
- We estimate EPS before charges of \$1.70 in 2012. We expect share buybacks to aid EPS and note that WU had over \$615 million in repurchase authorizations available as of December 2011.

**Investment Rationale/Risk**

- We expect transaction volumes to recover in many of WU's key regions, in light of a gradual improvement in the global economy. We see WU benefiting from a relatively recent restructuring, but we expect it to invest in technology, marketing and pricing initiatives ahead of an anticipated recovery in demand. We view favorably agreements by which WU provides consumer money transfer services through banks, thus expanding the distribution of its services, and we think the company stands to benefit from the increasing opportunity we see in prepaid cards and online payments.
- Risks to our recommendation and target price include potential worsening global economic trends, accelerating consumer adoption of digital alternatives to WU's money transfer offerings, and competition from traditional financial institutions and money transfer peers.
- We derive our 12-month target price of \$21 by applying a 12X multiple to our 2012 EPS estimate, at the low end of the historical average range for the shares of 12X-16X and comparable to the recent mean for data processing and outsourced services peers.

**Qualitative Risk Assessment**

**LOW** **MEDIUM** **HIGH**

Our risk assessment reflects the sluggish global economy, which we expect will impact transaction volumes, offset by what we see as relatively high barriers to entry in WU's businesses.

**Quantitative Evaluations**

**S&P Quality Ranking** **MR**

D	C	B-	B	B+	A-	A	A+
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**Relative Strength Rank** **STRONG**

LOWEST = 1	72	HIGHEST = 99
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**Revenue/Earnings Data**

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2011	1,283	1,366	1,411	1,431	5,491
2010	1,233	1,273	1,330	1,357	5,193
2009	1,201	1,254	1,314	1,314	5,084
2008	1,266	1,347	1,377	1,292	5,282
2007	1,131	1,203	1,257	1,309	4,900
2006	1,043	1,114	1,140	1,173	4,470

Earnings Per Share (\$)	1Q	2Q	3Q	4Q	Year
2011	0.32	0.41	0.38	0.73	1.84
2010	0.30	0.33	0.36	0.37	1.36
2009	0.32	0.31	0.26	0.32	1.21
2008	0.27	0.31	0.33	0.34	1.24
2007	0.25	0.26	0.28	0.32	1.11
2006	0.29	0.29	0.34	0.28	1.19

Fiscal year ended Dec. 31. Next earnings report expected: NA. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

**Dividend Data** (Dates, mm/dd; Payment Date, mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.080	09/15	09/22	09/26	10/07/11
0.080	12/09	12/15	12/19	12/30/11
0.100	02/07	03/14	03/16	03/30/12

Dividends have been paid since 2008. Source: Company reports.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

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**Western Union Co****Business Summary March 27, 2012**

**CORPORATE OVERVIEW.** Western Union is a leading independent provider of consumer money transfer services. WU offers its services through a network of about 485,000 agent locations (as of December 31, 2011) spanning more than 200 countries and territories. The company provides its services globally, mainly under the Western Union brand name and also under the Orlandi Valuta and Vigo brands. WU derives the majority of revenues from fees that consumers pay when they send money. The company's main segments include consumer-to-consumer (84% of revenues in 2010 and 2011) and Global Business Payments (14%, 14%). In November 2011, WU acquired the business-to-business payment unit of Travelex Holdings, known as Travelex Global Business Payments.

WU's core consumer services allow customers to transfer money to other individuals. The majority of these transfers are originated in cash at Western Union agent locations, although consumers can also send money via the Internet, telephone, credit or debit card and, in some cases, through bank debits. In 2011, these transactions increased 6%, to approximately 226 million, while related transaction fees grew about 4%. In 2010, volumes rose 9%, to 214 million, and transaction fees rose 2%.

Through its Global Business Payments segment, consumers or businesses can make payments to businesses electronically, over the telephone, via the Internet, or at one of WU's agent locations. The company has long-standing relationships with billers such as utilities, auto finance companies, mortgage servicers, financial service providers and government agencies that accept such payments. In 2011, Global Business Payment transactions rose 5%, to 425 million, while transaction fees rose 2%. In 2010, volumes declined by 2% and fees fell 5%.

**CORPORATE STRATEGY.** The pursuit of growth through international expansion is a key tenet of WU's growth strategy. The company believes that a majority of its consumer transactions involve at least one non-U.S. location. Outside the United States, WU's revenue base is well diversified geographically, in our view. Building on and maintaining its well-recognized consumer brand is another key element to the company's strategy. WU spent between 4% and 5% of revenues on marketing, advertising and developing customer loyalty programs from 2009 through 2011.

**COMPETITIVE LANDSCAPE.** WU's core consumer money transfer business faces competition from global and regional money transfer providers, banks and post-banks, informal networks, e-commerce, and alternative channels such as mail and commercial courier services, money transfers using mobile phones, and card-based options including ATM cards and stored-value cards. Many of these competitors have industry or regional specialization. WU believes the most significant competitive factors in consumer-to-consumer remittances relate to brand recognition, trust and reliability, the related distribution network and channel options, and consumer experience. Pricing remains competitive in the money transfer industry, in our view, and, while WU is generally not the price leader, it has experienced annual revenue declines in recent years in its consumer business. WU has the broadest market reach among independent providers of consumer money transfer services.

**FINANCIAL TRENDS.** WU's revenues increased at a compound annual growth rate (CAGR) of 2% from 2007 to 2011, reflecting consumer-to-consumer revenues that accounted for a majority of revenues and grew at roughly the same pace. Annual operating margins have hovered around 25% since 2009.

Nonetheless, WU generates notable cash flows, and repurchased \$3.8 billion of shares from 2007 to 2011. Additionally, the company pays a dividend and committed \$787 million to related obligations in 2011. The stock's recent yield exceeded those of the S&P 500 Information Technology Sector and the S&P 500 Index. As of December 2011, WU had \$1.4 billion in cash and investments and \$3.6 billion in debt.

The company has also committed notable capital to M&A. As previously mentioned, WU bought Travelex Global Business Payments in November 2011 for \$968 million. The company also purchased two of its largest agents in 2011 -- Angelo Costa for \$136 million and Finint for \$139 million.

**Corporate Information**

**Investor Contact**  
G. Kohn (720-332-8276)

**Office**  
12500 East Belford Avenue, Englewood, CO 80112.

**Telephone**  
720-332-1000.

**Fax**  
302-636-5454.

**Website**  
<http://www.westernunion.com>

**Officers**

**Chrmn**  
J.M. Greenberg

**EVP, Secy & General Counsel**  
J.R. Dye

**Pres & CEO**  
H. Ersek

**SVP, Chief Acctg Officer & Cntrl**  
A.T. Schenkel

**COO, EVP & CFO**  
S.T. Scheirman

**Board Members**

D. S. Devitre  
H. Ersek  
R. A. Goodman  
J. M. Greenberg  
B. D. Holden  
L. F. Levinson  
R. Mendoza  
M. A. Miles, Jr.  
D. Stevenson  
W. von Schimmelmann

**Domicile**  
Delaware

**Founded**  
1851

**Employees**  
8,000

**Stockholders**  
4,356

## Western Union Co

Quantitative Evaluations						
<b>S&amp;P Fair Value Rank</b>	5+ <table border="1"> <tr> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </table> LOWEST HIGHEST Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).	1	2	3	4	5
1	2	3	4	5		
<b>Fair Value Calculation</b>	<b>\$22.00</b> Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that WU is Undervalued by \$3.43 or 18.5%.					
<b>Investability Quotient Percentile</b>	<table border="1"> <tr> <td>46</td> </tr> </table> LOWEST = 1 HIGHEST = 100 WU scored lower than 54% of all companies for which an S&P Report is available.	46				
46						
<b>Volatility</b>	<table border="1"> <tr> <td>LOW</td> <td>AVERAGE</td> <td>HIGH</td> </tr> </table>	LOW	AVERAGE	HIGH		
LOW	AVERAGE	HIGH				
<b>Technical Evaluation</b>	<b>NEUTRAL</b> Since April, 2012, the technical indicators for WU have been NEUTRAL.					
<b>Insider Activity</b>	<table border="1"> <tr> <td>UNFAVORABLE</td> <td>NEUTRAL</td> <td>FAVORABLE</td> </tr> </table>	UNFAVORABLE	NEUTRAL	FAVORABLE		
UNFAVORABLE	NEUTRAL	FAVORABLE				

Expanded Ratio Analysis		2011	2010	2009	2008
Price/Sales		2.11	2.39	2.60	2.00
Price/EBITDA		7.13	8.09	9.20	7.06
Price/Pretax Income		9.09	10.85	11.68	8.55
P/E Ratio		9.94	13.65	15.57	11.52
Avg. Diluted Shares Outstg (M)		634.2	668.9	701.0	738.2

Figures based on calendar year-end price

Key Growth Rates and Averages		1 Year	3 Years	5 Years	9 Years
<b>Past Growth Rate (%)</b>					
Sales		5.75	1.39	3.38	NA
Net Income		28.08	8.14	3.83	NA
<b>Ratio Analysis (Annual Avg.)</b>					
Net Margin (%)		21.22	18.48	18.07	19.04
% LT Debt to Capitalization		80.02	84.86	86.83	88.34
Return on Equity (%)		157.75	281.21	901.79	NA

## Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tangible Book Value	NM	NM	NM	NM	NM	NM	NM	NA	NA	NA
Cash Flow	2.14	1.62	1.43	1.33	1.17	1.32	NA	NA	NA	NA
Earnings	1.84	1.36	1.21	1.24	1.11	1.19	0.96	NA	NA	NA
S&P Core Earnings	1.79	1.37	1.29	1.22	1.11	1.18	1.10	0.95	NA	NA
Dividends	0.23	0.25	0.06	0.04	0.04	0.01	NA	NA	NA	NA
Payout Ratio	12%	18%	5%	3%	4%	1%	NA	NA	NA	NA
Prices:High	22.03	20.26	20.64	28.62	24.83	24.14	NA	NA	NA	NA
Prices:Low	14.55	14.65	10.05	10.48	15.00	16.85	NA	NA	NA	NA
P/E Ratio:High	12	15	17	23	22	20	NA	NA	NA	NA
P/E Ratio:Low	8	11	8	8	14	14	NA	NA	NA	NA

## Income Statement Analysis (Million \$)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenue	5,491	5,193	5,084	5,282	4,900	4,470	3,988	3,524	3,121	NA
Operating Income	1,624	1,536	1,437	1,500	1,393	1,415	NA	1,168	1,051	NA
Depreciation	193	176	154	61.7	49.1	104	NA	79.2	78.4	NA
Interest Expense	182	170	158	171	189	53.0	202	6.40	NA	NA
Pretax Income	1,275	1,145	1,132	1,239	1,222	1,335	1,063	1,098	970	NA
Effective Tax Rate	8.57%	20.6%	25.0%	25.8%	29.9%	31.5%	29.5%	31.5%	34.1%	NA
Net Income	1,165	910	849	919	857	914	749	752	639	NA
S&P Core Earnings	1,136	914	904	908	857	913	859	734	NA	NA

## Balance Sheet &amp; Other Financial Data (Million \$)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Cash	1,371	2,157	1,685	1,296	2,030	1,422	1,186	470	NA	NA
Current Assets	1,371	2,157	1,985	1,850	1,959	1,631	NA	1,520	NA	NA
Total Assets	9,070	7,929	7,353	5,578	5,784	5,321	4,659	3,307	NA	NA
Current Liabilities	837	877	1,020	1,350	1,468	882	NA	218	NA	NA
Long Term Debt	3,583	3,290	3,049	2,561	2,500	2,996	3,500	9.90	NA	NA
Common Equity	895	583	354	-8.10	50.7	-315	-687	1,909	NA	NA
Total Capital	4,478	3,873	3,402	2,823	2,814	2,681	2,183	1,919	NA	NA
Capital Expenditures	52.8	53.3	59.7	53.9	83.5	64.0	NA	26.5	23.6	NA
Cash Flow	1,358	1,086	1,003	981	906	1,018	NA	831	717	NA
Current Ratio	1.6	2.5	1.7	2.1	1.3	1.9	NA	7.0	NA	NA
% Long Term Debt of Capitalization	80.0	85.0	89.6	90.7	88.8	112.0	160.3	0.5	Nil	NA
% Net Income of Revenue	21.2	17.5	16.7	17.4	17.5	20.4	18.8	21.3	20.5	NA
% Return on Assets	13.7	11.9	13.1	16.2	15.4	18.3	NA	NA	NA	NA
% Return on Equity	157.8	194.4	NM	NM	NM	NM	NA	NA	NA	NA

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. Pro forma data in 2005; balance sheet and book value as of Jun. 30, 2006. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

# Western Union Co

## Sub-Industry Outlook

Our fundamental outlook for the data processing & outsourced services sub-industry is neutral. We expect providers of these services to post earnings growth in 2012, benefiting from growth of outsourcing, the prevalence of electronic transactions, and entry into international markets. However, we remain concerned that consolidation, increased regulation and anticipated revenue loss for clients in major end markets like financial services could result in business delay or price erosion.

As economic conditions recover, we see transaction volumes for credit and debit cards and other payment methods dependent on consumer spending improving. Persistent unemployment and other economic difficulties (including the struggles in Europe) may dampen growth for payroll processors.

We view diversification into overseas regions favorably, particularly as an offset to the slower growth in the mature domestic market. Our enthusiasm for international growth is tempered somewhat by rising competition that we see, particularly as companies compete for acquisitions and other means of entry.

We believe that many data processors garner recurring revenues, generate free cash flow, and generally have healthy balance sheets. We also think these stocks provide an opportunity to participate in the IT sector without the risk associated with unproven business models. There remains potential for consolidation among market participants, in our view, as we have seen interest in the sub-industry from buyout firms in the past.

We think companies will continue to outsource to

third parties to focus on core competencies and to seek greater profitability. Globally, companies spent an estimated \$151 billion on business outsourcing in 2011, and IDC, a market research firm, forecasts that this will rise to \$187 billion by 2015. Also, we expect the proportion of electronic payments to rise at the expense of paper-based payments. We believe these trends bode well for data processors, although we think regulatory changes remain a concern.

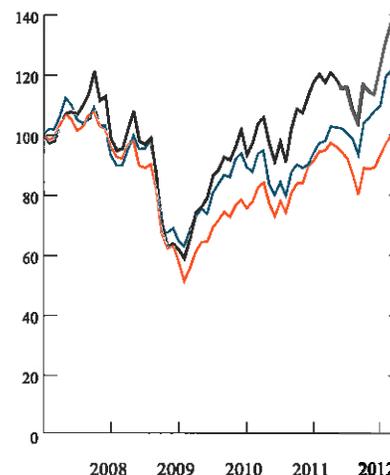
The S&P Data Processing & Outsourced Services Index rose 14.0% year to date through April 13, while the S&P 1500 was up 9.0%. In 2011, it was up 19.8% versus the S&P 1500's 0.3% decline. We note that recurring revenues, long-term contracts, and cash flows that many in the group have offer support in turbulent times.

--Dylan Cathers

## Stock Performance

**GICS Sector: Information Technology**  
**Sub-Industry: Data Processing & Outsourced Services**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 03/30/12



Sub-Industry      Sector      S&P 1500

**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

## Sub-Industry : Data Processing & Outsourced Services Peer Group\*: Payment Processors & Services

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Western Union	WU	11,520	18.57	21.49/14.55	1.39	2.2	10	22.00	NR	46	21.2	80.0
Alliance Data Systems	ADS	6,520	130.28	130.66/80.38	1.51	Nil	23	160.40	B+	40	9.9	96.9
Cass Information Systems	CASS	431	41.48	41.89/27.05	0.54	1.6	19	NA	A	93	21.6	NA
Euronet Worldwide	EEFT	1,087	21.51	22.50/13.55	1.59	Nil	30	21.20	B-	20	3.2	18.8
Global Payments	GPN	3,670	48.72	53.93/38.26	0.93	0.2	15	57.30	A	95	12.3	12.7
MasterCard Inc 'A'	MA	55,521	457.58	462.34/258.34	0.93	0.3	31	531.90	NR	95	28.4	NA
MoneyGram Intl	MGI	979	16.92	32.40/15.85	1.42	Nil	NM	10.80	C	11	4.8	115.7
Total System Svcs	TSS	4,490	23.77	23.88/15.80	0.99	1.7	21	21.60	B+	96	12.3	2.5

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

## Western Union Co

## S&amp;P Analyst Research Notes and other Company News

## April 24, 2012

03:41 pm ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF WESTERN UNION CO. (WU 18.06\*\*\*): WU posts Q1 EPS of \$0.40, vs. operating EPS of \$0.35, \$0.02 above our estimate. We look for revenue growth of nearly 6.0% in 2012, aided by November acquisition of Travelex Global Business Payments and good gains in the North America consumer-to-consumer business, partially offset by weakness in Europe and Russia. Digital money transfer should continue to show solid growth, but remains a small portion of total revenue. We think operating margins will be about flat this year, and we keep our 2012 EPS estimate of \$1.70 and our 12-month target price of \$21. /S. Kessler, /D. Cathers

## March 1, 2012

On February 24, 2012, Dennis Stevenson advised The Western Union Company that he does not intend to stand for re-election as a director at the company's 2012 Annual Meeting of Stockholders. Mr. Stevenson's decision not to stand for re-election was a personal decision and was not the result of any disagreement with the company or the Board.

## February 15, 2012

Western Union Co. announced that it has named Daniela Budurea its country director for Romania and Bulgaria. Budurea is replacing Alexandru Badulescu, who has taken over the position of regional vice president of Western Union for Eastern Europe and the Commonwealth of Independent States. Budurea previously served as group country manager of financial services company Angelo Costa Romania.

## February 8, 2012

04:55 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF WESTERN UNION (WU 17.73\*\*\*): WU announces adjusted Q4 EPS of \$0.43, vs. \$0.38, above our estimate of \$0.38, aided by a notable tax benefit announced in December. Revenues rose 6%, reflecting the acquisition of Travelex Global Business Payments. While WU continues to execute relatively well, in our view, we see questions regarding international demand and forex and challenges related to competition. We are trimming our '12 EPS estimate to \$1.70 from \$1.75 and leaving intact our target price of \$21, implying a P/E of 12X that estimate. WU announced a dividend increase, and the new indicated yield is 2.3%. /S. Kessler

## February 8, 2012

WU posts \$0.40 vs. \$0.38 Q4 adj. EPS on 5% revenue rise. Sees \$1.70-\$1.75 '12 adj. EPS vs. Capital IQ consensus forecast of \$1.79.

## February 8, 2012

11:11 am ET ... WESTERN UNION CO. (WU 18.00) DOWN 1.7, WESTERN UNION (WU) REPORTS Q4. CREDIT SUISSE CUTS ESTIMATES, MAINTAINS NEUTRAL... Analyst James Kissane tells salesforce WU reported Q4 adj. EPS of \$0.40 (incl. \$0.02 from 1x valuation adjustments), below his \$0.42 est. Says revenue also below his est. due to deceleration across several important corridors. While had been concerned with potential slowdown in Europe, was surprised by weakness in China, Russia, U.S.-Mexico. Due to softer revenue, stepped up investment in digital channels, higher capex, expects margin expansion over next couple of years to be less than previously expected. Cuts \$1.79 '12 EPS est. to \$1.75, \$2.00 '13 to \$1.95. M.Morrow

## January 4, 2012

Western Union Co. announced that Richard A. Goodman has been appointed to the company's Board of Directors, effective January 1, 2012. Mr. Goodman will serve on the audit committee of the Board until the next annual election of directors. The appointment of Mr. Goodman increases the number of directors from 9 to 10. Mr. Goodman joined PepsiCo in 1992 and held a variety of senior financial positions within the company, including serving as chief financial officer. From 2010 to 2011, he was executive vice president, global operations. He retired from PepsiCo at the end of 2011. Earlier, he was with W.R. Grace & Co. in a variety of senior financial positions.

## October 26, 2011

12:00 pm ET ... S&P REITERATES HOLD OPINION ON SHARES OF WESTERN UNION (WU 16.96\*\*\*): WU posts adjusted Q3 EPS of \$0.40 vs. \$0.37, \$0.02 above our forecast and \$0.01 better than the consensus estimate from Capital IQ. Revenues rose 6%, above our projection, with outperformance across all major

revenue segments. We note C2C growth in Asia Pacific of 11% and WU Business Solutions gains of 30%. We are raising our EPS estimates to \$1.55 from \$1.52 for '11 and to \$1.75 from \$1.73 for '12, reflecting trends we view as intact. However, based on revised P/E and P/E-to-growth analyses, we are lowering our 12-month target to \$21 from \$26. WU's indicated yield is 1.8%. /S. Kessler

## July 26, 2011

UP 1.01 to 20.25... WU posts \$0.42 vs. \$0.36 Q2 non-GAAP EPS on 7% sales rise. S&P maintains hold. ...

## July 26, 2011

11:06 am ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF WESTERN UNION (WU 20.45\*\*\*): Q2 non-GAAP EPS of \$0.42, vs. \$0.36, is \$0.07 above our estimate. Sales, above our model, rose 7% while operating margins widened ahead of our view. Transaction trends are improving in WU's consumer and bill pay business. We keep our 4% sales growth projection for '11 as WU expands distribution to new partners and channels. We see modestly wider operating margins in '11 than we earlier did, and raise our EPS forecast \$0.03 to \$1.55, reflecting the earnings beat; we also lift '12's by \$0.03 to \$1.73. We also up our 12-month target price by \$1 to \$26. /Z. Bokhari, C.Montevirgen

## July 5, 2011

DOWN 0.67 to 19.57... WU says it has agreed to acquire the Travelex Global Business Payments division of Travelex Holdings Ltd. for 606M pounds in cash. The acquisition, set to close late this year, is expected to be dilutive to WU's GAAP EPS by ~\$0.02 in 2011 and ~\$0.04 in 2012 due to deal and integration costs and non-cash amortization expense. The acquisition is expected to be accretive to WU's 2013 GAAP EPS by ~\$0.04.

## July 5, 2011

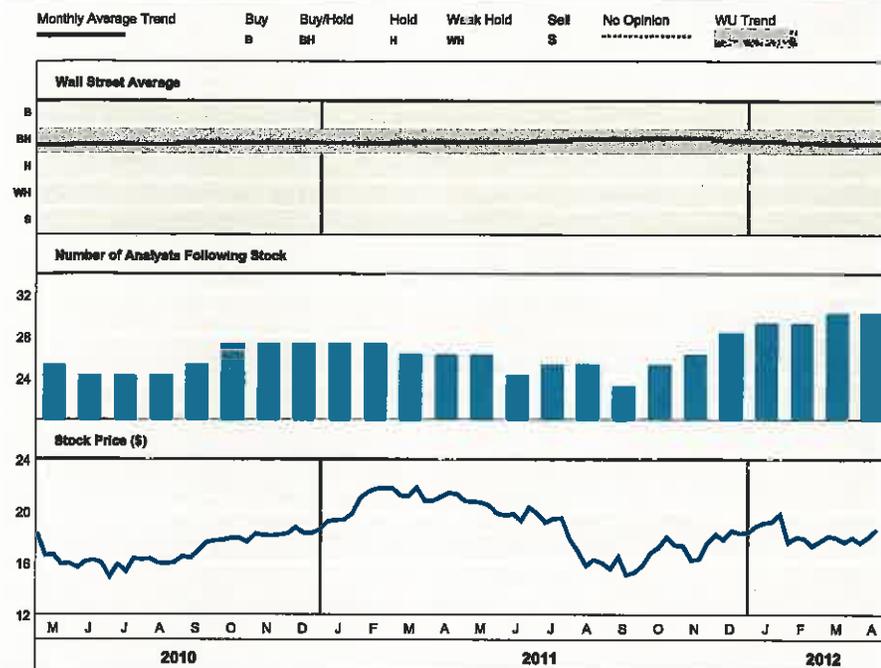
10:20 am ET ... S&P MAINTAINS HOLD OPINION ON SHARES OF WESTERN UNION (WU 19.64\*\*\*): WU agrees to acquire Travelex Global Business Payments, a division of Travelex Holdings Limited, for roughly \$980M in cash. WU expects the acquisition, pending approvals, to close in late 2011 and be dilutive to 11 and 12's GAAP EPS by \$0.02 and \$0.04, respectively. Although we view the deal as expensive, we believe that it will strengthen WU's business payments segment and help overall growth in the long-term. We think WU will successfully grow revenues for the combined businesses at a 10% CAGR and widen margins following expected synergies. We keep our target price of \$25. /C.Montevirgen

## April 27, 2011

08:45 am ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF WESTERN UNION (WU 21.53\*\*\*): Q1 non-GAAP EPS of \$0.35, vs \$0.30, is \$0.02 above our estimate. Sales rose an in line 4% while operating margins widened slightly ahead of our outlook. Transaction trends are improving in WU's consumer business while declines have moderated in its bill pay segment. We keep our 4% sales growth view for '11 as WU expands distribution to new partners and channels. We see modestly wider operating margins in '11 than we earlier did, and raise our EPS estimate \$0.03 to \$1.52, aided by share buybacks; we lift '12's by \$0.06 to \$1.70 and up our target price by \$3 to \$25. /Z. Bokhari

# Western Union Co

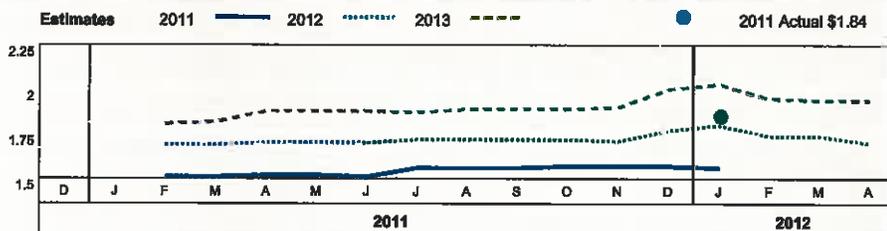
## Analysts' Recommendations



Of the total 36 companies following WU, 30 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	10	33	11	11
Buy/Hold	7	23	6	7
Hold	12	40	12	11
Weak Hold	1	3	1	0
Sell	0	0	0	0
No Opinion	0	0	0	0
<b>Total</b>	<b>30</b>	<b>100</b>	<b>30</b>	<b>29</b>

## Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2013	1.94	2.05	1.80	27	9.6
2012	1.70	1.70	1.70	1	10.9
<b>2013 vs. 2012</b>	<b>▲ 14%</b>	<b>▲ 21%</b>	<b>▲ 6%</b>	<b>▲ 2600%</b>	<b>▼ -12%</b>
Q1'13	0.45	0.48	0.42	17	41.3
Q1'12	0.40	0.42	0.37	27	46.4
<b>Q1'13 vs. Q1'12</b>	<b>▲ 12%</b>	<b>▲ 14%</b>	<b>▲ 14%</b>	<b>▼ -37%</b>	<b>▼ -11%</b>

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

## Wall Street Consensus Opinion

**BUY/HOLD**

## Companies Offering Coverage

Over 30 firms follow this stock; not all firms are displayed.

- Barclays
- Barrington Research Associates, Inc.
- BofA Merrill Lynch
- Citigroup Inc
- Credit Agricole Securities (USA) Inc.
- Credit Suisse
- D.A. Davidson & Co.
- Deutsche Bank
- Duncan-Williams, Inc.
- Feld and Company, Inc.
- First Analysis Securities Corporation
- Goldman Sachs
- JMP Securities
- JP Morgan
- Janney Montgomery Scott LLC
- Jefferies & Company, Inc.
- Lazard Capital Markets
- Macquarie Research
- Moody's
- Morgan Keegan & Company
- Morgan Stanley
- Morningstar Inc.
- Nomura Securities Co. Ltd.
- Northcoast Research
- Oppenheimer & Co. Inc.
- Piper Jaffray Companies
- RBC Capital Markets
- Raymond James & Associates
- S&P Equity Research
- Signal Hill Capital Group LLC

## Wall Street Consensus vs. Performance

For fiscal year 2012, analysts estimate that WU will earn \$1.70. For fiscal year 2013, analysts estimate that WU's earnings per share will grow by 14% to \$1.94.

## Glossary

**S&P STARS**

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

**S&P 12-Month Target Price**

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

**Investment Style Classification**

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

**S&P EPS Estimates**

Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

**S&P Core Earnings**

Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

**Qualitative Risk Assessment**

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment

is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

**Quantitative Evaluations**

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

**S&P Quality Ranking**

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

**S&P Fair Value Rank**

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

**S&P Fair Value Calculation**

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

**Insider Activity**

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

**Funds From Operations FFO**

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

**Investability Quotient (IQ)**

The IQ is a measure of investment desirability. It serves

as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

**S&P's IQ Rationale:****Western Union**

	Raw Score	Max Value
Proprietary S&P Measures	22	115
Technical Indicators	22	40
Liquidity/Volatility Measures	16	20
Quantitative Measures	26	75
<b>IQ Total</b>	<b>86</b>	<b>250</b>

**Volatility**

Rates the volatility of the stock's price over the past year.

**Technical Evaluation**

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

**Relative Strength Rank**

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

**Global Industry Classification Standard (GICS)**

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

**S&P Issuer Credit Rating**

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

**Exchange Type**

ASE - American Stock Exchange; AU - Australia Stock Exchange; BB - Bulletin Board; NGM - Nasdaq Global Market; NNM - Nasdaq Global Select Market; NSC - Nasdaq Capital Market; NYS - New York Stock Exchange; OTN - Other OTC (Over the Counter); OTC - Over the Counter; QB - OTCQB; QX - OTCQX; TS - Toronto Stock Exchange; TXV - TSX Venture Exchange; NEX - NEX Exchange.

**S&P Equity Research Services**

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as Standard & Poor's; Standard & Poor's Equity Research Services Asia includes McGraw-Hill Financial Singapore Pte. Limited's

## Western Union Co

offices in Singapore, Standard & Poor's Investment Advisory Services (HK) Limited in Hong Kong, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

**Abbreviations Used in S&P Equity Research Reports**  
**CAGR**- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

**Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).**

### Required Disclosures

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

### S&P Global STARS Distribution

**In North America:** As of March 30, 2012, research analysts at Standard & Poor's Equity Research Services North America recommended 34.5% of issuers with buy recommendations, 57.9% with hold recommendations and 7.6% with sell recommendations.

**In Europe:** As of March 30, 2012, research analysts at Standard & Poor's Equity Research Services Europe recommended 30.1% of issuers with buy recommendations, 49.4% with hold recommendations and 20.5% with sell recommendations.

**In Asia:** As of March 30, 2012, research analysts at Standard & Poor's Equity Research Services Asia recommended 35.9% of issuers with buy recommendations, 54.3% with hold recommendations and 9.8% with sell recommendations.

**Globally:** As of March 30, 2012, research analysts at Standard & Poor's Equity Research Services globally recommended 34.0% of issuers with buy recommendations, 56.3% with hold recommendations and 9.7% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★ **2-STARS (Sell):** Total return is expected to

underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★ **1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

**Relevant benchmarks:** In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

**For All Regions:** All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

### S&P Global Quantitative Recommendations Distribution

**In Europe:** As of March 30, 2012, Standard & Poor's Quantitative Services Europe recommended 49.0% of issuers with buy recommendations, 20.0% with hold recommendations and 30.0% with sell recommendations.

**In Asia:** As of March 30, 2012, Standard & Poor's Quantitative Services Asia recommended 35.9% of issuers with buy recommendations, 21.0% with hold recommendations and 30.0% with sell recommendations.

**Globally:** As of March 30, 2012, Standard & Poor's Quantitative Services globally recommended 46.0% of issuers with buy recommendations, 20.0% with hold recommendations and 33.0% with sell recommendations.

**Additional information is available upon request.**

### Other Disclosures

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S&P Capital IQ and/or one of its affiliates has performed services for and received compensation from this company during the past twelve months.

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# Western Union Co



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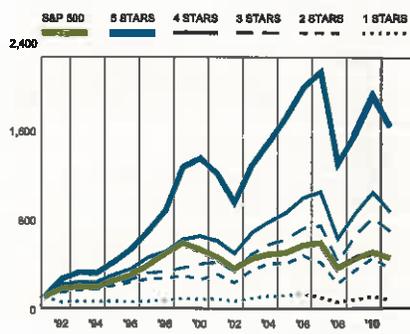
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**U.S. STARS Cumulative Model Performance**  
Hypothetical Growth Due to Price Appreciation of \$100  
For the Period 12/31/1986 through 03/31/2012



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the

equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a \$100,000 investment for a 12-month period (or \$10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or \$1,650), the net return would be 8.35 percent (or \$8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of \$5,375 and a cumulative net return of 27.2% (or \$27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

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May 2, 2012

Investment Recommendation

### Purchase

Lear Corporation (LEA)

Price \$41.87

Annual Dividend \$.56

Yield 1.30%

Lear Corporation is a tier 1 supplier to the global automotive industry. It designs, manufactures, assembles, and supplies automotive seat systems, electrical distribution systems, and related components primarily to automotive original equipment manufacturers. It operates in two segments, Seating and Electrical Power Management Systems (EPMS). The company is based in Southfield Michigan and currently employs over 90,000 people worldwide.

In 2009 Lear Corporation emerged from bankruptcy protection. Through the reorganization process we believe the company has taken the necessary actions to remain a leader in their product categories. Since 2009 the company has increased market share, increased operating margins, executed a \$700 million share repurchase program and in the first quarter of this year the company increased the dividend by 12%. We are also encouraged by the company's focus on emerging markets like China and Brazil.

The stock is currently trading 25% below its 52 week high of \$54.90. For the full year 2011 the company reported revenues of \$14.1 billion and earnings per share of \$5.08 which represents a 17.5% and 25% increase respectively over 2010. Average estimates for 2012 earnings and revenue are \$5.14 and \$14.5 billion. The stock is currently trading at just 8 times earnings estimates, which we believe represents a significant value.

Our recommendation is based on the belief that global demand for cars and trucks will continue to grow. Emerging market demand will be a significant driver for Lear well into the future. In North America the macro outlook continues to improve and pent-up demand has been created from the economic crisis of 2008. The average vehicle age in North America is 10.4 years which is a historic record. Lear is well positioned to enjoy what should be a wind at their back for many years to come. At the current valuation we feel shares are poised to move higher.

**Lear Corp**

**S&P Recommendation** **HOLD** ★★☆☆

**Price**  
\$42.82 (as of Apr 27, 2012)

**12-Mo. Target Price**  
\$45.00

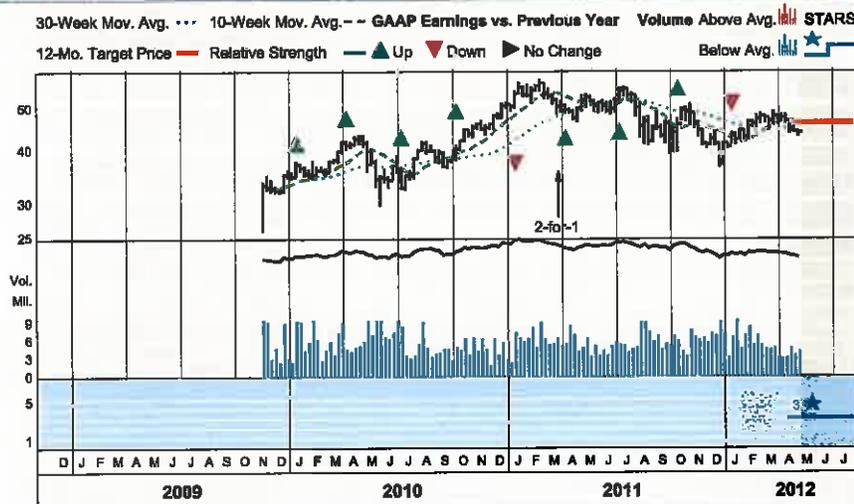
**GICS Sector** Consumer Discretionary  
**Sub-Industry** Auto Parts & Equipment

**Summary** This company is a leading supplier of automotive seating and electric power management systems for global vehicle manufacturers.

**Key Stock Statistics** (Source S&P, Vickers, company reports)

52-Wk Range	\$54.90–35.60	S&P Oper. EPS 2012E	5.02	Market Capitalization(B)	\$4.301	Beta	1.36
Trailing 12-Month EPS	\$5.08	S&P Oper. EPS 2013E	5.42	Yield (%)	1.31	S&P 3-Yr. Proj. EPS CAGR(%)	8
Trailing 12-Month P/E	8.4	P/E on S&P Oper. EPS 2012E	8.5	Dividend Rate/Share	\$0.56	S&P Credit Rating	BB
\$10K Invested 5 Yrs Ago	NA	Common Shares Outstg. (M)	100.5	Institutional Ownership (%)	96		

**Price Performance**



Analysis prepared by Equity Analyst **Efraim Levy, CFA** on Apr 11, 2012, when the stock traded at **\$43.98**.

**Highlights**

- Global automotive sales should improve in 2012, by our analysis, with expansion in the U.S., China and Brazil, while the important European market should contract. We estimate U.S. industry light vehicle sales will rise more than 8%. Lear should also benefit from its exposure to Japanese customers recovering from the crises of 2011. We estimate TRW revenues will advance 3.1% in 2012 and 7.6% in 2013.
- Seating segment margins will likely be penalized early in the year by new launches, commodity price increases and customer price concessions, but improve as the year progresses. Electronic power management systems should see wider margins, as the segment benefits from restructuring actions and enhanced focus. We expect greater profit contributions from joint ventures.
- We believe capital spending will rise as LEA funds new plants and other growth initiatives. We are modeling a 23% tax rate in 2012, but an increase to 30% in 2013, as we expect the company to release tax valuation allowances around the end of 2012. We expect EPS of \$5.02 in 2012, increasing to \$5.42 in 2013.

**Investment Rationale/Risk**

- The company's bankruptcy reorganization left it in an improved financial position. Lear had about \$1.8 billion in cash at year-end 2011, an unusually favorable position at this stage in a recovery cycle, in our view. These funds should allow it to focus on modest, strategic, non-transformational acquisitions to enhance its growth. We expect continued return of capital to shareholders, including a recent dividend increase and share buybacks under current authorizations.
- Risks to our recommendation and target price include lower-than-expected demand for vehicles and Lear parts due to cyclical economic fluctuations and economic challenges in Europe. Unfavorable exchange rate fluctuations could also hurt sales and profits. A decline in the discount rate could cause pension expense to be higher than we project.
- We apply a P/E multiple of about 9X to our 2012 EPS estimate of \$5.02, based on peer and historical P/E multiples, resulting in our 12-month target price of \$45. Our target multiple is in the middle of the recent historical range and a discount to peers. The \$0.56 annual cash dividend adds to total return potential.

**Qualitative Risk Assessment**

**LOW** | **MEDIUM** | **HIGH**

Our risk assessment for LEA reflects the highly cyclical nature of its markets, partly offset by our view of increasing demand in emerging markets.

**Quantitative Evaluations**

**S&P Quality Ranking** **NR**

**D** | **C** | **B-** | **B** | **B+** | **A-** | **A** | **A+**

**Relative Strength Rank** **WEAK**

**28**  
LOWEST = 1 | HIGHEST = 89

**Revenue/Earnings Data**

	Revenue (Million \$)				
	1Q	2Q	3Q	4Q	Year
2011	3,512	3,676	3,460	3,509	14,157
2010	2,939	3,039	2,820	3,157	11,955
2009	2,168	2,281	2,548	2,742	9,740
2008	3,858	3,979	3,134	2,600	13,571
2007	4,406	4,155	3,575	3,859	15,995
2006	4,679	4,810	4,070	4,281	17,839

Earnings Per Share (\$)					
2011	1.44	1.65	0.95	1.03	5.08
2010	0.61	1.48	0.88	1.08	4.05
2009	-1.71	-1.12	0.16	12.49	5.79
2008	0.50	0.12	-0.64	-4.45	-4.47
2007	0.32	0.79	0.26	0.18	1.55
2006	0.11	-0.05	-0.55	-4.45	-5.18

Fiscal year ended Dec. 31. Next earnings report expected: Early May. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

**Dividend Data** (Dates: mm/yy; Payment Date: mm/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.125	05/12	06/01	06/03	06/22/11
0.125	08/10	08/31	09/02	09/21/11
0.125	11/10	11/30	12/02	12/21/11
0.140	02/09	02/29	03/02	03/21/12

Dividends have been paid since 2011. Source: Company reports.

**Lear Corp****Business Summary April 11, 2012**

**CORPORATE OVERVIEW.** Lear Corp. is among the world's largest suppliers of automotive and components to global vehicle manufacturers. The company is primarily a Tier-1 supplier.

The company has two operating segments: seating and electrical power management systems (EPMS). The seating segment includes seat system and related components, such as seat frames, recline mechanisms, seat tracks, seat trim covers, headrests and seat foam. The EPMS segment includes electrical distribution systems for traditional powertrain vehicles, as well as for hybrid and electric vehicles.

The three largest customers, Volkswagen AG, Ford and General Motors, accounted for 48% of 2011 revenues.

Sales in North America accounted for 32% of 2011 revenues, with Europe providing 49%, Asia 14%, and the rest of the world 5%.

**CORPORATE STRATEGY.** Lear has acted to position its business to deliver superior-long-term shareholder value while maintaining a strong and flexible balance sheet. It is focused on expanding and enhancing the competitiveness of its two core businesses: seating and EPMS. As a result, it divested its automotive interiors business and exited certain non-core product line in its EPMS segment. The company is focusing on its core capabilities, leveraging its global presence for scale and low-cost capabilities, and diversifying its customer base.

**IMPACT OF MAJOR DEVELOPMENTS.** In 2009, the Obama administration provided funding to General Motors and privately owned Chrysler LLC to keep their manufacturing and other facilities operating until they were approved for the commitment of additional funds needed to survive the period's downturn and to restructure toward ongoing viability via their respective bankruptcy filings and subsequent emergence from Chapter 11. We believe the November 2010 IPO of General Motors further demonstrated the success of this support and bodes well for future sales to GM.

In 2009, Lear itself emerged from bankruptcy protection. The reorganization allowed the company to improve its financial position and work toward its strategic goals.

**MARKET PROFILE.** Our fundamental outlook for the auto parts and equipment sub-industry is positive, reflecting our expectations for rising demand in the U.S. and abroad, partly offset by slowing economic growth, increased raw material and oil and gasoline prices, and other operational challenges. We believe profits in 2012 should benefit from higher U.S. and international vehicle production.

We estimate an increase to 13.8 million units in U.S. light vehicle sales for 2012, from 12.7 million in 2011, as well as gains in most other regions. Rising prosperity in emerging markets, led by China, should drive global demand growth, despite slowing regional economic growth, and debt problems that should reduce European demand. While U.S. demand will likely remain low by historical standards, we think higher volume in the U.S. and abroad versus 2011 will help corporate profits and cash flows. Positive factors we see in the U.S. for 2012 include pent-up consumer and business demand and improved access to credit for consumers. The average vehicle age is now about 11 years old, an industry record. Cost cutting should also help margins, although high gasoline prices are a risk. Also, any easing of high raw material costs would benefit profit margins.

We forecast higher global vehicle production in 2012, with production trends varying by country. U.S. new light vehicle production should increase. European production should decrease. We project higher production in Asia, including gains in a post-crisis Japan, and expect improved U.S. automotive replacement parts market demand.

Many auto parts suppliers, including Lear, are increasing their revenues generated outside the U.S. Emerging markets are becoming more attractive to parts manufacturers due to lower labor costs for manufacturing and engineering and/or due to growing demand in local and regional markets. Over time, we expect domestic parts suppliers to increase penetration of import brands, which are shifting more of their production to the U.S.

**FINANCIAL TRENDS.** In February, Lear reiterated its financial expectations for 2012. The company expects revenues of between \$13.85 billion and \$14.35 billion, with pretax income before restructuring costs and other special items in the range of \$685 million and \$735 million. Adjusted net income attributable to Lear was projected at between \$490 million and \$520 million.

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**Treas**

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M. J. Simoncini

G. C. Smith

H. D. Wallace

**Domicile**

Delaware

**Founded**

1987

**Employees**

97,830

**Stockholders**

106

## Lear Corp

## Quantitative Evaluations

<b>S&amp;P Fair Value Rank</b>	NR	1	2	3	4	5
		LOWEST				HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

**Fair Value Calculation** NA

<b>Investability Quotient Percentile</b>	61
	LOWEST = 1 HIGHEST = 100

LEA scored higher than 61% of all companies for which an S&P Report is available.

<b>Volatility</b>	LOW	AVERAGE	HIGH
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**Technical Evaluation** BEARISH Since April, 2012, the technical indicators for LEA have been BEARISH.

<b>Insider Activity</b>	NA	UNFAVORABLE	NEUTRAL	FAVORABLE
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## Expanded Ratio Analysis

	2011	2010	2009	2008
Price/Sales	0.30	0.45	0.24	Nil
Price/EBITDA	4.54	6.92	7.06	Nil
Price/Pretax Income	6.62	10.98	2.81	Nil
P/E Ratio	7.42	12.18	2.87	Nil
Avg. Diluted Shares Outstg (M)	106.3	108.1	69.1	154.5

Figures based on calendar year-end price

## Key Growth Rates and Averages

<b>Past Growth Rate (%)</b>	1 Year	3 Years	5 Years	9 Years
Sales	18.42	3.37	-6.52	-3.38
Net Income	30.14	NM	NM	NM

## Ratio Analysis (Annual Avg.)

Net Margin (%)	4.03	5.35	2.50	0.59
% LT Debt to Capitalization	21.35	24.13	44.41	50.18
Return on Equity (%)	22.72	37.26	6.66	NM

## Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tangible Book Value	17.95	17.55	14.34	NM	NA	NA	NA	NA	NA	NA
Cash Flow	7.68	6.45	7.66	-2.53	3.44	-2.32	-7.36	5.20	5.13	4.57
Earnings	5.08	4.05	5.79	-4.47	1.55	-5.18	-10.29	2.89	2.78	2.33
S&P Core Earnings	4.80	4.05	1.09	-2.49	1.65	-1.85	-2.26	2.87	2.77	2.17
Dividends	0.50	Nil	Nil	Nil	NA	NA	NA	NA	NA	NA
Payout Ratio	10%	Nil	Nil	Nil	NA	NA	NA	NA	NA	NA
Prices:High	57.03	50.51	35.25	NA	NA	NA	NA	NA	NA	NA
Prices:Low	35.60	29.00	25.25	NA	NA	NA	NA	NA	NA	NA
P/E Ratio:High	11	13	6	NM	NA	NA	NA	NA	NA	NA
P/E Ratio:Low	7	7	4	NM	NA	NA	NA	NA	NA	NA

## Income Statement Analysis (Million \$)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenue	14,157	11,955	9,740	13,571	15,995	17,839	17,089	16,960	15,747	14,425
Operating Income	932	771	331	718	1,088	788	726	1,131	1,120	1,193
Depreciation	246	236	264	299	297	392	393	355	322	301
Interest Expense	39.7	55.4	163	190	199	210	183	166	187	211
Pretax Income	639	486	832	-579	357	-637	-1,180	567	543	482
Effective Tax Rate	10.8%	5.50%	0.60%	NM	25.2%	NM	NM	22.6%	28.3%	32.6%
Net Income	570	438	814	-690	242	-710	-1,382	422	381	312
S&P Core Earnings	512	407	74.6	-386	258	-253	-303	419	379	290

## Balance Sheet &amp; Other Financial Data (Million \$)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Cash	1,754	1,654	1,554	1,592	601	503	208	585	169	91.7
Current Assets	4,762	4,386	3,787	3,674	3,718	3,890	3,846	4,372	3,375	2,508
Total Assets	7,011	6,621	6,073	6,873	7,800	7,851	8,288	9,944	8,571	7,483
Current Liabilities	3,064	2,819	2,401	4,610	3,604	3,887	4,107	4,648	3,582	3,045
Long Term Debt	695	695	927	1,303	2,345	2,435	2,243	1,867	2,057	2,133
Common Equity	2,561	2,569	2,182	199	1,091	602	1,111	2,730	2,258	1,662
Total Capital	3,257	3,264	3,117	1,555	3,558	3,062	3,364	5,230	4,319	3,799
Capital Expenditures	330	193	119	168	202	348	568	429	376	273
Cash Flow	817	697	1,078	-391	538	-318	-988	777	702	612
Current Ratio	1.6	1.6	1.6	0.8	1.0	1.0	0.9	0.9	0.9	0.8
% Long Term Debt of Capitalization	21.4	21.3	29.7	83.8	65.9	79.5	66.7	35.7	47.6	56.1
% Net Income of Revenue	4.0	3.7	8.4	NM	1.5	NM	NM	2.5	2.4	2.2
% Return on Assets	8.4	6.9	12.6	NM	3.1	NM	NM	4.6	4.7	4.1
% Return on Equity	22.7	20.6	68.4	NM	28.5	NM	NM	16.9	19.4	19.3

Data as orig reptd.; bef. results of dis; opera/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

# Lear Corp

## Sub-Industry Outlook

Our fundamental outlook for the auto parts and equipment sub-industry is positive, reflecting our expectations for rising demand in the U.S. and abroad, partly offset by slowing economic growth, increased raw material and oil and gasoline prices, and other operational challenges. We believe profits in 2012 should benefit from higher U.S. and international vehicle production.

We estimate an increase to 14.3 million units in U.S. light vehicle sales for 2012, from 12.7 million in 2011, as well as gains in most other regions. Rising prosperity in emerging markets, led by China, should drive global demand growth, despite slowing regional economic growth, and debt problems that should reduce European demand. While U.S. demand will likely remain low by historical standards, overall, we think higher volume in the U.S. and abroad versus 2011 will help corporate profits and cash flows. Positive factors we see in the U.S. for 2012 include pent-up consumer and business demand and improved access to credit for consumers. The average vehicle age is now about 11 years old, an industry record. Cost cutting should also help margins, although high gasoline prices are a risk. Also, any easing of high raw material costs would benefit profit margins.

We forecast higher global vehicle production in 2012, with production trends varying by country. U.S. new light vehicle production should increase. European production should decrease. We project higher production in Asia, including gains in a post-crisis Japan, and expect improved U.S. automotive replacement parts market demand. We think demand for new commercial (heavy) trucks will rise again in 2012.

Many auto parts suppliers are increasing their revenues generated outside the U.S. Emerging

markets are becoming more attractive to parts manufacturers due to lower labor costs for manufacturing and engineering and/or due to growing demand in local and regional markets. Over time, we expect domestic parts suppliers to increase penetration of import brands, which are shifting more of their production to the U.S.

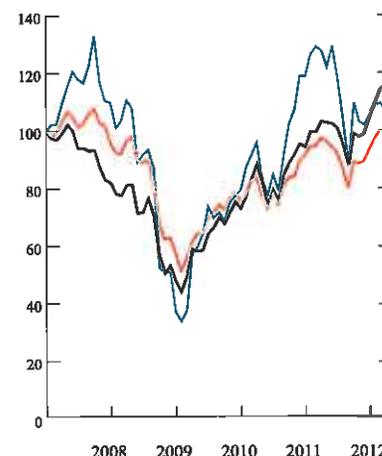
Year to date through April 13, the S&P Auto Parts & Equipment Index advanced 6.3%, versus a 9.0% gain for the S&P 1500 Index. In 2011, the sub-industry index dropped 14.3% versus a 0.3% dip for the S&P 1500.

--Efraim Levy, CFA

## Stock Performance

**GICS Sector: Consumer Discretionary  
Sub-Industry: Auto Parts & Equipment**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 03/30/12



Sub-Industry      Sector      S&P 1500

NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

## Sub-Industry : Auto Parts & Equipment Peer Group\*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk. Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Lear Corp	LEA	4,301	42.82	54.90/35.60	1.36	1.3	8	NA	NR	61	4.0	21.4
Allison Transmission Hldgs	ALSN	3,880	21.39	25.22/20.24	NA	Nil	32	NA	NR	NA	4.8	79.9
China Automotive Sys	CAAS	161	5.71	10.18/3.23	2.25	Nil	8	NA	NR	10	10.4	9.8
China XD Plastics	CXDC	240	5.05	5.82/3.10	-2.08	Nil	4	NA	NR	54	15.9	NA
Dana Holdings	DAN	2,168	14.68	19.00/9.45	NM	1.4	14	21.50	NR	22	2.9	30.9
Federal-Mogul 'A'	FDML	1,316	13.31	26.62/12.87	2.05	Nil	NM	NA	NR	14	NM	70.7
Icahn Enterprises L.P.	IEP	4,909	49.20	49.89/35.01	0.99	0.8	6	NA	NR	56	6.2	45.3
LiqTech Intl	LIQT	70	2.89	4.95/2.60	NA	Nil	48	NA	NR	78	4.7	4.7
Martina Intl	MRE.C	800	9.53	10.89/6.01	NA	Nil	35	NA	NR	NA	NA	12.3
SORL Auto Parts	SORL	68	3.54	8.24/2.28	1.69	Nil	4	NA	NR	16	8.4	NA
Save The World Air	ZERO	55	0.45	0.73/0.18	0.65	Nil	NM	NA	NR	NA	NA	NA
Tower International	TOWR	231	11.76	18.33/9.45	NA	Nil	29	NA	NR	95	0.3	69.4
UDM Technologies	UQM	47	1.30	2.96/1.10	1.82	Nil	NM	NA	C	10	NA	NA
Visteon Corp	VC	2,647	51.54	71.00/38.32	NA	Nil	33	NA	NR	13	1.0	20.4
Wescast Industries 'A'	WCSTF	48	6.54	13.00/6.00	1.47	Nil	82	NA	C	7	NA	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

## Lear Corp

## S&amp;P Analyst Research Notes and other Company News

**April 11, 2012**

05:06 pm ET ... S&P INITIATES ANALYTICAL COVERAGE ON SHARES OF LEAR WITH A HOLD OPINION (LEA 43.98\*\*\*): We are initiating analytical coverage on shares of Lear, a leading global auto parts manufacturer. Based on rising U.S. and global demand, we expect revenues of \$14.6B in '12 and \$15.7B in '13. Improving margins in the electrical power management systems segment should rival those in the larger seating segment. Assuming a reversal of tax valuation allowances occurs around year end, we model taxes at about 23% in '12 and 30% in '13, leading to EPS of \$5.02 in '12 and \$5.42 in '13. Based on historical and peer P/E analysis, our target price is \$45, or 9.0X our '12 EPS estimate. /E. Levy, CFA

**February 21, 2012**

Lear Corp. announced that Jeffrey H. Vanneste has been appointed Senior Vice President and Chief Financial Officer effective March 15, 2012. Vanneste most recently served as Executive Vice President and Chief Financial Officer for International Automotive Components Group (IAC). Jeff joined IAC in March 2007 as Chief Financial Officer for North America. In January 2011, he was elevated to EVP and CFO of IAC's global operations. Prior to joining IAC, Mr. Vanneste was with Lear Corporation in positions of increasing responsibility over 15 plus years including: Vice President of Finance, European Operations, Vice President of Corporate Business Planning and Analysis, Vice President of Finance, Seating and Vice President of Finance for the Ford and GM Divisions.

**February 10, 2012**

DOWN 0.49 to 44.86... LEA raises its quarterly cash dividend by 12% to \$0.14 per share from \$0.125.

**October 31, 2011**

On October 24, 2011, Raymond E. Scott was appointed as Senior Vice President and President, Seating of Lear Corp. and Frank C. Orsini were appointed as Interim President, Electrical Power Management Systems of the company, in each case, effective immediately. Mr. Orsini shall serve in this interim position while the company conducts a search for a permanent successor as President, EPMS. Mr. Scott, most recently served as the company's Senior Vice President and President, EPMS since February 2008. Mr. Orsini, most recently served as the company's Vice President, Operations, EPMS since 2009.

**September 27, 2011**

Lear Corporation's Senior Vice President and President, Seating Division, Louis R. Salvatore, will be leaving Lear effective as of September 30, 2011. Senior management in Lear's Seating Division will report directly to Matthew J. Simoncini, Lear's President and Chief Executive Officer, until the Company appoints a permanent successor.

**September 2, 2011**

Lear Corp. appointed Jason M. Cardew as the Interim Chief Financial Officer of the company, effective September 1, 2011. Mr. Cardew shall serve in this position while the Company continues its previously announced search for a permanent successor as Chief Financial Officer. Mr. Cardew, age 41, has served as the Company's Vice President, Financial Planning & Analysis since May 2010. Previously, he served in other positions at the Company, including as Vice President, Finance, Seating since August 2003 and prior to 2003 in various financial management positions at the Company. In addition, on September 1, 2011, Wendy L. Foss was appointed as the Chief Accounting Officer of the Company, effective September 1, 2011. Ms. Foss previously served as the Company's Vice President and Corporate Controller since November 2007, Vice President and Chief Compliance Officer from January 2007 until February 2009, Vice President, Audit Services since September 2007, Vice President, Finance and Administration and Corporate Secretary since May 2007, Vice President, Finance and Administration and Deputy Corporate Secretary since September 2006, Vice President, Accounting since July 2006, Assistant Corporate Controller since June 2003 and prior to 2003, in various financial management positions for both the Company and UT Automotive Inc. (UT Automotive), which was acquired by the Company in 1999.

**January 26, 2011**

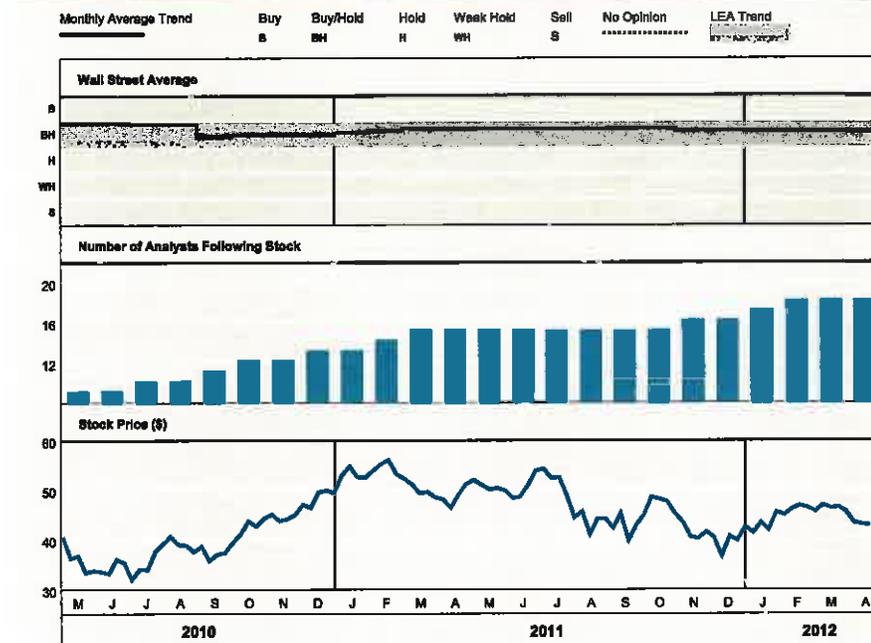
On January 21, 2011, Mr. Philip F. Murtaugh, a director of Lear Corp. notified the company that because of the expected time and other requirements of his new position as Chief Executive Officer of Coda Automotive, he must regrettably resign as a director of the Company, effective immediately.

**October 28, 2010**

LEA posts \$1.78 vs. \$0.32 Q3 EPS on 11% revenue rise. Says in Q3, global industry production improved 13% fro a year ago, reflecting primarily industry recovery in North America and continued growth in emerging markets. Raises '10 outlook for sales, core op. earnings and free cash flow: sees sales of about \$11.7B, core op. earnings of \$550M-\$600M, up \$100M from prior outlook, free cash flow is expected to be about \$350M.

# Lear Corp

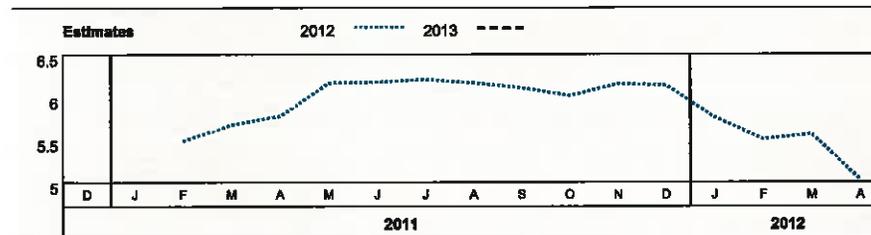
## Analysts' Recommendations



Of the total 19 companies following LEA, 18 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	9	50	9	9
Buy/Hold	4	22	4	3
Hold	4	22	4	4
Weak Hold	0	0	0	0
Sell	1	6	1	1
No Opinion	0	0	0	0
<b>Total</b>	<b>18</b>	<b>100</b>	<b>18</b>	<b>17</b>

## Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2013	5.55	6.70	4.90	18	7.7
2012	5.02	5.02	5.02	1	8.5
<b>2013 vs. 2012</b>	<b>▲ 11%</b>	<b>▲ 33%</b>	<b>▼ -2%</b>	<b>▲ 1700%</b>	<b>▼ -9%</b>

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

## Wall Street Consensus Opinion

**BUY/HOLD**

## Companies Offering Coverage

- Barclays
- BofA Merrill Lynch
- Buckingham Research Group Inc.
- CRT Capital Group LLC
- Citigroup Inc
- Credit Suisse
- Deutsche Bank
- Goldman Sachs
- JP Morgan
- Jefferies & Company, Inc.
- KeyBanc Capital Markets Inc.
- Moody's
- Morgan Stanley
- RBC Capital Markets
- Sidoti & Company, LLC
- Soleil Securities Group, Inc.
- Sterne Agee & Leach Inc.
- Ticonderoga Securities LLC
- UBS Investment Bank

## Wall Street Consensus vs. Performance

For fiscal year 2012, analysts estimate that LEA will earn \$5.02. For fiscal year 2013, analysts estimate that LEA's earnings per share will grow by 11% to \$5.55.

## Lear Corp

## Glossary

**S&P STARS**

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from various data inputs.

**S&P 12-Month Target Price**

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

**Investment Style Classification**

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

**S&P EPS Estimates**

Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

**S&P Core Earnings**

Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

**Qualitative Risk Assessment**

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment

is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

**Quantitative Evaluations**

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

**S&P Quality Ranking**

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

**S&P Fair Value Rank**

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

**S&P Fair Value Calculation**

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

**Insider Activity**

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

**Funds From Operations FFO**

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

**Investability Quotient (IQ)**

The IQ is a measure of investment desirability. It serves

as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

**S&P's IQ Rationale:**

Lear Corp	Raw Score	Max Value
Proprietary S&P Measures	9	115
Technical Indicators	5	40
Liquidity/Volatility Measures	17	20
Quantitative Measures	59	75
<b>IQ Total</b>	<b>90</b>	<b>250</b>

**Volatility**

Rates the volatility of the stock's price over the past year.

**Technical Evaluation**

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

**Relative Strength Rank**

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

**Global Industry Classification Standard (GICS)**

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

**S&P Issuer Credit Rating**

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

**Exchange Type**

ASE - American Stock Exchange; AU - Australia Stock Exchange; BB - Bulletin Board; NGM - Nasdaq Global Market; NNM - Nasdaq Global Select Market; NSC - Nasdaq Capital Market; NYS - New York Stock Exchange; OTN - Other OTC (Over the Counter); OTC - Over the Counter; QB - OTCQB; QX - OTCQX; TSX - Toronto Stock Exchange; TXV - TSX Venture Exchange; NEX - NEX Exchange.

**S&P Equity Research Services**

Standard & Poor's Equity Research Services U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as Standard & Poor's; Standard & Poor's Equity Research Services Asia includes McGraw-Hill Financial Singapore Pte. Limited's

## Lear Corp

offices in Singapore, Standard & Poor's Investment Advisory Services (HK) Limited in Hong Kong, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

**Abbreviations Used in S&P Equity Research Reports**  
**CAGR**- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

**Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).**

### Required Disclosures

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

### S&P Global STARS Distribution

**In North America:** As of March 30, 2012, research analysts at Standard & Poor's Equity Research Services North America recommended 34.5% of issuers with buy recommendations, 57.9% with hold recommendations and 7.6% with sell recommendations.

**In Europe:** As of March 30, 2012, research analysts at Standard & Poor's Equity Research Services Europe recommended 30.1% of issuers with buy recommendations, 49.4% with hold recommendations and 20.5% with sell recommendations.

**In Asia:** As of March 30, 2012, research analysts at Standard & Poor's Equity Research Services Asia recommended 35.9% of issuers with buy recommendations, 54.3% with hold recommendations and 9.8% with sell recommendations.

**Globally:** As of March 30, 2012, research analysts at Standard & Poor's Equity Research Services globally recommended 34.0% of issuers with buy recommendations, 56.3% with hold recommendations and 9.7% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★ **2-STARS (Sell):** Total return is expected to

underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★ **1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

**Relevant benchmarks:** In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

**For All Regions:** All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

### S&P Global Quantitative Recommendations Distribution

**In Europe:** As of March 30, 2012, Standard & Poor's Quantitative Services Europe recommended 49.0% of issuers with buy recommendations, 20.0% with hold recommendations and 30.0% with sell recommendations.

**In Asia:** As of March 30, 2012, Standard & Poor's Quantitative Services Asia recommended 35.9% of issuers with buy recommendations, 21.0% with hold recommendations and 30.0% with sell recommendations.

**Globally:** As of March 30, 2012, Standard & Poor's Quantitative Services globally recommended 46.0% of issuers with buy recommendations, 20.0% with hold recommendations and 33.0% with sell recommendations.

**Additional information is available upon request.**

### Other Disclosures

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### Disclaimers

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# Lear Corp

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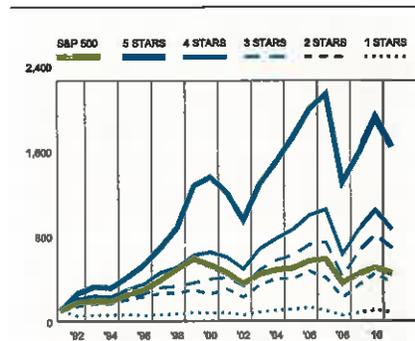
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### U.S. STARS Cumulative Model Performance Hypothetical Growth Due to Price Appreciation of \$100 For the Period 12/31/1986 through 03/31/2012



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are

made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a \$100,000 investment for a 12-month period (or \$10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or \$1,650), the net return would be 8.35 percent (or \$8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of \$5,375 and a cumulative net return of 27.2% (or \$27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

The Standard & Poor's 500 index is the benchmark for U.S. STARS. The S&P 500 index is calculated in U.S. dollars and does not take into account the reinvestment of dividends. Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index. The S&P 500 index includes a different number of constituents and has different risk characteristics than the STARS equities. Some of the STARS equities may have been included in the S&P 500 index for some (but not necessarily all) of the period covered in the chart, and some such equities may not have been included at all. The S&P 500 excludes ADRs and ADSs. The methodology for calculating the return of the S&P 500 index differs from the methodology of calculating the return for STARS. Past performance of the S&P 500 index is no guarantee of future performance.

An investment based upon the models should only be made after consulting with a financial advisor and with an understanding of the risks associated with any investment in securities, including, but not limited to, market risk, currency risk, political and credit risks, the risk of economic recession and the risk that issuers of securities or general stock market conditions may worsen, over time. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. As with any investment, investment returns and principal value will fluctuate, so that when redeemed, an investor's shares may be worth more or less than their original cost.

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Portfolio

Value	Name	Ticker ...	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
	<b>Large Cap Stocks</b>					<b>75,793,768.23</b>				
	3M COMPANY	MMM	5,000	443,493.23	87.56	437,800.00	-5,693.23	-1.28	68.63-98.19	14.45
	ABBOTT LABORATORIES	ABT	23,000	441,421.41	62.60	1,439,800.00	998,378.59	226.17	46.29-63.20	19.38
	AFLAC INC	AFL	25,000	360,357.96	43.59	1,089,750.00	729,392.04	202.41	31.25-55.23	8.67
	ALCOA INC	AA	10,000	129,882.87	9.21 e	92,100.00	-37,782.87	-29.09	8.45-17.62	25.58
	AMERICAN TOWER CORP SBI	AMT	5,000	318,090.87	67.75	338,750.00	20,659.13	6.49	46.04-68.52	68.43
	AMGEN INC	AMGN	5,100	263,677.38	70.70	360,570.00	96,892.62	36.75	47.66-72.00	16.40
	APPLE INC	AAPL	8,500	2,296,880.09	568.18	4,829,530.00	2,532,649.91	110.26	310.50-644.00	13.85
	AT&T INC COM	T	20,000	467,191.29	33.04	660,800.00	193,608.71	41.44	27.29-33.33	48.59
	AUTOMATIC DATA PROCESSING INC. ...	ADP	3,000	114,228.86	53.69 e	161,070.00	46,841.14	41.01	44.72-57.10	19.31
	AVON PRODUCTS INC	AVP	5,000	167,594.56	19.77	98,850.00	-68,744.56	-41.02	16.09-30.63	21.73
	BANK OF AMER CORP	BAC	10,000	168,536.26	7.79	77,900.00	-90,636.26	-53.78	4.92-12.43	N/E
	BARCLAYS BANK PLC	BCR	5,000	401,462.03	100.71	503,550.00	102,087.97	25.43	80.80-113.84	26.50
	BED BATH & BEYOND INC	BBBY	5,000	269,190.67	68.23	341,150.00	71,959.33	26.73	48.75-72.75	16.81
	BOEING CO	BA	5,000	364,115.95	75.40	377,000.00	12,884.05	3.54	56.01-80.42	13.07
	C S X CORP	CSX	26,000	394,706.68	21.99	571,740.00	177,033.32	44.85	17.69-27.06	12.57
	Caterpillar Inc	CAT	5,000	359,277.67	96.49	482,450.00	123,172.33	34.28	67.54-116.95	12.18
	CELGENE CORP	CELG	4,000	225,746.44	70.77	283,080.00	57,333.56	25.40	51.70-80.42	22.05
	CHESAPEAKE ENERGY CORP	CHK	12,000	431,511.51	16.93 e	203,160.00	-228,351.51	-52.92	16.55-35.75	6.97
	CHEVRON CORP	CVX	16,900	952,506.84	102.84	1,737,996.00	785,489.16	82.47	86.68-112.28	7.55
	CHEVRON CORP NEW	CVX	8,000	284,761.85	102.84	822,720.00	537,958.15	188.92	86.68-112.28	7.55
	CISCO SYS INC	CSCO	20,000	640,103.11	18.71	374,200.00	-266,903.11	-41.54	13.30-21.30	14.50
	CIT GROUP INC	CIT	9,162	435,487.64	37.30	341,742.60	-93,745.04	-21.53	27.68-44.88	N/E
	CIT GROUP INC NEW COM NEW	CIT	3,047	*	37.30	113,653.10	*	*	27.68-44.88	N/E
	CLIFFS NAT RESOURCES INC	CLF	12,000	406,067.53	56.76	681,120.00	275,052.47	67.74	47.31-102.00	5.11
	COCA COLA CO	KO	12,000	478,871.63	77.14	925,680.00	446,808.37	93.30	63.34-77.82	20.52
	COLGATE-PALMOLIVE CO	CL	10,000	421,673.47	99.18	991,800.00	570,126.53	135.21	78.62-100.81	19.80
	CORNING INC	GLW	10,000	99,139.24	13.36	133,600.00	34,460.76	34.76	11.51-21.14	8.40
	CUMMINS INC	CMI	2,000	194,811.59	106.89 e	213,780.00	18,968.41	9.74	79.53-129.51	10.49
	DANAHER CORP	DHR	12,000	259,890.35	54.17	650,040.00	390,149.65	150.12	39.34-56.45	18.74
	DIRECTV COM CL A	DTV	10,080	327,281.62*	48.03	484,142.40	156,860.78	39.82	39.82-53.40	13.84
	DISCOVERY COMMUNICATIONS	DISCK	520	7,491.05	47.16 e	24,523.20	17,032.15	227.37	31.63-50.71	18.14
	DISCOVERY COMMUNICATIONS 25470...	DISCA	520	8,343.07	50.80 e	26,416.00	18,072.93	216.62	34.75-55.35	18.14
	DOMINION RESOURCES INC. 8.375%	DRU	10,000	250,000.00	29.09 e	290,900.00	40,900.00	16.36	24.34-29.74	18.14
	DOVER CORP	DOV	9,000	336,204.77	58.72	528,480.00	192,275.23	57.19	43.64-70.15	12.71
	DOW CHEMICAL CO	DOW	15,000	465,165.62	32.11 e	481,650.00	16,484.38	3.54	20.61-41.05	17.26
	DUKE ENERGY CORP NEW COM	DUK	9,600	200,832.00	21.55	206,880.00	6,048.00	3.01	16.87-22.12	16.84
	DUKE ENERGY HOLDING CORP	NE...	400	3,518.56	21.55	8,620.00	5,101.44	144.99	16.87-22.12	16.84
	E M C CORP MASS	EMC	2,000	27,723.00	27.37	54,740.00	27,017.00	97.45	19.84-30.00	23.59

Portfolio

Value	Name	Ticker ...	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
	EBAY INC	EBAY	5,000	138,547.45	40.19 e	200,950.00	62,402.55	45.04	26.86-41.96	15.82
	EMC CORP MASS X	EMC	17,000	209,532.02	27.37	465,290.00	255,757.98	122.06	19.84-30.00	23.59
	EMERSON ELECTRIC CO	EMR	4,000	161,023.63	49.16	196,640.00	35,616.37	22.12	39.50-58.47	15.76
	EXPRESS SCRIPTS HLDG CO COM	ESRX	4,050	0.00	55.25	223,762.50	223,762.50	0.00	34.47-60.89	21.84
	EXXON MOBIL CORP X	XOM	4,000	4,724.61	84.02	336,080.00	331,355.39	7,013.39	67.03-87.94	10.15
	FACTSET RESEARCH SYSTEMS INC	FDS	1,500	26,270.06	104.70	157,050.00	130,779.94	497.83	78.25-112.40	27.63
	FACTSET RESH SYSTEMS INC	FDS	2,000	62,713.03	104.70	209,400.00	146,686.97	233.90	78.25-112.40	27.63
	FASTENAL CO	FAST	12,000	239,191.69	43.84	526,080.00	286,888.31	119.94	29.14-55.05	33.98
	FIDELITY NATIONAL INFORMATION SE...	FIS	1,000	6,493.26	32.24	32,240.00	25,746.74	396.51	22.53-34.15	19.90
	FISERV INC X	FISV	8,000	317,883.66	66.54	532,320.00	214,436.34	67.46	48.75-71.74	18.59
	FLUOR CORP NEW	FLR	5,000	266,815.15	55.20	276,000.00	9,184.85	3.44	44.16-73.18	16.24
	FORD MTR CO DEL COM	F	10,000	167,073.80	10.61	106,100.00	-60,973.80	-36.50	9.05-15.35	2.15
	FRANKLIN RES INC	BEN	3,000	303,299.19	115.44	346,320.00	43,020.81	14.18	87.71-137.56	13.31
	FREEMPORT-MCMORAN COPPER & ...	FCX	20,000	344,809.31	35.62	712,400.00	367,590.69	106.61	28.85-56.78	8.88
	GENERAL DYNAMICS CRP X	GD	4,000	292,920.00	67.53	270,120.00	-22,800.00	-7.78	53.95-75.93	9.83
	GENERAL ELECTRIC CO X	GE	16,000	47,910.68	19.25	308,000.00	260,089.32	542.86	14.02-21.00	15.65
	GENERAL MOTORS CO	GM	2,037	228,544.97	22.23	45,282.51	-183,262.46	-80.19	19.00-32.08	4.85
	GENERAL MOTORS COMPANY	GM	6,997	394,100.00	22.23	155,543.31	-238,556.69	-60.53	19.00-32.08	4.85
	GENL ELECTRIC CO X	GE	10,000	357,402.80	19.25	192,500.00	-164,902.80	-46.14	14.02-21.00	15.65
	GENL MILLS INC X	GIS	5,000	190,632.65	38.82	194,100.00	3,467.35	1.82	34.64-41.06	16.59
	GENUINE PARTS CO	GPC	5,000	316,434.00	65.13	325,650.00	9,216.00	2.91	46.10-66.50	17.51
	GILEAD SCIENCES INC	GILD	10,000	323,035.51	49.46 e	494,600.00	171,564.49	53.11	34.45-56.50	14.81
	GOOGLE INC CL A X	GOOG	3,000	1,640,962.14	612.79	1,838,370.00	197,417.86	12.03	473.02-670.25	18.58
	GREEN MTN COFFEE ROASTE...	GMCGR	12,000	152,077.74	26.38	316,560.00	164,482.26	108.16	24.03-115.98	13.53
	HALLIBURTON CO HOLDING CO FRML...	HAL	10,000	90,007.95*	32.69	326,900.00	*	*	27.21-57.77	9.64
	HARTFORD FINCL SERVICES GRO...	HIG	5,000	337,662.20	19.70	98,500.00	-239,162.20	-70.83	14.56-28.15	25.26
	HARTFORD FINL SVCS GROUP INC	HIG	10,000	345,071.37	19.70	197,000.00	-148,071.37	-42.91	14.56-28.15	25.26
	HEALTH CARE REIT INC X	HCN	7,000	184,525.41	55.90 e	391,300.00	206,774.59	112.06	41.03-57.95	93.17
	HESS CORP	HES	2,000	112,204.73	49.85	99,700.00	-12,504.73	-11.14	46.66-80.29	12.88
	HONEYWELL INTL INC X	HON	14,172	720,472.29	59.37	841,391.64	120,919.35	16.78	41.22-62.01	23.47
	INTEL CORP X	INTC	8,000	170,016.84	27.37	218,960.00	48,943.16	28.79	19.16-29.27	11.60
	INTERNATIONAL GAME TECHNOLOGY...	IGT	20,000	469,182.13	14.94 e	298,800.00	-170,382.13	-36.31	13.38-19.15	16.98
	INTUITIVE SURGICAL INC	ISRG	5,000	516,251.62	557 e	2,785,000.00	2,268,748.38	439.47	320.00-594.89	42.10
	JOHNSON CTLS INC	JCI	6,000	52,142.82	31.77	190,620.00	138,477.18	265.57	24.29-42.92	13.07
	JPMORGAN CHASE & CO X	JPM	5,000	113,523.16	41.38	206,900.00	93,376.84	82.25	27.85-46.49	9.18
	KRAFT FOODS INC CLASS A X	KFT	5,000	154,406.59	39.17 e	195,850.00	41,443.41	26.84	31.88-39.99	19.68
	LIBERTY MEDIA CORP X	LMCA	183	5,030.35	86.02 e	15,741.66	10,711.31	212.93	58.51-104.34	6.53
	LKQ CORP	LKQX	3,000	33,844.21	34.97	104,910.00	71,065.79	209.98	20.38-35.02	22.27
	MCDONALDS CORP X	MCD	21,100	988,961.81	93.55	1,973,905.00	984,943.19	99.59	79.08-102.22	17.45

# Portfolio

Value	Name	Ticker ...	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
	MCKESSON CORP	MCK	5,000	393,168.79	89.77	448,850.00	55,681.21	14.16	66.61-92.69	16.06
	MERCK & CO INC NEW COM	MRK	16,147	0.00	38.63	623,758.61	623,758.61	0.00	29.47-39.50	17.17
	METTLER-TOLEDO INTL	MTD	5,000	386,376.45	170.14	850,700.00	464,323.55	120.17	126.10-190.02	20.18
	MICROSOFT CORP	MSFT	22,546	805,324.31	30.50 e	687,653.00	-117,671.31	-14.61	23.65-32.95	11.13
	MORGAN STANLEY	MS	8,340	101,081.02	15.84	132,105.60	31,024.58	30.69	11.58-25.68	29.33
	NORFOLK SOUTHERN CORP	NSC	8,000	449,719.06	70.23 e	561,840.00	112,120.94	24.93	57.57-78.50	12.11
	O REILLY AUTOMOTIVE INC NEW COM	ORLY	4,000	94,174.23	102.29	409,160.00	314,985.77	334.47	56.25-107.13	24.65
	OMNICOM GROUP	OMC	2,000	79,140.93	51.12	102,240.00	23,099.07	29.19	35.27-52.19	15.21
	OMNICOM GROUP INC	OMC	8,000	274,205.25	51.12	408,960.00	134,754.75	49.14	35.27-52.19	15.21
	ONEOK INC NEW	OKE	17,000	503,753.20	85.80	1,458,600.00	954,846.80	189.55	58.61-89.63	27.07
	ORACLE CORP	OKE	10,000	131,772.17	27.93	279,300.00	147,527.83	111.96	24.72-35.92	14.62
	ORACLE CORPORATION	ORCL	15,000	169,473.85	27.93	418,950.00	249,476.15	147.21	24.72-35.92	14.62
	PANERA BREAD CO CL A	PNRA	10,000	677,619.70	153.65 e	1,536,500.00	858,880.30	126.75	96.68-165.99	31.62
	PEABODY ENERGY CORP	BTU	5,000	378,864.58	29.05	145,250.00	-233,614.58	-61.66	27.11-64.42	7.77
	PEPSICO INC	PEP	35,000	1,224,345.80	66.52	2,328,200.00	1,103,854.20	90.16	58.50-71.89	16.55
	PERRIGO CO	PRGO	8,000	290,240.24	100	800,000.00	509,759.76	175.63	75.89-108.60	27.03
	PERRIGO COMPANY	PRGO	5,000	497,217.21	100	500,000.00	2,782.79	0.56	75.89-108.60	27.03
	PFIZER INC	PFE	7,000	63,480.04	22.42	156,940.00	93,459.96	147.23	16.63-23.30	20.76
	PNC FINANCIAL SVCS GRP 6.125% FIX...	PNUL	5,000	126,000.00	25.27 e	126,350.00	1,350.00	1.08	24.29-100.25	20.64
	PRAAIR INC	PX	6,000	249,987.48	114.37	686,220.00	436,232.52	174.50	88.64-116.93	19.74
	PROCTER & GAMBLE CO	PG	22,625	224,489.81	64.16	1,451,620.00	1,227,130.19	546.63	57.56-67.95	30.30
	PROGRESS ENERGY INC	PEN	8,000	346,785.36	54.24	433,920.00	87,134.64	25.13	42.05-56.39	30.30
	PROGRESS ENERGY INC.	PEN	10,000	352,992.97	54.24	542,400.00	189,407.03	53.66	42.05-56.39	30.30
	RAYMOND JAMES FIN INC 6.90%	RJD	1,200	30,000.00	25.91 e	31,092.00	1,092.00	3.64	25.20-26.14	7.20
	REINSURANCE GROUP OF AMERICA	RGA	5,000	230,659.06	54.58 e	272,900.00	42,240.94	18.31	44.51-64.32	17.53
	REPUBLIC SERVICES INC CL A	RSG	5,000	136,304.01	26.82	134,100.00	-2,204.01	-1.62	24.72-33.10	21.42
	RESMED INC	RMD	5,000	157,157.54	33.42 e	167,100.00	9,942.46	6.33	23.37-35.32	22.37
	ROPER INDS INC	ROP	16,000	511,363.96	101.13	1,618,080.00	1,106,716.04	216.42	64.90-103.50	15.81
	SCANA CORP NEW	SCG	9,000	262,381.12	45.69	411,210.00	148,828.88	56.72	34.64-46.64	15.81
	SCHLUMBERGER LIMITED COM STK U...	SLB	24,000	417,120.56	70.39	1,689,360.00	1,272,239.44	305.01	54.79-95.53	18.87
	SIGMA ALDRICH CORP	SIAL	8,000	46,954.88	69.81	558,480.00	511,525.12	1,089.40	56.18-76.16	19.28
	SMUCKER J M CO NEW	SJM	4,000	241,085.93	76.16	304,640.00	63,554.07	26.36	66.43-81.97	17.15
	SPECTRA ENERGY CORP	SE	5,200	104,737.84	30.36	157,872.00	53,134.16	50.73	22.80-32.27	17.15
	SPECTRA ENERGY CORP COM	SE	13,800	0.00	30.36	418,968.00	418,968.00	0.00	22.80-32.27	17.15
	ST JUDE MEDICAL INC	STJ	5,000	167,454.45	37.96	189,800.00	22,345.55	13.34	32.13-53.94	15.37
	STAPLES INC	SPLS	5,000	110,520.10	15	75,000.00	-35,520.10	-32.14	11.94-20.55	10.71
	STRYKER CORP	SYK	20,000	95,643.89	54.15 e	1,083,000.00	987,356.11	1,032.33	43.73-64.61	15.13
	SYSCO CORP	SY	30,000	354,906.91	28.02	840,600.00	485,693.09	136.85	25.09-32.76	14.37
	T ROWE PRICE GROUP INC	TROW	5,000	251,288.72	60 e	300,000.00	48,711.28	19.38	44.68-66.00	20.41

Portfolio

Value

Page 4  
P/E ratio

Name	Ticker ...	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
TARGET CORP X	TGT	5,000	257,157.95	55.55	277,750.00	20,592.05	8.01	45.28-58.95	12.98
TEVA PHARMACEUTICAL INDS LTD AD...	TEVA	2,000	68,320.60	44.47	88,940.00	20,619.40	30.18	35.00-51.15	16.00
TEVA PHARMACEUTICALS IND LTD ...	TEVA	9,000	275,754.65	44.47	400,230.00	124,475.35	45.14	35.00-51.15	16.00
TEXTRON INC	TXT	8,000	0.00	24.68 e	197,440.00	197,440.00	0.00	14.66-29.18	22.23
THE DIRECTV GROUP CL A X	DTV	4,920	236,667.51	48.03	236,307.60	-359.91	-0.15	39.82-53.40	13.84
THE GOLDMAN SACHS GROUP INC PF...	GSF	10,000	250,000.00	25.168 e	251,680.00	1,680.00	0.67	22.00-25.82	
TOTAL S.A SPONS ADR	TOT	5,000	396,646.85	45.83 e	229,150.00	-167,496.85	-42.23	40.00-60.59	
TRACTOR SUPPLY COMPANY	TSCO	4,000	81,375.30	95.82	383,280.00	301,904.70	371.00	49.02-101.20	28.86
TRANSOCEAN LTD SWITZERLAND NEW	RIG	20,050	1,146,568.24	47.22 e	946,761.00	-199,807.24	-17.43	38.21-70.77	
UNION PACIFIC CORP	UNP	5,000	232,104.24	113.08	565,400.00	333,295.76	143.60	77.73-117.40	15.68
UNITED PARCEL SERVICE CL B	UPS	10,000	618,507.38	77.66 e	776,600.00	158,092.62	25.56	60.74-81.79	19.56
UNITED TECHNOLOGIES CORP	UTX	17,000	572,110.61	78.82	1,339,940.00	767,829.39	134.21	66.87-91.83	13.83
URBAN OUTFITTERS INC	URBN	5,000	77,065.25	27.65	138,250.00	61,184.75	79.39	21.47-33.90	23.24
US BANCORP 6.00% SERIES G	UBDLP	5,000	*	25.8899 e	129,449.50	*	*	24.47-26.16	
VARIAN MEDICAL SYSTEMS INC	VAR	5,000	176,963.75	63.47 e	317,350.00	140,386.25	79.33	48.72-71.95	18.08
VERIZON COMMUNICATIONS	VZ	15,420	373,967.92	40.55 e	625,281.00	251,313.08	67.20	32.28-40.84	43.14
VISA INC CL A X	V	5,000	471,283.83	118.14	590,700.00	119,416.17	25.34	73.11-125.35	27.60
VISA INC COM CL A X	V	5,000	394,366.14	118.14	590,700.00	196,333.86	49.78	73.11-125.35	27.60
WALGREEN CO X	WAG	5,000	196,513.07	34.09	170,450.00	-26,063.07	-13.26	30.34-45.34	11.63
WALGREEN CO NEW X	WAG	10,000	339,582.10	34.09	340,900.00	1,317.90	0.39	30.34-45.34	11.63
WALMART STORES INC X	WMT	10,000	538,761.04	59.05	590,500.00	51,738.96	9.60	48.31-62.63	13.01
WALT DISNEY CO X	DIS	10,000	152,049.30	44.30 e	443,000.00	290,950.70	191.35	28.19-44.50	16.72
WASTE MANAGEMENT INC	WM	10,000	162,506.96	33.98	339,800.00	177,293.04	109.10	27.75-39.43	16.74
WASTE MGMT INC NEW	WM	5,000	161,333.13	33.98	169,900.00	8,566.87	5.31	27.75-39.43	16.74
WATERS CORP X	WAT	10,000	739,217.91	84.50 e	845,000.00	105,782.09	14.31	70.88-99.94	18.13
WATSCO INC X	WSO	5,000	306,014.09	73.94	369,700.00	63,685.91	20.81	50.45-75.64	26.99
WEATHERFORD INTERNATIONAL LIMI...	WFT	5,000	97,405.56	13.45	67,250.00	-30,155.56	-30.96	10.85-22.76	
WELLS FARGO & CO NEW X	WFC	5,000	27,288.16	33.15	165,750.00	138,461.84	507.41	22.58-34.59	11.43
YUM! BRANDS INC	YUM	42,000	424,888.35	71.81	3,016,020.00	2,591,131.65	609.84	47.15-74.44	22.72
<b>Small Cap Stocks</b>			<b>6,250,404.28</b>		<b>7,917,215.50</b>	<b>1,666,811.22</b>	<b>26.67</b>		
ALMOST FAMILY INC	AFAM	5,000	200,124.66	23.99	119,950.00	-80,174.66	-40.06	12.50-33.38	10.81
AMERICAN SCIENCE & ENGINE...	ASEI	5,000	432,659.89	67.81	339,050.00	-93,609.89	-21.64	54.67-90.03	21.06
ARES CAPITAL CORP COM STK USD0...	ARCC	5,000	79,468.68	15.51	77,550.00	-1,918.68	-2.41	12.75-17.34	9.94
BIO-REFERENCE LABS INC NEW	BRLI	5,000	110,670.39	21.65 e	108,250.00	-2,420.39	-2.19	11.41-25.99	17.05
BRADY CORP CL A	BRC	4,000	64,506.67	31.28	125,120.00	60,613.33	93.96	24.44-38.73	53.02
BROADRIDGE FINANCIAL SOLUTI...	BR	4,500	90,752.72	21.85	98,325.00	7,572.28	8.34	19.01-24.94	16.43
BRUKER CORP X	BRKR	5,000	78,022.84	15.52	77,600.00	-422.84	-0.54	11.48-21.30	27.23
CATALYST HEALTH SOLUTIONS INC	CHSI	5,000	118,588.81	86.74 e	433,700.00	315,111.19	265.72	45.35-92.62	62.40

Portfolio

Value	Name	Ticker ...	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
	CLEAN ENERGY FUELS CORP	CLNE X	5,000	101,643.37	16.71	83,550.00	-18,093.37	-17.80	9.02-24.75	N/E
	COGNEX CORP	CGNX	5,000	169,104.43	36.60 e	183,000.00	13,895.57	8.22	24.91-44.80	22.45
	COPANO ENERGY LLC COM	CPNO UNIT...	10,000	298,179.02	35.21	352,100.00	53,920.98	18.08	26.08-38.03	N/E
	CULLEN FROST BANKERS INC	CFR	5,000	240,511.85	58.91 e	294,550.00	54,038.15	22.47	43.57-61.11	15.96
	DARLING INTL INC	DAR X	10,000	66,595.12	16.07	160,700.00	94,104.88	141.31	11.24-19.62	10.93
	DECKERS OUTDOOR CORP	DECK	20,000	241,857.01	52.13	1,042,600.00	800,742.99	331.08	50.18-118.90	10.91
	DIAMOND FOODS INC	DMND	5,000	391,490.70	23.40 e	117,000.00	-274,490.70	-70.11	20.01-96.13	10.54
	DIEBOLD INC	DBD X	5,000	228,607.62	37.89 e	189,450.00	-39,157.62	-17.13	24.70-42.93	13.02
	Flowers Foods Inc	FLO	7,500	127,229.34	19.93	149,475.00	22,245.66	17.48	17.79-23.13	22.14
	GAMESTOP CORP NEW	GME (HOLDI...	1,000	24,452.66	21.11	21,110.00	-3,342.66	-13.67	18.34-28.66	8.76
	GAMESTOP CORP NEW CL A	GME	5,000	126,433.80	21.11	105,550.00	-20,883.80	-16.52	18.34-28.66	8.76
	GFI GROUP INC	GFIG	5,000	38,710.45	3.16	15,800.00	-22,910.45	-59.18	2.98-4.99	N/E
	GLOBAL PAYMENTS INC	GPN	8,000	349,288.46	43.97	351,760.00	2,471.54	0.71	38.26-53.93	14.56
	HILLENBRAND INC	HI X	5,000	97,745.28	20.42	102,100.00	4,354.72	4.46	16.33-24.20	11.54
	IDEX CORP	IEX X	10,500	215,255.25	42.17	442,785.00	227,529.75	105.70	29.29-47.28	17.79
	IDEX CORPORATION	IEX X	2,250	29,507.37	42.17	94,882.50	65,375.13	221.56	29.29-47.28	17.79
	JOS A BANK CLOTHIERS INC	JOSB	5,000	107,474.47	46.76	233,800.00	126,325.53	117.54	40.46-57.14	13.40
	LENDER PROCESSING SVCS INC COM	LPS	500	5,045.66	24.06	12,030.00	6,984.34	138.42	12.91-29.55	15.32
	LENNOX INTL INC	LII	5,000	210,437.94	43.11	215,550.00	5,112.06	2.43	24.37-49.65	24.22
	MANITOWOC INC	MTW	10,000	150,593.40	12.48	124,800.00	-25,793.40	-17.13	5.76-19.64	37.82
	MEDNAX INC	MD X	5,000	361,070.85	65.18 e	325,900.00	-35,170.85	-9.74	58.48-75.86	14.45
	NEUSTAR INC CL A	NSR	5,000	132,566.45	34.84	174,200.00	41,633.55	31.41	22.24-38.69	20.26
	PENGROWTH ENERGY CORP	PGH	10,000	203,637.46	8.41 e	84,100.00	-119,537.46	-58.70	7.99-13.60	N/E
	PERKINELMER INC	PKI	5,000	140,405.95	27.37	136,850.00	-3,555.95	-2.53	17.45-28.60	12.56
	PORTFOLIO RECOVERY ASSOC INC	PRAA	5,000	240,392.99	73.48	367,400.00	127,007.01	52.83	56.76-89.67	22.79
	QUALITY SYSTEMS INC	QSII X	5,000	36,690.60	30.99 e	154,950.00	118,259.40	322.32	30.54-50.70	15.97
	SOUTH JERSEY IND INC	SJI X	5,000	187,934.87	47.76	238,800.00	50,865.13	27.07	42.85-57.99	15.97
	SYNNEX CORP	SNX X	5,000	179,012.80	35.85	179,250.00	237.20	0.13	22.56-44.25	8.34
	SYNTEL INC	SYNT	5,000	167,334.95	56.99	284,950.00	117,615.05	70.29	38.10-63.48	17.17
	TESORO LOGISTICS LP	TLLP	100	2,100.00	33.78 e	3,378.00	1,278.00	60.86	21.07-37.33	30.43
	THORATEC CORP NEW	THOR	5,000	148,140.05	32.48	162,400.00	14,259.95	9.63	27.84-38.07	24.06
	TRUE RELIGION APPAREL INC	TRLG	5,000	56,159.45	26.58	132,900.00	76,740.55	136.65	24.71-37.82	14.77
	<b>International Stocks</b>			<b>2,207,188.72</b>		<b>2,834,767.50</b>	<b>627,578.78</b>	<b>28.43</b>		
	BAIDU INC SPONS ADS REPR 0.10 OR...	BIDU	5,000	590,629.90	127.31	636,550.00	45,920.10	7.77	100.95-165.96	128.60
	BP PLC SPONS ADR	BP	5,000	276,165.38	39.94 e	199,700.00	-76,465.38	-27.69	33.62-48.34	5.95
	DIAGEO PLC NEW GB SPON	ADR ... DEO	2,000	128,034.73	100.44	200,880.00	72,845.27	56.89	72.27-104.67	
	GENPACT LTD	G X	5,000	79,583.73	16.09 e	80,450.00	866.27	1.09	13.37-18.16	
	RENESOLA LTD	SOL	5,000	117,135.18	1.77 e	8,850.00	-108,285.18	-92.44	1.45-8.94	

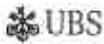
Portfolio

Value	Name	Ticker ...	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
	RESEARCH IN MOTION LTD-CAD	RIMM	5,000	327,864.86	12.01 e	60,050.00	-267,814.86	-81.68	11.67-45.91	2.17
	RIO TINTO PLC SPON ADR	RIO	20,000	214,799.21	50.94	1,018,800.00	804,000.79	374.30	40.50-74.00	
	SHIRE PLC ADR X	SHPGY	5,000	351,945.37	97.05 e	486,250.00	133,304.63	37.88	85.99-108.79	N/E
	TAIWAN SEMICONDUCTOR MANUFAC...	TSM	5,000	55,263.45	15.16	75,800.00	20,536.55	37.16	10.75-16.15	
	TYCO INTERNATIONAL LTD(SWITZERL...	TYC	1,250	65,766.91	54.75	68,437.50	2,670.59	4.06	37.39-57.75	24.23
Cash				<b>4,371,184.05</b>		<b>4,371,184.05</b>	<b>0.00</b>	<b>0.0</b>		
Cash				4,371,184.05		4,371,184.05				
Other				<b>1,047,089.59</b>		<b>910,199.00</b>	<b>-136,890.59</b>	<b>-13.07</b>		
ENERGY MISSISSIPPI INC. 6.20%		EFM	10,000	250,000.00	28.05 e	280,500.00	30,500.00	12.20	25.88-30.00	
ENERGY TEXAS INC 7.875%		EDT	10,000	250,000.00	29.2199 e	292,199.00	42,199.00	16.88	26.50-30.18	
QWEST CORPORATION 7.00%		CTX	7,500	187,500.00	25.54 e	191,550.00	4,050.00	2.16	25.00-25.69	
SODASTREAM INTL LTD ORD		SODA	5,000	359,589.59	29.19 e	145,950.00	-213,639.59	-59.41	27.60-79.72	
Unclassified				*		<b>22,452,239.25</b>	*	*		
Asset Mixture				*		<b>16,725,991.58</b>	*	*		
AMER FUNDS CAPITAL	WORLD ...	CWGX	19,727.816	696,048.41	34.40	678,636.87	-17,411.54	-2.50	29.54-38.32	
BLACKROCK ALL-CAP ENERGY & RES...	BACAX	BACAX	47,921.441	*	12.74 e	610,519.16	*	*	11.31-17.73	
CLEARBRIDGE ENERGY MLP OPPORT...	EMO	EMO	10,527.5771	3,418.08*	19.94 e	209,919.89	*	*	15.00-20.60	
COLUMBIA SELIGMAN	COMMU...	SLMCX	57,895.635	1,725,626.68	46.27	2,678,831.03	953,204.35	55.24	37.62-50.45	
EATON VANCE FLOATING	RATE ...	EVBLX	111,262.202	1,044,987.81	9.35	1,040,301.59	-4,686.22	-0.45	8.86-9.41	
INVESCO EUROPEAN	GROWT...	AEDAX	25,760.924	979,857.77	30.55	786,996.23	-192,861.54	-19.68	26.92-34.26	
LORD ABBET FLOATING RATE	FUN...	LFRAJ	340,080.48	3,189,122.06	9.30	3,162,748.46	-26,373.60	-0.83	8.72-9.41	
MAINSTAY CONVERTIBLE CLASS A	MCOAX	MCOAX	78,972.235	5,244.52*	14.82	1,170,368.52	*	*	13.43-17.22	
MFS DIVERSIFIED INCOME	FUND ...	DIFAX	99,361.821	1,047,339.33	11.22	1,114,839.63	67,500.30	6.44	9.77-11.30	
PIMCO TOTAL RETURN FUND	CLA...	PTTAX	199,962.337	2,146,961.48	11.27	2,253,575.54	106,614.06	4.97	10.69-11.27	
PIMCO UNCONSTRAINED BOND	FU...	PUBAX	184,273.605	2,052,230.90	11.27	2,076,763.53	24,532.63	1.20	10.84-11.27	
THORNBURG INTERNATIONAL	VAL...	TGVAX	36,888.107	1,012,129.58	25.55	942,491.13	-69,638.45	-6.88	22.45-30.13	

Totals: A=avg cost 78,502,858.7...

131,005,365.11 52,502,506.4...

66.88\*



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## Bank of Nova Scotia BNS:NYSE

Sector: Industry: | Large Cap Stock

Last Price **\$53.08**   Today's Change **0.00 (0.00%)**   Bid/Size **\$51.93/200**   Ask/Size **\$52.77/300**   High/Low **\$0.00/\$0.00**   Volume **0**

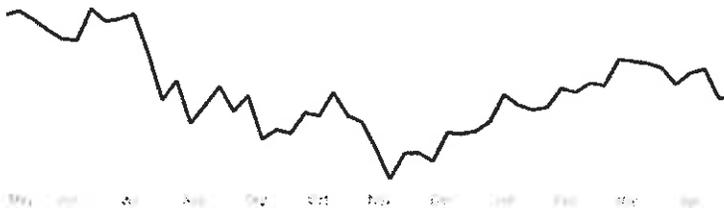
As of 04:04PM ET Market data is delayed by at least 15 minutes.  
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**1 Year Performance -10.55%**



Open	\$0.00
Previous Day's Close	\$53.08
Dividend Last	\$0.55
Dividend TTM	\$2.11
Dividend Yield TTM	4.21%
Dividend Ex-Date	3/30/2012
Dividend Pay Date	4/26/2012
Day Range	\$0.00 - \$0.00
9:30Lm	4pm
52 Week Range	\$46.79 - \$61.83
11/25/11	05/31/11

**BNS's price performance is up +6.52% YTD**

As of 04:04PM ET Market data is delayed by at least 15 minutes.

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Wednesday, May 9, 2012

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### UBS Perspective

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WMR currently does not cover this company.

### Commentary & Reports

There are currently no commentary and reports.

### Company Profile

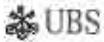
#### Industry Comparison

Earnings per Share (TTM)	\$4.65
P/E Ratio (TTM)	11.35
Cash Flow (TTM)	-
Gross Margin (MRQ)	-
EBITDA (TTM)	-M
Net Income (TTM)	\$5,089M

BNS's Earnings per Share is greater than 97% of its peers in the industry which is a measure of how profitable a company is relative to its peers.

#### Company Description

The Bank of Nova Scotia (the Bank) is a diversified financial institution. As of October 31, 2011, the Bank offered a range of products and services, including retail, commercial, corporate and investment banking to more than 18.6 million customers in more than 50 countries around the world. The Bank has four business lines: Canadian Banking, International Banking, Scotia Capital and Global Wealth Management. In January 2012, the Company closed its acquisition of 61% of Banco Colpatria. In April 2012, the Company through Scotia Capital Inc. acquired Howard Weil Incorporated.



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### Copa Holdings SA CPA:NYSE

Sector: Industrials Industry: Airlines | Mid Cap Stock

UBS Investment Research  
Neutral-Short Term Buy (N-STB)

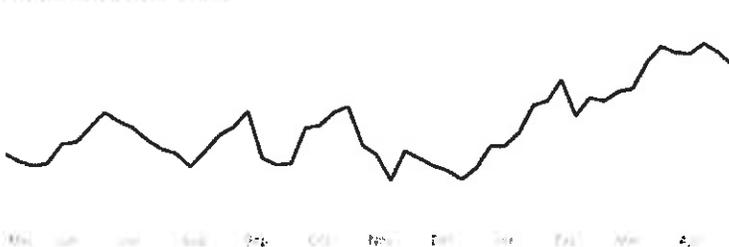
Last Price	Today's Change	Bid/Size	Ask/Size	High/Low	Volume
\$78.83	0.00 (0.00%)	\$74.93/200	\$83.18/200	\$0.00/\$0.00	0

As of 04:03PM ET Market data is delayed by at least 15 minutes.  
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Summary News & Events Charts Profile Insider Trading Financials Options Historical Quotes

1 Day 5 Day 1 Month 3 Month 6 Month 1 Year 2 Year 5 Year

1 Year Performance +22.00%



Open	\$0.00
Previous Day's Close	\$78.83
Dividend Last	\$1.64
Dividend TTM	\$1.64
Dividend Yield TTM	2.09%
Dividend Ex-Date	5/28/2011
Dividend Pay Date	6/16/2011
Day Range	\$0.00
9:30am	4pm
52 Week Range	\$65.80
	\$83.48
10/04/11	05/03/12

CPA's price performance is up +34.02% YTD  
As of 04:03PM ET Market data is delayed by at least 15 minutes.

#### Recent Headlines

Copa Airlines and Copa Airlines Colombia Expands Its Global Sales Network Through Discover The World PR Newswire 5/8/2012 9:26:00 AM  
SCOTTSDALE, Ariz., May 8, 2012 Copa Airlines and Copa Airlines Colombia have expanded its sales network through Discover The World Marketing as its sales representative in Italy and the United Kingdom effective immediately. "Discover has produced results for us in other markets around the globe, so it was a natural decision to award them the new representation in Italy and the UK," said Joseph Moh

Copa Holdings Announces First Quarter Financial Results Release Schedule PR Newswire 4/24/2012 8:52:00 AM

(April 17)-U.S. RESEARCH ROUND-UP: Equifax, Corrections Corp Of America PR Newswire 4/18/2012 10:59:29 AM

Copa Holdings S.A. Files Annual Report on Form 20-F PR Newswire 4/18/2012 8:23:00 PM

U.S. RESEARCH ROUND-UP: AIG, Wells Fargo, Macys PR Newswire 4/10/2012 8:16:10 PM

Copa Holdings Announces Monthly Traffic Statistics for March 2012 PR Newswire 4/9/2012 8:36:00 AM

U.S. RESEARCH ROUND-UP: Dell, Safeway, Baker Hughes PR Newswire 3/28/2012 1:37:38 PM

#### More News

MRQ = Most Recent Quarter, MRFY = Most Recent Fiscal Year, FYF = Fiscal Year Forward, TTM = Trailing Twelve Months, NM = Not Meaningful, T = Trillions, B = Billions, M = Millions, K = Thousands  
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#### UBS Perspective

For Individual For Institution

WMR currently does not cover this company.

#### Commentary & Reports

There are currently no commentary and reports.

#### Company Profile

##### Industry Comparison

Earnings per Share (TTM)	\$7.01
P/E Ratio (TTM)	11.21
Cash Flow (TTM)	\$8.72
Gross Margin (MRQ)	70.11%
EBITDA (TTM)	\$460M
Net Income (TTM)	\$310M

CPA's Earnings per Share is greater than 100% of its peers in the Airlines industry which is a measure of how profitable a company is relative to its peers.

##### Company Description

Copa Holdings, S.A. (Copa Holdings) is a Latin American provider of airline passenger and cargo service through its two principal operating subsidiaries, Copa Airlines and Copa Colombia. Copa Airlines operates from its position in the Republic of Panama, and Copa Colombia provides service within Colombia and international flights from various cities in Colombia to Panama, Venezuela, Ecuador, Mexico, Cuba, Guatemala and Costa Rica. As of December 31, 2011, the Company operated a fleet of 73 aircraft, 47 Boeing 737-Next Generation aircraft and 26 Embraer 190 aircraft. As of December 31, 2011, it offered approximately 265 daily scheduled flights among 59 destinations in 28 countries in North, Central and South America and the Caribbean from its Panama City hub.



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### FedEx Corp FDX:NYSE

Sector: Industrials Industry: Air Freight & Courier Services Large Cap Stock

Last Price	Today's Change	Bid/Size	Ask/Size	High/Low	Volume
\$88.86	0.00 (0.00%)	\$87.48/700	\$88.13/200	\$0.00/\$0.00	0

As of 04:03PM ET Market data is delayed by at least 15 minutes.  
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UBS Wealth Management Research  
Market Perform (DOWNGRADE on Dec 23, 2011)

UBS Investment Research  
Buy (B)

Summary News & Events Charts Profile Insider Trading Financials Options Historical Quotes

1 Day 5 Day 1 Month 3 Month 6 Month **1 Year** 3 Year 5 Year

1 Year Performance -6.27%



Open	\$0.00
Previous Day's Close	\$88.86
Dividend Last	\$0.13
Dividend IAD	\$0.62
Dividend Yield IAD	0.68%
Dividend Ex-Date	3/8/2012
Dividend Pay Date	4/2/2012
Day Range	\$0.00
9:30am	4pm
52 Week Range	\$64.07
10/04/11	07/07/11

FDX's price performance is up +6.63% YTD

As of 04:03PM ET Market data is delayed by at least 15 minutes.

### Recent Headlines

- UPDATE 2-Asia helps Deutsche Post beat Q1 expectations Reuters 6/8/2012 3:59:41 AM  
\* Revenues, operating profit, net profit beat consensus  
\* Earnings driven by express, supply chain in Asia  
\* Q1 EBIT 691 mln euro vs poll avg 656 mln e...
- FedEx, NASCAR Driver Denny Hamlin and The Salvation Army Welcome Home Tuscaloosa-Area Family after Home Was Destroyed Reuters 5/3/2012 8:00:00 AM
- FedEx Office Supports Small Business Month with Twitter Chat Series Reuters 5/2/2012 11:00:00 AM
- UPDATE 4-UPS profit misses view, international lags Reuters 4/28/2012 12:28:54 PM
- On-the-Go Cloud Printing with FedEx Office Reuters 4/26/2012 11:00:00 AM
- FedEx Special Delivery Helps Orphaned Sea Otter Pup Find New Home at Pittsburgh Zoo & PPG Aquarium Reuters 4/23/2012 10:30:00 AM
- Easy, On-Demand Print Solutions with FedEx Office and Google Cloud Print Reuters 4/18/2012 1:15:00 PM
- Deals of the day -- mergers and acquisitions Reuters 4/17/2012 3:59:34 PM
- UPDATE 2-FedEx in talks to buy France's TATEX Reuters 4/17/2012 2:32:55 PM

More News

### UBS Perspective

- For Individual For Institution  
US Equities Industrials: Monthly - Good 1Q12 results lift the bar for 2012  
May 05, 2012
- US Top 25 Stock List: May Update  
May 01, 2012
- US Equities Industrials: Erratum: Monthly - Flinching begins, adds pressure  
Apr 03, 2012

More

### Commentary & Reports

- UPDATE 4-UPS profit misses view, international lags Reuters 12:28 PM 4/28/2012
- US STOCKS-Wall St retreats but bull market still alive Reuters 4:35 PM 3/22/2012
- US STOCKS-Dow, S&P drop for 3rd day on global growth worries Reuters 1:10 PM 3/22/2012
- MARKET PULSE-FedEx, Chevron, Exar/Target Reuters 12:48 PM 3/22/2012
- US STOCKS-Global growth concerns weigh on Wall Street Reuters 11:34 AM 3/22/2012

More

### Company Profile

#### Industry Comparison

Earnings per Share (TTM)	\$6.42
P/E Ratio (TTM)	13.85
Cash Flow (TTM)	\$12.86
Gross Margin (MRQ)	25.25%
EBITDA (TTM)	\$5,287M
Net Income (TTM)	\$2,036M

FDX's Earnings per Share is greater than 100% of its peers in the Air Freight & Courier Services Industry which is a measure of how profitable a company is relative to its peers.

#### Company Description

FedEx Corporation (FedEx), is a holding company. It provides a portfolio of transportation, e-commerce and business services under the FedEx brand. The Company operates in four segments: FedEx Express, FedEx Ground, FedEx Freight and FedEx Services. Federal Express Corporation (FedEx Express) is an express transportation company, offering time-certain delivery within one to three business days and serving markets. FedEx Ground Package System, Inc. (FedEx Ground) is a provider of small-package ground delivery services. FedEx Freight Inc (FedEx Freight) is a provider of less-than-truckload (LTL) freight. FedEx Corporate Services, Inc. (FedEx Services) provides its other companies with sales, marketing and information technology support. On February 22, 2011, it completed the acquisition of the Indian logistics, distribution and express businesses of AFL Pvt. Ltd. and its affiliate Unifreight India Pvt. Ltd.

MRQ = Most Recent Quarter, MRFY = Most Recent Fiscal Year, FYF = Fiscal Year Forward, TTM = Trailing Twelve Months, NM = Not Meaningful, T = Trillions, B = Billions, M = Millions, K = Thousands

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**Priceline.com Inc** PCLN:NASDAQ

Sector: Cylrical Consumer Goods & Services Industry: Leisure & Recreation | Large Cap Stock

UBS Investment Research  
Neutral (N)

Last Price	Today's Change	Bid/Size	Ask/Size	High/Low	Volume
\$716.20	0.00 (0.00%)	\$706.23/100	\$709.98/100	\$0.00/\$0.00	3,711

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Summary News & Events Charts Profile Insider Trading Financials Options Historical Quotes

1 Day 5 Day 1 Month 3 Month 6 Month 1 Year 5 Year

1 Year Performance +35.34%



Open	\$0.00
Previous Day's Close	\$716.20
Dividend Last	-
Dividend	-
Dividend Yield	-
Dividend Ex-Date	-
Dividend Pay Date	-
Day Range	\$0.00
9:30am	4pm
52 Week Range	\$411.26 - \$774.98
10/04/11	04/10/12

PCLN's price performance is up +35.13% YTD  
As of 04:00PM ET Market data is delayed by at least 15 minutes.

Recent Headlines

US STOCKS-Futures down again on Europe concerns Reuters 5/9/2012 8:14:47 AM  
\* Spain to demand banks set aside \$45 bn-sources \* Disney profit beats expectations \* Yahoo director to step down \* Futures off: Dow 72 p...

STOCKS NEWS US-Earnings and economic diary for May 9 Reuters 5/9/2012 7:26:39 AM

US STOCKS-Spanish bank fears push futures lower Reuters 5/9/2012 7:26:38 AM

US trader in "free-riding" fraud case admits guilt Reuters 5/8/2012 8:25:20 PM

U.S. RESEARCH ROUND-UP: PepsiCo, Priceline, Nvidia Reuters 5/7/2012 3:33:40 PM

MARKET PULSE-US stocks to watch: PepsiCo, Cognizant, Vertex Reuters 5/7/2012 12:58:18 PM

STOCKS NEWS US-Credit Suisse looks at option earnings signals Reuters 5/7/2012 11:10:22 AM

MARKET PULSE-US stocks to watch: PepsiCo, Micron, Cognizant Reuters 5/7/2012 11:05:18 AM

MARKET PULSE-US stocks to watch: AIG, AT&T, Priceline Reuters 5/7/2012 8:02:13 AM

More News

MRQ = Most Recent Quarter, MRFY = Most Recent Fiscal Year, FYF = Fiscal Year Forward, TTM = Trailing Twelve Months, NM = Not Meaningful, T = Trillions, B = Billions, M = Millions, K = Thousands  
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UBS Perspective

For Individual For Institution  
WMR currently does not cover this company.

Commentary & Reports

US STOCKS-Futures down again on Europe concerns Reuters 8:14 AM 5/9/2012

STOCKS NEWS US-Earnings and economic diary for May 9 Reuters 7:26 AM 5/9/2012

US STOCKS-Spanish bank fears push futures lower Reuters 7:26 AM 5/9/2012

STOCKS NEWS US-Credit Suisse looks at option earnings signals Reuters 11:10 AM 5/7/2012

EXCLUSIVE-UPDATE 1-Travelzoo mulls sale, seeks adviser -sources Reuters 9:31 AM 4/11/2012

More

Company Profile

Industry Comparison

Earnings per Share (TTM)	\$20.65
P/E Ratio (TTM)	34.68
Cash Flow (TTM)	\$21.76
Gross Margin (MRQ)	70.63%
EBITDA (TTM)	\$1,453M
Net Income (TTM)	\$1,056M

PCLN's Earnings per Share is greater than 100% of its peers in the Leisure & Recreation Industry which is a measure of how profitable a company is relative to its peers.

Company Description

priceline.com Incorporated is an online travel company that offers its customers hotel room reservations at over 210,000 hotels worldwide through the Booking.com, priceline.com and Agoda brands. In the United States, the Company also offers its customers reservations for car rentals, airline tickets, vacation packages, destination services and cruises through the priceline.com brand. It offers car rental reservations worldwide through rentalcars.com. In the United States, the Company also offers customers the ability to purchase other travel services, including airline tickets, rental car days, vacations packages, destination services and cruises through both a traditional, price-disclosed retail manner, and through its demand-collection system known as Name Your Own Price. During the year ended December 31, 2011, its re-branded Traveligaw as rentalcars.com through rentalcars.com, it offers retail price-disclosed rental car reservations worldwide.



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### Alcoa Inc AA:NYSE

Sector: Basic Materials Industry: Aluminum Large Cap Stock

Last Price **\$9.21**   Today's Change **0.00 (0.00%)**   Bid/Size **\$9.06/500**   Ask/Size **\$9.07/100**   High/Low **\$0.00/\$0.00**   Volume **112,069**

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UBS Wealth Management Research  
**Under Perform (Initiation on Sep 21, 2009)**

UBS Investment Research  
**Neutral (N)**

[Summary](#)   [News & Events](#)   [Charts](#)   [Profile](#)   [Insider Trading](#)   [Financials](#)   [Options](#)   [Historical Quotes](#)

[1 Day](#)   [5 Day](#)   [1 Month](#)   [3 Month](#)   [6 Month](#)   **[1 Year](#)**   [2 Year](#)   [5 Year](#)

**1 Year Performance -47.46%**



Open	\$0.00
Previous Day's Close	\$9.21
Dividend Last	\$0.03
Dividend IAD	\$0.12
Dividend Yield IAD	1.30%
Dividend Ex-Date	5/10/2012
Dividend Pay Date	5/25/2012
Day Range	\$0.00
52 Week Range	\$8.45 - \$17.62
10/04/11	05/10/11

**AA's price performance is up +6.47% YTD**  
As of 04:00PM ET Market data is delayed by at least 15 minutes.

### Recent Headlines

Alcoa Named One of China's Top 100 Green Companies BusinessWire 5/7/2012 3:38:00 PM  
Alcoa has been named one of China's Top 100 Green Companies by Green Company Magazine in its annual ranking of corporate sustainability practices. The ranking was initiated by Green Company Magazine, Chinese Entrepreneur Association and Daoning Center for Enterprise, a leading Chinese think tank on developing entrepreneurship. Alcoa was recognized for its endeavor to drive sustainability through t

Alcoa Announces Dividend BusinessWire 5/3/2012 5:06:00 PM

Alcoa Will Host Webcast of Annual Meeting of Shareholders BusinessWire 4/30/2012 10:00:00 AM

RPT-INTERVIEW-Alcoa finds gold in its engineering segment BusinessWire 4/30/2012 6:00:08 AM

TEXT-S&P affirms Alumina Ltd. rgtg; off watch; outlook is negative BusinessWire 4/30/2012 2:53:15 AM

Apple, Google could join Dow index - Barron's BusinessWire 4/29/2012 4:41:38 PM

INTERVIEW-Alcoa finds gold in its engineering segment BusinessWire 4/27/2012 6:12:16 PM

UPDATE 1-N.America wire makers buy foreign rod on Alma outage BusinessWire 4/25/2012 3:17:43 PM

N.America wire makers buy foreign rod on Alma outage BusinessWire 4/25/2012 12:16:10 PM

[More News](#)

MRQ = Most Recent Quarter, MRFY = Most Recent Fiscal Year, FYF = Fiscal Year Forward, TTM = Trailing Twelve Months, NM = Not Meaningful, T = Trillions, B = Billions, M = Millions, K = Thousands  
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### UBS Perspective

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US Equities Materials : Alcoa Inc.  
Apr 19, 2012

US Equities Materials : Monthly - Look past 1Q12E, look at 4Q12E  
Apr 18, 2012

US Equities Materials : Alcoa Inc.  
Mar 21, 2012

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### Commentary & Reports

Apple, Google could join Dow index - Barron's Reuters 4:41 PM 4/29/2012

UPDATE 1-Wall St Wk Ahead: Stocks to track earnings with eye on Europe Reuters 11:05 AM 4/15/2012

Wall St Week Ahead: Stocks to track earnings with an eye on Europe Reuters 8:34 PM 4/13/2012

GLOBAL MARKETS-Stocks, euro sag as China GDP spooks investors Reuters 4:25 PM 4/13/2012

GLOBAL MARKETS-Stocks, euro, oil sag as China renews growth fears Reuters 2:32 PM 4/13/2012

[More](#)

### Company Profile

#### Industry Comparison

Earnings per Share (TTM)	\$0.36
P/E Ratio (TTM)	26.62
Cash Flow (TTM)	\$1.78
Gross Margin (MRQ)	16.64%
EBITDA (TTM)	\$2,679M
Net Income (TTM)	\$397M

AA's Earnings per Share is greater than 64% of its peers in the Aluminum industry which is a measure of how profitable a company is relative to its peers.

#### Company Description

Alcoa Inc. (Alcoa) is engaged in the production and management of primary aluminum, fabricated aluminum, and alumina combined, through its participation in technology, mining, refining, smelting, fabricating, and recycling. Alcoa's products are used worldwide in aircraft, automobiles, commercial transportation, packaging, building and construction, oil and gas, defense, consumer electronics, and industrial applications. Alcoa is a global company operating in 34 countries. Alcoa's operations consist of four worldwide reportable segments: Alumina, Primary Metals, Flat-Rolled Products, and Engineered Products and Solutions. On March 9, 2011, Alcoa completed an acquisition of the aerospace fastener business of TransDigm Group Inc.

## Options Report

				QUANTITY
CALL	AFLAC	19-May	\$52.50	(20.00)
CALL	ROPER	19-May	\$90.00	(20.00)
CALL	COPANO	19-May	\$37.00	(10.00)
CALL	FREPORT	19-May	\$55.00	(30.00)
CALL	GLOBAL	19-May	\$55.00	(10.00)
CALL	CATERPILLER	19-May	\$115.00	(20.00)
CALL	HONEYWELL	16-Jun	\$55.00	(20.00)
CALL	DANAHER	16-Jun	\$57.50	(30.00)
CALL	MCDONALDS	16-Jun	\$100.00	(11.00)
CALL	VISA	16-Jun	\$115.00	(10.00)
CALL	CHEVRON	16-Jun	\$120.00	(19.00)
CALL	AMGEN	21-Jul	\$60.00	(20.00)
CALL	DARLING	21-Jul	\$17.50	(10.00)
CALL	SIGMA	21-Jul	\$75.00	(10.00)
CALL	SMUCKER	21-Jul	\$85.00	(10.00)
CALL	PERRIFO	18-Aug	\$115.00	(20.00)
CALL	WATSCO	18-Aug	\$80.00	(20.00)
CALL	DIRECTV	22-Sep	\$52.50	(10.00)
CALL	FISERV	22-Sep	\$75.00	(20.00)
PUT	EMERSON	19-May	\$50.00	(20.00)
PUT	GREEN MTN	16-Jun	\$30.00	(10.00)
PUT	DECKER	22-Sep	\$42.50	(20.00)
PUT	FISERV	22-Sep	\$60.00	(10.00)
PUT	CHEVRON	19-Jan	\$75.00	(30.00)



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Fax Number: *(248) 524-0851*

Date: *5/8/12*

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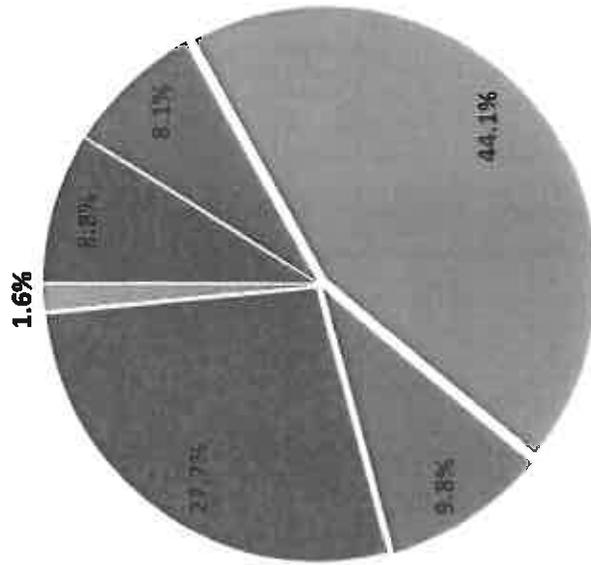
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CCO Reviewed/Approved \_\_\_\_\_

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**City of Troy  
Employees Retirement System  
Portfolio Analysis  
February 29 2012  
Total Cost Basis = 144,897,171**



**Cash \$12,788,693**

**Corporate Bonds \$11,706,275**

**Common Stock \$63,860,315**

**Government Securities \$14,141,740**

**Mutual Funds \$40,151,380**

**Preferred Stock \$2,248,768**

**Cash**  
**Balance**

Wells Fargo	426,729.93
UBS-Grant	11,354,147.96
UBS-Jones	734,918.59
UBS-J-M	1,183,121.68
Fidelity	2,640,295.05
Smith Barney	4,343,289.53
Due to GF	(7,893,810.00)
<b>Total Cash</b>	<b><u>12,788,692.74</u></b>

CITY OF TROY MICHIGAN  
 EMPLOYEE RETIREMENT SYSTEM  
 CORPORATE BONDS  
 ACCT# 1120.110  
 February 29, 2012

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	PAR VALUE	NAME	RATE	MAT YR	MAT MO	MAT DAY	July 1, 2011 BOOK VALUE	FEBRUARY	TOTAL
731	0	1	2003	12	18	500,000	AMERICAN GEN FIN CORP	4.625%	2012	12	15	500,000.00		500,000.00
731	0	1	2002	11	21	297,000	AMERICAN TEL & TEL	9.455%	2022	11	15	293,625.00		293,625.00
731	0	1	2008	7	14	500,000	ANHEUSER BUSCH	4.700%	2012	4	15	502,480.00		502,480.00
731	0	2	2007	6	18	500,000	ANHEUSER BUSCH	4.700%	2012	4	15	477,322.60		477,322.60
731	0	1	1992	5	14	600,000	ATLANTIC RICHFIELD	8.250%	2022	2	1	587,250.00		587,250.00
731	0	1	2010	4	29	120,000	BANK OF AMER INTERNOTES	4.000%	2015	4	15	120,000.00		120,000.00
731	0	1	2010	4	29	380,000	BANK OF AMER INTERNOTES	4.000%	2015	4	15	380,000.00		380,000.00
731	0	1	2010	2	19	1,000,000	BANK OF AMER INTRNOTES	4.900%	2017	2	15	1,000,000.00		1,000,000.00
731	0	2	2008	12	15	450,000	BELLSOUTH CORP.	5.200%	2014	9	15	417,024.00		417,024.00
731	0	1	2009	12	10	71,216	CIT GROUP	7.000%	2013	5	1	14,625.08		14,625.08
731	0	1	2009	12	10	52,852	CIT GROUP	7.000%	2014	5	1	46,947.00		0.00
731	0	1	2009	12	10	106,824	CIT GROUP	7.000%	2014	5	1	27,114.77		0.00
731	0	1	2009	12	10	52,852	CIT GROUP	7.000%	2015	5	1	46,641.89		0.00
731	0	1	2009	12	10	106,824	CIT GROUP	7.000%	2015	5	1	94,272.18		0.00
731	0	2	2009	12	10	88,086	CIT GROUP	7.000%	2016	5	1	75,313.53		0.00
731	0	1	2009	12	10	178,041	CIT GROUP	7.000%	2016	5	1	152,225.05		82,881.12
731	0	1	2009	12	10	123,321	CIT GROUP	7.000%	2017	5	1	102,973.03		102,973.03
731	0	1	2009	12	10	249,257	CIT GROUP	7.000%	2017	5	1	208,129.59		208,129.59
731	0	2	2009	12	10	53,114	CIT GROUP	7.000%	2014	5	1	29,150.30		0.00
731	0	2	2009	12	10	53,114	CIT GROUP	7.000%	2015	5	1	53,114.00		0.00
731	0	2	2009	12	10	88,523	CIT GROUP	7.000%	2016	5	1	88,523.00		70,150.75
731	0	2	2009	12	10	123,933	CIT GROUP	7.000%	2017	5	1	123,933.00		123,933.00
731	0	2	1986	3	20	300,000	COMPREHENSIVE CARE	7.500%	2010	4	15	117,000.00		117,000.00
731	0	2	2008	8	21	500,000	DOW CHEMICAL	5.600%	2013	8	15	500,000.00		0.00
731	0	1	1991	5	30	200,000	FORD HOLDINGS	9.375%	2020	3	1	195,375.00		195,375.00
731	0	1	2008	5	22	500,000	GE CAPITAL INTERNOTES	4.150%	2012	5	15	500,000.00		500,000.00
731	0	2	2007	6	18	500,000	GENWORTH FIN'L	5.650%	2012	6	15	496,779.60		496,779.60
731	0	1	1998	10	20	500,000	GMAC	0.000%	2012	12	1	205,000.00		205,000.00
731	0	1	2003	4	15	500,000	GMAC	6.750%	2013	4	15	500,000.00		500,000.00
731	0	2	2008	5	20	500,000	GOLDMAN SACHS	4.750%	2013	7	15	496,724.08		496,724.08
731	0	1	2007	6	21	500,000	HARTFORD LIFE	5.400%	2012	6	15	500,000.00		500,000.00
731	0	2	1989	6	30	100,000	HECHINGER	5.500%	2012	4	1	85,000.00		85,000.00
731	0	2	2008	8	21	500,000	HOME DEPOT	5.250%	2013	12	16	483,400.00		483,400.00
731	0	2	2008	8	21	250,000	INTERNATIONAL PAPER	5.500%	2014	1	15	240,377.50		240,377.50
731	0	1	2008	7	14	500,000	KRAFT FOODS	6.250%	2012	6	1	518,750.00		518,750.00
731	0	1	2005	2	14	500,000	MERRILL LYNCH NOTES	4.300%	2012	2	14	500,000.00	-500,000.00	0.00
731	0	1	2005	11	17	500,000	PRUDENTIAL FINANCE NOTES	6.700%	2015	11	10	500,000.00		500,000.00
731	0	3	2012	2	12	30,000	RAYMOND JAMES	6.900%	2042	3	15	0.00	30,000.00	30,000.00
731	0	1	2010	6	15	500,000	ROYAL BANK OF SCOTLAND	4.875%	2015	3	16	494,000.00		494,000.00

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	PAR VALUE	NAME	RATE	MAT YR	MAT MO	MAT DAY	July 1, 2011 BOOK VALUE	FEBRUARY	TOTAL
731	0	1	1992	1	16	200,000	TENNESSEE GAS PIPELINE	6.000%	2011	12	15	143,000.00		0.00
731	0	1	2008	7	14	500,000	VERIZON NEW JERSEY	5.875%	2012	1	17	515,900.00		0.00
731	0	2	2005	7	19	500,000	WASHINGTON MUTUAL	4.000%	2009	1	15	494,375.00		494,375.00
731	0	2	2007	10	15	1,000,000	WASHINGTON MUTUAL	4.200%	2010	1	15	969,100.00		969,100.00
731	0	2	2008	12	15	500,000	WESTERN UNION	5.400%	2011	11	17	486,385.00		0.00
731	0	1	1996	2	21	300,000	YORK, PA	0.000%	2012	2	1	103,110.00	-103,110.00	0.00
												0.00		0.00
												0.00		0.00
<b>TOTALS</b>						<u>15,574,957</u>						<u>14,384,940.20</u>	<u>(662,534.91)</u>	<u>11,706,275.35</u>

CITY OF TROY MICHIGAN  
 EMPLOYEE RETIREMENT SYSTEM  
 COMMON STOCK  
 ACCT# 1120.120  
 February 29, 2012

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2011			FEBRUARY			ENDING BALANCE		
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	
731	0	2	2004	10	19 3M		5,000	443,493.23			5,000	443,493.23			
731	0	4	2004	8	17 3M		15,000	785,051.12			15,000	785,051.12			
731	0	1	2004	5	3 ABBOTT LABS		4,000	174,650.50			4,000	174,650.50			
731	0	2	2004	5	20 ABBOTT LABS		1,000	41,493.92			1,000	41,493.92			
731	0	3	2006	3	15 ABBOTT LABS		22,000	365,587.49			22,000	365,587.49			
731	0	4	2004	5	6 ABBOTT LABS		1,000	31,363.37			1,000	31,363.37			
731	0	1	2010	5	18 AECOM TECHNOLOGY		3,000	88,460.70			3,000	88,460.70			
731	0	4	2010	2	10 AECOM TECHNOLOGY		5,000	125,940.23			5,000	125,940.23			
731	0	1	2008	12	19 AFLAC		7,000	306,067.90			7,000	306,067.90			
731	0	2	2004	2	13 AFLAC		19,000	106,928.05			19,000	106,928.05			
731	0	3	2004	4	21 AFLAC		6,000	253,431.15			6,000	253,431.15			
731	0	3	2008	12	15 ALCOA		10,000	129,882.87			10,000	129,882.87			
731	0	1	2010	8	6 ALMOST FAMILY		2,000	54,566.15			2,000	54,566.15			
731	0	2	2010	4	20 ALMOST FAMILY		5,000	200,124.66			5,000	200,124.66			
731	0	2	2004	10	19 AMGEN INC.		9,900	448,860.42	(4,900.00)	(222,163.24)	5,000	226,697.18			
731	0	1	2010	9	14 APPLE		8,000	1,818,824.27			8,000	1,818,824.27			
731	0	1	2011	9	20 APPLE						2,000	784,832.39			
731	0	2	2010	9	14 ARES CAPITAL		5,000	79,468.68			5,000	79,468.68			
731	0	2	2008	4	14 AT&T		5,000	189,489.57			5,000	189,489.57			
731	0	3	2009	12	15 AT&T		15,000	256,364.87			15,000	256,364.87			
731	0	1	2007	4	2 AUTOMATIC DATA PROCESSING		2,000	66,672.80			2,000	66,672.80			
731	0	3	2009	8	6 AUTOMATIC DATA PROCESSING		3,000	114,228.86			3,000	114,228.86			
731	0	1	2009	12	15 AVON PRODUCTS		5,000	167,594.56			5,000	167,594.56			
731	0	2	2010	7	19 BAIDU INC.		2,000	149,051.95			2,000	149,051.95			
731	0	1	2010	1	20 BANK OF AMERICA		10,000	168,536.26			10,000	168,536.26			
731	0	2	2009	11	17 BARD CR		5,000	401,462.03			5,000	401,462.03			
731	0	1	2011	6	14 BED BATH & BEYOND		5,000	269,190.67			5,000	269,190.67			
731	0	1	2010	11	17 BIO REFERENCE LAB		2,000	44,318.95			2,000	44,318.95			
731	0	3	2010	11	16 BIO REFERENCE LAB		5,000	110,670.39			5,000	110,670.39			
731	0	3	2009	9	15 BP AMOCO		5,000	276,165.38			5,000	276,165.38			
731	0	2	2005	1	3 BRADY W H		2,000	34,647.73			2,000	34,647.73			
731	0	3	2005	1	3 BRADY W H		2,000	29,858.94			2,000	29,858.94			
731	0	4	2009	4	15 BRADY W H		1,000	9,384.25			1,000	9,384.25			
731	0	1	2010	5	3 BROADRIDGE FIN'L		4,500	90,752.72			4,500	90,752.72			
731	0	1	2010	11	16 BRUKER CORP.		7,000	116,130.55			7,000	116,130.55			
731	0	3	2009	7	9 CATALYST HEALTH SOLUTIONS		5,000	118,588.81			5,000	118,588.81			
731	0	1	2010	9	14 CATERPILLAR		5,000	358,789.35			5,000	358,789.35			

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2011			FEBRUARY			ENDING BALANCE		
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	
731	0	1	2011	1	11	CELGENE CORP.	7,000	400,239.30			7,000	400,239.30			
731	0	3	2009	1	21	CHESAPEAKE ENERGY	10,000	367,174.92			10,000	367,174.92			
731	0	3	2011	9	20	CHESAPEAKE ENERGY					2,000	64,336.59			
731	0	1	2009	2	18	CHEVRON	14,000	655,847.78			14,000	655,847.78			
731	0	2	2004	9	13	CHEVRON	8,000	284,752.32			8,000	284,752.32			
731	0	1	2011	9	20	CHEVRON					2,900	287,720.25			
731	0	2	2000	3	28	CISCO SYSTEMS	2,000	83,364.43			2,000	83,364.43			
731	0	3	2003	11	18	CISCO SYSTEMS	18,000	556,738.68			18,000	556,738.68			
731	0	1	2009	12	10	CIT GROUP	9,162	575,311.83			9,162	575,311.83			
731	0	2	2009	12	10	CIT GROUP	3,047	125,655.88			3,047	125,655.88			
731	0	1	2009	8	18	CLIFFS NAT RESOURCES	10,000	245,358.26			10,000	245,358.26			
731	0	1	2011	9	20	CLIFFS NAT RESOURCES					2,000	160,709.27			
731	0	1	2008	2	1	COACH	5,000	167,542.00	(4,000.00)	(134,033.60)	1,000	33,508.40			
731	0	4	2007	11	8	COACH	5,000	170,863.50			5,000	170,863.50			
731	0	2	1999	3	16	COCA COLA	10,000	297,537.86			10,000	297,537.86			
731	0	2	2011	9	20	COCA COLA					2,000	140,243.75			
731	0	1	2011	6	10	COGNEX CORP	2,000	67,345.65			2,000	67,345.65			
731	0	3	2011	6	7	COGNEX CORP	5,000	169,104.43			5,000	169,104.43			
731	0	2	2010	1	20	COLGATE PALMOLIVE	10,000	382,193.91			10,000	382,193.91			
731	0	1	2010	1	20	COPANO ENERGY	10,000	298,179.02			10,000	298,179.02			
731	0	1	2010	1	20	CORNING	3,000	87,127.85			3,000	87,127.85			
731	0	2	2009	11	16	CORNING	7,000	55,480.84			7,000	55,480.84			
731	0	2	2010	1	20	CSX	8,000	319,538.63			8,000	319,538.63			
731	0	2	2011	9	20	CSX					2,000	41,984.15			
731	0	1	2009	12	15	CULLEN FROST BANKERS	1,000	48,351.53	(1,000.00)	(48,351.53)					
731	0	3	2009	11	17	CULLEN FROST BANKERS	5,000	240,511.65			5,000	240,511.65			
731	0	3	2011	9	20	CUMMINS, INC.					2,000	194,811.59			
731	0	1	2010	6	14	DANAHER CORP.	16,000	320,532.97			16,000	320,532.97			
731	0	2	2010	6	14	DANAHER CORP.	4,000	56,581.63			4,000	56,581.63			
731	0	4	2010	6	14	DANAHER CORP.	4,000	109,855.40			4,000	109,855.40			
731	0	1	2009	6	30	DARLING INT'L	10,000	66,595.12			10,000	66,595.12			
731	0	1	2010	12	22	DECKERS OUTDOOR CORP.	22,000	563,189.63			20,000	511,989.63			
731	0	1	2010	10	13	DG FASTCHANNEL	11,000	300,687.73			11,000	300,687.73			
731	0	1	2010	2	17	DIAGEO	3,000	192,052.10			3,000	192,052.10			
731	0	3	2011	9	30	DIAMOND FOODS, INC.					5,000	391,490.70			
731	0	3	2004	7	19	DIEBOLD	5,000	228,607.62			5,000	228,607.62			
731	0	1	2011	6	14	DIRECTV	4,920	236,667.51			4,920	236,667.51			
731	0	2	2010	11	16	DIRECTV	2,000	85,607.95			2,000	85,607.95			
731	0	7	2009	11	25	DIRECTV	2,080	32,208.18			2,080	32,208.18			
731	0	7	2008	9	24	DISCOVERY COMM.	520	5,764.84			520	5,764.84			
731	0	7	2008	9	24	DISCOVERY COMM. A	520	5,764.84			520	5,764.84			
731	0	3	2010	1	20	DISNEY, WALT	7,000	169,513.44			7,000	169,513.44			
731	0	7	2007	6	13	DISNEY, WALT	3,000	40,911.29			3,000	40,911.29			
731	0	2	2003	8	19	DOVER CORP	4,000	149,562.35			4,000	149,562.35			

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2011			FEBRUARY			ENDING BALANCE		
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	
731	0	3	2003	8	19	DOVER CORP	5,000	186,642.42			5,000	186,642.42			
731	0	4	2001	2	6	DOVER CORP	1,000	41,666.33			1,000	41,666.33			
731	0	3	2010	9	14	DOW CHEMICAL	15,000	465,181.75			15,000	465,181.75			
731	0	1	2001	1	29	DUKE ENERGY	400	0.01			400	0.01			
731	0	2	2007	1	30	DUKE ENERGY	9,600	44,807.36			9,600	44,807.36			
731	0	6	2010	12	16	DUKE ENERGY	3,115	16,453.56			3,233	18,805.01			
731	0	1	2010	8	6	EBAY INC.	10,000	333,170.85			10,000	333,170.85			
731	0	3	2006	9	5	EBAY INC.	5,000	138,547.45			5,000	138,547.45			
731	0	1	2007	10	25	EMC CORP.	23,000	290,546.02			23,000	290,546.02			
731	0	2	2005	8	12	EMC CORP.	2,000	27,723.00			2,000	27,723.00			
731	0	1	2006	12	12	EMERSON ELECTRIC	4,000	94,240.25			4,000	94,240.25			
731	0	2	2007	12	12	EMERSON ELECTRIC	6,000	241,535.45			6,000	241,535.45			
731	0	2	2001	7	24	EXXON	4,000	44,343.02			4,000	44,343.02			
731	0	4	2002	6	18	EXXON	6,000	61,480.30			6,000	61,480.30			
731	0	1				FABRINET	4,000	84,933.90			4,000	84,933.90			
731	0	4				FABRINET	5,000	93,588.71			5,000	93,588.71			
731	0	1	2005	6	14	FACTSET RESEARCH SYS	5,000	109,583.28			5,000	109,583.28			
731	0	3	2005	2	7	FACTSET RESEARCH SYS	1,500	26,270.06			1,500	26,270.06			
731	0	1	2005	11	14	FASTENAL	4,000	58,125.00			4,000	58,125.00			
731	0	2	2005	11	14	FASTENAL	6,000	239,191.69			6,000	239,191.69			
731	0	2	2008	7	2	FIDELITY NATIONAL INFO	1,000	27,974.34			1,000	27,974.34			
731	0	1	2005	3	15	FISERV	11,000	425,435.14			11,000	425,435.14			
731	0	2	2006	3	31	FISERV INC.	3,000	124,067.64			3,000	124,067.64			
731	0	4	2005	3	15	FISERV INC.	2,000	76,692.05			2,000	76,692.05			
731	0	4	2011	1	11	FLIR SYSTEMS	5,000	147,485.34			5,000	147,485.34			
731	0	1	2010	4	20	FLOWER FOODS	5,000	127,229.34			5,000	127,229.34			
731	0	2	2009	9	15	FLUOR CORP.	5,000	266,815.15			5,000	266,815.15			
731	0	2	2010	12	15	FORD	10,000	167,073.80			10,000	167,073.80			
731	0	4	2009	3	10	FOSSIL	5,000	62,562.85			5,000	62,562.85			
731	0	1	2008	7	15	FRANKLIN RESOURCES	2,000	175,059.24			2,000	175,059.24			
731	0	2	2009	10	5	FRANKLIN RESOURCES	3,000	303,339.45			3,000	303,339.45			
731	0	1	2009	9	15	FREEMONT MCMORRAN COPPER	10,000	882,118.37			10,000	882,118.37			
731	0	1	2010	5	3	GAMESTOP	4,000	101,408.50			4,000	101,408.50			
731	0	3	2009	3	16	GAMESTOP	5,000	126,433.80			5,000	126,433.80			
731	0	1	2011	9	20	GAMESTOP					1,000	24,452.66			
731	0	2	2006	3	30	GENERAL DYNAMICS	4,000	8,497.30			4,000	8,497.30			
731	0	4	2006	3	30	GENERAL DYNAMICS	16,000	422,940.64			16,000	422,940.64			
731	0	1	2008	7	15	GENERAL ELECTRIC	10,000	357,402.80			10,000	357,402.80			
731	0	2	2010	12	15	GENERAL ELECTRIC	5,200	43,941.98			5,200	43,941.98			
731	0	7	2000	5	11	GENERAL ELECTRIC	10,800	62,038.24			10,800	62,038.24			
731	0	1	2010	6	15	GENERAL MILLS	5,000	190,632.65			5,000	190,632.65			
731	0	3	2010	11	23	GENERAL MOTORS	5,000	165,000.00			5,000	165,000.00			
731	0	2				GENPACT	5,000	79,583.73			5,000	79,583.73			
731	0	2	2008	7	15	GFI GROUP	5,000	38,710.45			5,000	38,710.45			

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2011			FEBRUARY			ENDING BALANCE		
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	
731	0	1	2010	6	23	GILEAD SCIENCES	7,000	308,721.43			7,000	308,721.43			
731	0	3	2007	6	25	GILEAD SCIENCES	10,000	323,035.51			10,000	323,035.51			
731	0	1	2009	12	15	GLOBAL PAYMENTS	5,000	233,456.03			5,000	233,456.03			
731	0	7	2006	9	29	GLOBAL PAYMENTS	5,000	194,620.68			5,000	194,620.68			
731	0	1	2009	11	17	GOOGLE	1,000	479,740.99			1,000	479,740.99			
731	0	2	2009	11	17	GOOGLE	2,000	1,161,211.15			2,000	1,161,211.15			
731	0	1	2010	9	14	GREEN MOUNTAIN COFFEE	17,000	473,447.39			17,000	473,447.39			
731	0	2	2010	6	15	HALLIBURTON CO.	10,000	159,706.50			8,000	127,765.20			
731	0	1	2005	1	19	HARTFORD FINANCIAL SERV.	5,000	337,662.20			5,000	337,662.20			
731	0	3	1998	7	16	HARTFORD FINANCIAL SERV.	5,200	53,076.01			5,200	53,076.01			
731	0	7	2004	8	16	HARTFORD FINANCIAL SERV.	4,800	292,994.97			4,800	292,994.97			
731	0	1	2009	10	20	HCC INSURANCE HOLDINGS	2,000	57,122.57			2,000	57,122.57			
731	0	4	2007	11	8	HCC INSURANCE HOLDINGS	5,000	146,487.17			5,000	146,487.17			
731	0	3	2010	11	8	HEALTH CARE REIT	7,000	210,076.73			7,000	210,076.73			
731	0	1	2009	12	15	HESS CORP.	2,000	112,204.73			2,000	112,204.73			
731	0	1	2009	12	15	HILLENBRAND	5,000	97,745.28			5,000	97,745.28			
731	0	1	1999	12	6	HONEYWELL INT'L	4,000	73,275.00			3,000	54,956.25			
731	0	2	2009	2	18	HONEYWELL INT'L	11,172	320,331.40			11,172	320,331.40			
731	0	1	2007	5	22	IDEX CORP	12,750	243,005.25			12,750	243,005.25			
731	0	3	2004	6	1	IDEX CORP	2,250	29,507.37			2,250	29,507.37			
731	0	2	2010	8	25	INTEL	8,000	173,615.90			8,000	173,615.90			
731	0	3	2010	6	15	INT'L GAME TECHNOLOGY	20,000	416,938.17			20,000	416,938.17			
731	0	7	2009	1	16	INTUITIVE SURGICAL	5,000	516,251.62			5,000	516,251.62			
731	0	2	2005	1	4	J P MORGAN CHASE & CO	5,000	113,517.80			5,000	113,517.80			
731	0	4	2007	11	21	J P MORGAN CHASE & CO	2,000	75,720.82			2,000	75,720.82			
731	0	2	2004	1	8	JOHNSON CONTROLS	6,000	52,142.82			6,000	52,142.82			
731	0	1	2010	8	19	JOS A BANK CLOTHIERS	7,500	240,614.49			5,000	154,680.74			
731	0	4	2006	11	13	KOHL'S CORP.	5,000	369,728.35			5,000	369,728.35			
731	0	4	2011	11	20	KOHL'S CORP.					5,000	253,860.91			
731	0	3	2010	9	14	KRAFT FOODS	5,000	154,406.59			5,000	154,406.59			
731	0	2	2008	1	10	LABORATORY CORP AMER HOLD	5,000	373,268.38			5,000	322,221.10			
731	0	1	2008	12	19	LABORATORY CORP.	5,000	322,221.10			5,000	322,221.10			
731	0	2	2008	7	2	LENDER PROCESSING SERVICE	500	5,045.66			500	5,045.66			
731	0	1	2010	2	17	LENNOX INT'L	5,000	210,437.94			5,000	210,437.94			
731	0	7	2009	11	20	LIBERTY MEDIA STARZ	208	5,027.51			208	5,027.51			
731	0	1	2009	12	15	LKQ CORP.	2,000	36,990.75			2,000	36,990.75			
731	0	2	2010	11	16	LKQ CORP.	3,000	11,090.93			3,000	11,090.93			
731	0	2	2009	12	15	MANITOWOC	10,000	150,593.40			10,000	150,593.40			
731	0	1	2010	1	20	MCDONALDS	9,000	394,072.97			8,100	354,665.67			
731	0	2	2009	3	16	MCDONALDS	8,000	309,378.45			8,000	309,378.45			
731	0	3	2009	8	18	MCDONALDS	5,000	280,865.75			5,000	280,865.75			
731	0	1				MCKESSON CORP	5,000	393,168.79			5,000	393,168.79			
731	0	1	2011	6	10	MEDCO HEALTH SOLUTIONS	2,000	114,536.45			2,000	114,536.45			
731	0	2	2010	8	6	MEDCO HEALTH SOLUTIONS	5,000	238,440.79			5,000	238,440.79			

(5,000.00) (373,268.38)

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2011			FEBRUARY			ENDING BALANCE		
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	
731	0	1				MEDNAX	2,000	131,968.56			2,000	131,968.56			
731	0	3	2011	5	2	MEDNAX	5,000	361,070.85			5,000	361,070.85			
731	0	1	2007	8	15	MEDTRONIC	10,000	501,012.30			10,000	501,012.30			
731	0	2	2009	11	5	MERCK & CO.	16,147	86,764.12			16,147	86,764.12			
731	0	2	2008	11	5	METLER TOLEDO INTL	5,000	386,376.45			5,000	386,376.45			
731	0	3	2003	2	18	MICROSOFT	22,546	805,324.31			22,546	805,324.31			
731	0	4	2009	4	15	MONSANTO	5,000	457,374.69	(5,000.00)	(457,374.69)		0.00			
731	0	2	2007	7	2	MORGAN STANLEY	8,340	93,298.72			8,340	93,298.72			
731	0	1	2008	7	15	NEUSTAR INC.	4,000	90,011.90			4,000	90,011.90			
731	0	2	2008	4	17	NEUSTAR INC.	5,000	132,566.45			5,000	132,566.45			
731	0	3	2009	5	19	NEXTERA ENERGY	5,000	277,121.91							
731	0	3	2009	9	15	NORFOLK SOUTHERN	5,000	246,207.66			5,000	246,207.66			
731	0	3	2011	10	17	NORFOLK SOUTHERN					3,000	203,511.40			
731	0	1	2005	6	16	O REILLY AUTOMOTIVE	4,000	72,891.40			4,000	72,891.40			
731	0	2	2007	11	21	O REILLY AUTOMOTIVE	4,000	90,304.14			4,000	90,304.14			
731	0	4	2005	6	21	O REILLY AUTOMOTIVE	2,000	33,822.50			2,000	33,822.50			
731	0	1	2007	6	26	OMNICOM GROUP	12,000	441,425.50			12,000	441,425.50			
731	0	2	2007	6	26	OMNICOM GROUP	2,000	79,140.93			2,000	79,140.93			
731	0	1	2009	8	18	ONEOK	20,000	654,519.46			17,000	556,341.54			
731	0	1	2005	2	15	ORACLE	10,000	131,772.17			10,000	131,772.17			
731	0	2	2005	10	17	ORACLE	15,000	125,353.25			15,000	125,353.25			
731	0	3	2009	10	20	PANERA BREAD	10,000	654,005.63			10,000	654,005.63			
731	0	2	2008	7	14	PEABODY ENERGY	5,000	378,864.58			5,000	378,864.58			
731	0	3	2008	5	20	PENGROWTH WNERGY	10,000	203,637.46			10,000	203,637.46			
731	0	1	2004	8	16	PEPSICO	17,000	384,569.98			17,000	384,569.98			
731	0	2	2004	3	12	PEPSICO	8,000	266,686.67			8,000	266,686.67			
731	0	7	1997	10	10	PEPSICO	5,000	146,627.70			5,000	146,627.70			
731	0	1	2011	10	20	PEPSICO					5,000	312,687.24			
731	0	2	2008	5	20	PERKINELMER	5,000	140,405.95			5,000	140,405.95			
731	0	1	2010	8	6	PERRIGO	1,000	57,499.25			1,000	57,499.25			
731	0	2	2010	10	14	PERRIGO	9,000	260,106.42			9,000	260,106.42			
731	0	1	2011	10	20	PERRIGO					5,000	497,217.21			
731	0	1	2010	5	3	PFIZER	7,000	63,480.04			7,000	63,480.04			
731	0	4	2008	6	16	PFIZER	10,000	23,242.20			10,000	23,242.20			
731	0	1	2009	9	17	PORTFOLIO RECOVERY ASSOC.	5,000	240,392.99			5,000	240,392.99			
731	0	1	2010	6	23	PRAXAIR	12,000	494,275.73	(200.00)	(8,237.93)	11,800	486,037.80			
731	0	4	2008	4	17	PRECISION CASTPARTS	5,000	561,641.16			5,000	561,641.16			
731	0	1	2005	10	3	PROCTER GAMBLE	4,875	224,489.81			4,875	224,489.81			
731	0	2	2005	10	3	PROCTER GAMBLE	17,750	522,362.51			17,750	522,362.51			
731	0	4	2004	6	24	PROCTER GAMBLE	18,000	312,458.83			18,000	312,458.83			
731	0	1	2009	4	15	PROGRESS ENERGY	12,000	423,591.57			10,000	352,992.98			
731	0	3	2003	11	18	PROGRESS ENERGY	8,000	346,785.36			8,000	346,785.36			
731	0	3	2009	10	20	QUALITY SYSTEMS	2,500	36,706.20			5,000	36,706.20			
731	0	3	2010	9	7	REINSURANCE GROUP OF AMER	5,000	230,659.06			5,000	230,659.06			



FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	NAME	July 1, 2011			FEBRUARY			ENDING BALANCE		
							SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	
731	0	1	2010	9	2	TRACTOR SUPPLY CO.	14,000	183,938.79			14,000	183,938.79			
731	0	2	2010	10	20	TRACTOR SUPPLY CO.	6,000	98,706.40			1,000	16,451.07			
731	0	3	2009	4	15	TRANSOCEAN LTD SWITZ	20,050	949,413.98	(4,000.00)	(65,804.26)	20,050	949,413.98			
731	0	1	2009	5	12	TRUE RELIGION	5,000	109,867.37			5,000	109,867.37			
731	0	2	2009	3	27	TRUE RELIGION	5,000	56,159.45			5,000	56,159.45			
731	0	2	2007	7	2	TYCO INT'L	1,250	30,028.66			1,250	30,028.66			
731	0	4	2007	7	6	TYCO INT'L	2,500	177,272.66			2,500	177,272.66			
731	0	2	2009	5	19	UNION PACIFIC	5,000	232,104.24			5,000	232,104.24			
731	0	3	2003	3	18	UNITED PARCEL SERVICE	5,000	273,490.10			5,000	273,490.10			
731	0	3	2011	10	17	UNITED PARCEL SERVICE									
731	0	2	2010	4	20	UNITED TECHNOLOGIES	10,000	342,469.53			10,000	342,469.53			
731	0	3	2005	6	13	UNITED TECHNOLOGIES	7,000	229,628.02			7,000	229,628.02			
731	0	2	2008	12	17	URBAN OUTFITTERS	5,000	77,065.25			5,000	77,065.25			
731	0	1	2009	5	12	VARIAN MEDICAL SYSTEMS	3,000	105,221.36			3,000	105,221.36			
731	0	3	2009	5	12	VARIAN MEDICAL SYSTEMS	5,000	176,963.75			5,000	176,963.75			
731	0	3	2010	7	8	VERIZON COMMUNICATIONS	15,420	368,753.13			15,420	368,753.13			
731	0	1	2011	1	11	VISA	5,000	386,135.40			5,000	386,135.40			
731	0	3	2010	11	16	VISA	5,000	394,366.14			5,000	394,366.14			
731	0	1	2011	11	20	VISA									
731	0	1	2009	11	17	WALGREEN	5,000	196,513.07			5,000	196,513.07			
731	0	3	2004	5	17	WALGREEN	10,000	339,582.10			10,000	339,582.10			
731	0	2	2010	4	20	WAL-MART STORES	10,000	538,761.04			10,000	538,761.04			
731	0	1	2009	11	17	WASTE MANAGEMENT	5,000	161,333.13			5,000	161,333.13			
731	0	2	1999	11	16	WASTE MANAGEMENT	10,000	162,506.96			10,000	162,506.96			
731	0	3	2010	10	13	WATERS CORP	5,000	355,229.13			5,000	355,229.13			
731	0	3	2011	10	17	WATERS CORP									
731	0	1	2010	4	20	WATSCO	5,000	306,014.09			5,000	306,014.09			
731	0	2	2010	10	19	WEATHERFORD INT'L	5,000	97,484.43			5,000	97,484.43			
731	0	1	2010	5	17	WELLS FARGO	5,000	54,576.32			5,000	54,576.32			
731	0	4	2010	2	8	XEROX	10,000	54,140.88			10,000	54,140.88			
731	0	1	2007	6	28	YUM BRANDS	45,000	798,648.59			45,000	798,648.59			
<b>TOTALS</b>							<b>1,882,149</b>	<b>60,432,625</b>	<b>(30,676)</b>	<b>(1,413,956)</b>	<b>1,899,620</b>	<b>63,860,315</b>			

CITY OF TROY MICHIGAN  
 EMPLOYEE RETIREMENT SYSTEM  
 GOVERNMENT SECURITIES  
 ACCT# 1120.125  
 February 29, 2012

FUND	TYPE	LOC	PUR			PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	MAT YR	MAT MO	MAT DAY	July 1, 2011		ENDING
			YR	MO	DAY									BEGINNING BOOK VALUE	BOOK VALUE	
731 Treas		1	2011	9	30		45,035.54	Unknown	0.002%	2011	10	27		0.00	0.00	
731 Treas		1	2011	11	25		45,034.96	26245	0.001%	2011	12	29		0.00	0.00	
731 FNMA		3	2006	1	31		3,696.47	254213	5.000%	2012	1	1		1,447.94	0.00	
731 Treas		1	2011	8	26		400,000.00	None	0.050%	2012	1	12		0.00	0.00	
731 GNMA		3	1994	9	26		6,298.17	321387	7.250%	2012	1	15		43.66	0.00	
731 Treas		1	2012	1	5		45,000.00	None	0.300%	2012	3	8		45,000.00	45,000.00	
731 MUNI ?		3	2011	3	9		45,000.00	13066	5.500%	2012	5	1		47,891.70	47,891.70	
731 MUNI		3	2012	1	4		50,821.00	Walled Lake	5.500%	2012	5	1		50,821.00	50,821.00	
731 Treas		1	2011	12	1		20,033.63	Unknown	1.400%	2012	5	24		20,033.63	20,033.63	
731 Treas		1	2012	1	17		400,000.00	Unknown	0.200%	2012	5	24		400,000.00	400,000.00	
731 NAVY		1	1996	11	19		300,000.00	100112	0.000%	2012	10	1		96,912.00	96,912.00	
731 NAVY		7	1998	1	16		275,000.00	100112	0.000%	2012	10	1		107,332.50	107,332.50	
731 NAVY		1	1998	4	15		121,000.00	100112	6.550%	2012	10	1		47,643.75	47,643.75	
731 NAVY		1	1998	6	12		301,000.00	100112	6.350%	2012	10	1		123,109.00	123,109.00	
731 NAVY		1	1999	4	16		130,000.00	100112	0.000%	2012	10	1		57,155.80	57,155.80	
731 MUNI		3	2011	7	20		10,280.80	New York N	5.250%	2013	3	15		10,280.80	10,280.80	
731 FNMA		3	2006	1	31		8,353.01	254718	5.000%	2013	4	1		5,516.61	2,661.95	
731 FNMA		3	2006	8	23		13,515.52	256263	5.000%	2013	4	1		12,354.33	12,157.13	
731 MUNI		3	2011	10	5		10,373.60	Charles Stew	3.375%	2013	5	1		10,373.60	10,373.60	
731 MUNI		3	2011	6	29		25,808.50	938395	4.190%	2013	6	15		25,808.50	25,808.50	
731 MUNI ?		3	2011	3	11		120,000.00	544644	5.500%	2013	7	1		127,813.20	127,813.20	
731 MUNI ?		3	2011	2	4		50,000.00	275380	5.250%	2013	9	1		55,300.50	55,300.50	
731 MUNI		3	2011	10	27		102,752.00	Mich Fin Aut	2.000%	2013	10	1		102,752.00	102,752.00	
731 MUNI		3	2012	1	3		54,021.00	MI Clean Wt	5.000%	2013	10	1		54,021.00	54,021.00	
731 MUNI		3	2011	10	12		84,816.40	Univ. of Con	5.250%	2014	2	15		84,816.40	84,816.40	
731 FHLM		3	2006	7	11		17,178.30	634	6.000%	2014	3	1		12,686.61	8,092.20	
731 MUNI ?		3	2011	2	7		30,000.00	659052	4.500%	2014	3	1		31,182.00	31,182.00	
731 MUNI ?		3	2011	3	18		160,000.00	776219	0.000%	2014	5	1		145,896.00	145,896.00	
731 MUNI		3	2011	10	12		20,754.00	California ST	5.500%	2014	5	1		20,754.00	20,754.00	
731 MUNI ?		3	2011	3	22		30,000.00	914281	4.400%	2014	7	15		31,409.40	31,409.40	
731 MUNI		3	2011	8	17		26,301.50	Iowa Fin Aut	4.000%	2014	8	1		0.00	26,301.50	
731 FHR		3	2006	10	25		15,095.00	2835	4.500%	2014	8	15		44,701.46	44,701.46	
731 FHR		3	2007	5	31		16,020.91	2835	4.500%	2014	8	15		42,807.56	42,807.56	
731 GNMA		3	2000	9	21		1,717.67	2805	7.000%	2014	8	20		1,370.09	1,007.99	

ENDING

BOOK VALUE

BEGINNING

BOOK VALUE

POOL

NUMBER

GNMA

PARVALUE

PUR PUR PUR

MO DAY

YR

LOC

TYPE

FUND

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	MAT YR	MAT MO	MAT DAY	BEGINNING BOOK VALUE	FEBRUARY	ENDING BOOK VALUE
731 FHR		3	2007	1	26	6,358.29	2752	4.250%	2014	12	15	3,969.87	-248.39	1,730.29
731 GNMA		3	2006	7	11	9,962.85	2871	5.500%	2014	12	20	7,062.20	-247.74	5,114.45
731 MUNI		3	2011	8	24	36,618.10	Palm Bch FL	4.000%	2015	1	1	0.00		36,618.10
731 MUNI	?		2011	2	4	50,000.00	100852	4.500%	2015	2	1	51,859.50	-51,859.50	0.00
731 GNMA		3	2000	6	19	5,032.70	2928	7.000%	2015	5	20	4,217.53	-100.72	3,429.08
731 MUNI		3	2011	8	15	10,340.30	Clatsop Cnty	4.350%	2015	6	15	0.00		10,340.30
731 GNMA		3	2000	8	29	5,629.19	2951	7.000%	2015	7	20	4,942.93	-114.00	4,050.71
731 MUNI		3	2011	9	16	10,338.00	Guilford Cnt	3.750%	2015	10	1	0.00		10,338.00
731 MUNI		3	2011	9	28	10,377.90	Sedgwick Cn	4.375%	2015	10	1	0.00		10,377.90
731 MUNI		3	2011	8	29	21,034.40	Connecticut	5.000%	2015	10	15	0.00		21,034.40
731 MUNI		3	2011	8	31	26,158.25	Vermont Mu	4.250%	2015	12	1	0.00		26,158.25
731 MUNI		3	2011	4	18	20,000.00	41429	5.250%	2016	2	1	20,725.00	-20,725.00	0.00
731 MUNI		3	2011	5	18	15,465.45	927780	5.250%	2016	2	1	15,465.45	-15,465.45	0.00
731 MUNI	?		2011	2	4	25,000.00	373383	5.000%	2016	5	1	26,293.50		26,293.50
731 MUNI	?		2011	3	30	70,000.00	702248	5.000%	2016	6	1	73,710.00		73,710.00
731 FHLM		3	1988	10	13	48.56	170181	9.000%	2016	8	1	130.61	-0.62	125.42
731 MUNI		3	2011	5	19	31,225.20	924258	4.250%	2016	8	1	31,225.20		31,225.20
731 MUNI		3	2011	9	28	31,201.20	Baltimore Cr	5.250%	2016	8	1	0.00		31,201.20
731 GNMA		3	1986	9	2	140.35	625	9.000%	2016	9	20	136.57	-1.94	111.48
731 FHR		3	2007	4	11	11,409.71	2578	5.000%	2016	11	15	3,389.61		0.00
731 FHR		3	2006	4	12	31,102.84	3100	5.500%	2016	12	15	22,423.16	-1,404.65	9,120.75
731 FNMA		3	2006	12	26	20,124.05	624294	5.000%	2017	2	1	16,169.77	-653.66	11,658.92
731 MUNI		3	2011	8	31	26,610.50	Virginia Clge	5.000%	2017	2	1	0.00		26,610.50
731 MUNI	?		2011	3	15	25,000.00	13066	5.375%	2017	5	1	26,610.50		26,610.50
731 MUNI	?		2011	2	14	50,000.00	975700	5.000%	2017	6	1	52,724.50		52,724.50
731 FHLM		3	1995	2	24	785.15	296885	8.000%	2017	7	1	726.53	-9.50	645.82
731 FNMA		3	2007	3	19	9,135.84	254371	5.500%	2017	7	1	7,670.88	-162.81	6,021.97
731 MUNI		3	2011	5	26	26,161.75	Maricopa	5.000%	2017	7	1	26,161.75		26,161.75
731 MUNI		3	2011	5	26	36,624.05	Maricopa	5.000%	2017	7	1	36,624.05		36,624.05
731 FHLM		3	2006	3	29	15,872.38	91566	5.000%	2017	9	1	12,707.12	-325.36	9,915.49
731 FNMA		3	2006	5	16	11,404.47	654546	5.500%	2017	9	1	9,472.38	-148.31	7,563.23
731 FNMA		3	2006	8	18	22,232.43	254442	5.500%	2017	9	1	18,768.30	-455.12	15,121.55
731 FNMA		3	2006	9	18	8,080.43	661525	5.500%	2017	9	1	6,924.53	-76.90	5,097.79
731 FHR		3	2006	9	11	16,020.13	2497	5.000%	2017	9	15	12,427.41	-287.21	9,743.86
731 FNMA		3	2006	11	16	23,816.00	669692	5.000%	2017	11	1	23,226.61	-656.09	16,793.80
731 FHR		3	2006	9	12	24,290.81	2519	5.000%	2017	11	15	18,331.23	-468.28	13,975.26
731 GNMA		3	2006	11	10	14,629.69	3302	5.000%	2017	11	20	11,654.99	-150.15	9,242.54
731 FNMA		3	2006	11	16	12,081.33	254546	5.500%	2017	12	1	10,274.97	-258.78	8,403.50
731 FNMA		3	2006	11	16	21,551.17	673463	5.500%	2017	12	1	18,293.27	-1,773.13	12,882.34
731 FNMA		3	2006	11	16	22,336.18	684488	5.000%	2017	12	1	18,553.84	-2,256.95	12,865.18
731 MUNI		3	2011	8	15	21,037.60	Vermont Mu	4.500%	2017	12	1	0.00		21,037.60

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	MAT YR	MAT MO	MAT DAY	BEGINNING BOOK VALUE	FEBRUARY	ENDING
731	FHR	3	2007	6	15	72,000.00	2391	6.000%	2017	12	15	48,380.74	-4,575.62	11,672.73
731	GNMA	3	2006	6	21	37,342.00	781544	5.500%	2018	1	15	91,281.44	-1,417.31	84,741.74
731	GNMA	3	2006	9	18	32,862.00	781544	5.500%	2018	1	15	79,490.06		70,340.86

ENDING

BOOK VALUE

BEGINNING

FEBRUARY

BOOK VALUE

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BOOK VALUE

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	MAT YR	MAT MO	MAT DAY	BEGINNING BOOK VALUE	FEBRUARY	ENDING BOOK VALUE
731 FNMA		3	2006	7	13	31,321.50	1058	5.500%	2018	2	2	28,509.84	-10.18	27,512.40
731 GNMA		3	2006	5	26	28,696.01	781563	5.000%	2018	2	15	24,115.45	-682.53	19,562.28
731 FHLM		3	2006	6	19	29,371.65	11447	5.500%	2018	3	1	24,234.63	-556.24	19,228.43
731 FHLM		3	2007	4	17	29,938.27	1343	5.000%	2018	4	1	24,116.25	-655.65	18,739.85
731 FHR		3	2007	4	18	59,797.14	2606	5.000%	2018	4	15	41,132.90	-2,346.32	26,327.61
731 FNMA		3	2006	8	18	17,239.16	704532	5.500%	2018	6	1	14,474.88	-139.90	11,602.12
731 FHR		3	2007	4	27	48,624.03	2649	4.500%	2018	7	15	38,449.16	-990.47	30,028.70
731 FNMA		3	2006	8	23	17,440.18	555882	5.000%	2018	8	1	14,526.49	-456.96	11,901.51
731 FNMA		3	2009	2	26	33,362.19	200371	4.000%	2018	8	25	26,731.58	-961.08	18,055.76
731 FNMA		3	2006	7	13	17,712.46	251960	6.000%	2018	9	1	16,110.41	-192.44	13,928.06
731 FNMA		3	2009	7	1	48,230.89	200444	4.500%	2018	9	25	36,909.07	-2,134.09	20,494.00
731 MUNI		3	2011	8	17	26,804.25	Orlando Wtr	5.000%	2018	10	1	0.00		26,804.25
731 FNR		3	2005	12	30	32,774.94	2003100	5.000%	2018	10	25	30,345.36	-955.92	28,164.00
731 FNMA		3	2006	5	17	8,721.86	252103	6.000%	2018	11	1	8,139.56	-90.12	6,999.54
FNMA		3	2006	10	24	15,917.39	757584	5.000%	2018	12	1	13,432.58	-355.48	11,572.37
731 MUNI		3	2011	8	30	21,141.20	King Cnty W:	5.000%	2018	12	1	0.00		21,141.20
731 FHR		3	2006	10	20	25,098.00	3166	5.500%	2018	12	15	99,188.69		99,188.69
731 FHR		3	2006	10	27	25,204.00	3166	5.500%	2018	12	15	99,312.98		99,312.98
731 FHR		3	2006	11	2	37,963.00	3166	5.500%	2018	12	15	148,999.99		148,999.99
731 FHR		3	2007	3	26	17,466.00	3166	5.500%	2018	12	15	68,386.75		68,386.75
731 FHR		3	2007	6	6	11,914.00	3166	5.500%	2018	12	15	45,463.56		45,463.56
731 FNR		3	2007	3	9	6,977.43	200367	5.000%	2019	1	25	3,128.79		0.00
731 MUNI	?		2011	2	23	50,000.00	160075	5.000%	2019	2	1	52,115.50	-52,115.50	0.00
731 FHLM		3	2009	8	31	19,604.20	2770	4.500%	2019	3	15	14,464.12	-755.02	8,943.13
731 FHR		3	2007	8	31	99,387.69	2764	5.000%	2019	3	15	14,824.17		0.00
731 FHLM		3	2007	5	14	50,000.00	2780	5.000%	2019	4	15	35,369.10	-1,778.23	13,541.54
731 FNMA		3	2007	2	28	24,582.43	785242	5.500%	2019	6	1	19,375.41	-1,512.93	16,183.49
731 FHR		3	2007	3	22	37,127.01	2814	5.000%	2019	6	15	28,176.16	-577.95	21,016.23
731 FHLM		3	2009	6	15	33,751.24	2828	4.500%	2019	7	15	21,739.09	-1,975.13	2,521.16
731 FHR		3	2007	4	23	51,246.00	2822	5.000%	2019	7	15	47,859.92	-1,417.69	36,731.29
731 FNMA		3	2006	8	14	13,670.01	725793	5.500%	2019	9	1	11,795.29	-251.97	9,617.56
731 MUNI		3	2011	9	7	37,183.35	Fredrick Cnt	5.000%	2019	11	1	0.00		37,183.35
731 FNMA		3	2007	7	27	34,118.61	255495	5.000%	2019	12	1	232,001.84	-570.47	226,723.19
731 FHR		3	2007	3	20	72,804.00	2844	5.500%	2019	12	15	72,803.69		72,803.69
731 MUNI		3	2011	8	19	26,525.25	S. Carolina S	5.000%	2020	1	1	0.00		26,525.25
731 MUNI		3	2011	10	12	52,424.50	Henrico Co. '	4.500%	2020	1	15			52,424.50
731 MUNI		3	2011	10	25	26,095.00	Arlington Cn	4.125%	2020	1	15			26,095.00
731 FNMA		3	2007	1	26	47,028.53	735619	5.000%	2020	6	1	39,740.15	-875.40	32,241.87
731 MUNI		3	2011	8	5	104,828.00	W. Virginia E	5.000%	2020	6	1	0.00		104,828.00
731 FNR		3	2006	4	6	7,390.85	200610	5.750%	2020	9	25	66,485.44		66,485.44
731 FNR		3	2007	1	31	4,423.00	200610	5.750%	2020	9	25	47,367.83		47,139.53

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FUND TYPE LOC PUR YR PUR MO PUR DAY GNMA PARVALUE POOL NUMBER RATE MAT YR MAT MO MAT DAY MAT BOOK VALUE BEGINNING BOOK VALUE FEBRUARY BOOK VALUE

731	FHLM	3	1992	9	2	4,392.47	1018	7.000%	2020	11	15	3,863.95	-31.77	3,421.14
731	MUNI	?	2011	2	8	75,000.00	397316	4.750%	2020	12	1	78,272.25		0.00
731	MUNI	?	2011	2	14	50,000.00	47772	5.000%	2020	12	1	51,735.50		0.00
731	MUNI	?	2011	2	14	50,000.00	717893	5.000%	2020	12	1	53,459.50		53,459.50
731	MUNI	?	2011	3	22	20,000.00	5644	5.000%	2020	12	15	20,616.20		0.00
731	FHLM	3	2007	7	27	24,184.98	6020	4.500%	2021	4	1	21,853.17	-182.22	20,496.03
731	FNMA	3	2006	8	31	7,105.65	256200	5.500%	2021	4	1	5,461.28	-162.46	4,165.00
731	MUNI	?	2011	4	19	25,000.00	941247	5.000%	2021	4	1	26,007.75		26,007.75
731	MUNI	?	2011	8	25	25,623.25	Williamson C	4.750%	2021	4	1	0.00		25,623.25
731	FNR	3	2006	4	24	4,036.62	200625	5.750%	2021	4	25	24.77		24.77
731	FHLM	3	1992	8	18	8,659.60	1078	6.500%	2021	5	15	7,853.97	-216.03	6,572.36
731	FNMA	3	1993	7	6	5,994.22	199154	6.500%	2021	5	25	5,454.12	-39.44	5,024.11
731	MUNI	?	2011	8	24	26,469.25	Utah Tran At	5.000%	2021	6	15	0.00		26,469.25
731	MUNI	?	2011	4	11	15,000.00	64465	5.000%	2021	8	15	15,383.70		0.00
731	MUNI	?	2011	3	25	25,000.00	750055	5.000%	2021	9	1	25,508.25		0.00
731	FHR	3	1993	7	19	10,168.97	159	4.500%	2021	9	15	7,277.87	-74.43	6,585.87
731	GNR	3	2006	10	30	125,000.00	200648	5.500%	2021	9	20	124,937.50		124,937.50
731	MUNI	?	2011	7	20	20,208.60	Easton Conn	4.150%	2021	11	1	0.00		0.00
731	MUNI	?	2011	4	20	50,000.00	20772	4.750%	2021	11	15	51,152.50		0.00
731	MUNI	?	2011	4	1	20,000.00	49474	5.000%	2021	12	1	20,587.40		0.00
731	MUNI	?	2011	2	23	50,000.00	67755	5.000%	2022	4	1	52,467.00		52,467.00
731	FHR	3	2007	1	17	16,623.40	2534	4.500%	2022	5	15	7,813.23	-697.55	1,515.68
731	FHLM	3	2007	8	20	26,684.72	5228	5.000%	2022	7	1	18,150.34	-1,852.80	10,410.93
731	MUNI	?	2011	9	28	20,658.80	Virginia St Pt	4.500%	2022	8	1	0.00		20,658.80
731	GNMA	3	1995	2	21	698.41	311509	8.000%	2022	8	15	261.82	-1.27	251.93
731	FHLM	3	2010	9	8	100,000.00	3133	2.250%	2022	9	15	100,000.00		0.00
731	FNR	3	2007	3	19	20,783.47	200392	5.000%	2022	9	25	15,305.10	-650.91	9,609.07
731	FHR	3	1993	12	17	14,950.81	1391	6.000%	2022	10	15	23,909.67	-101.29	22,878.86
731	FHR	3	1993	12	29	26,909.22	1395	6.000%	2022	10	15	3,165.47	-78.01	0.00
731	MUNI	?	2011	5	19	15,934.35	196630	5.000%	2022	11	15	15,940.35		15,940.35
731	GNMA	3	1995	5	19	248.73	342654	7.500%	2022	12	15	217.56	-1.86	203.03
731	FMAC	3	2009	2	17	85,000.00	3000	3.900%	2023	1	15	84,534.87	-3,376.40	69,340.31
731	MUNI	?	2011	7	5	10,623.80	St. Charles St	4.500%	2023	3	1	0.00		10,623.80
731	FMAC	3	2009	2	6	24,994.00	2595	4.000%	2023	3	15	24,625.00		24,625.00
731	FNR	3	2006	4	20	24,720.20	199332	6.000%	2023	3	25	21,886.11	-160.09	19,398.40
731	MUNI	?	2011	4	14	40,000.00	399100	4.750%	2023	5	1	41,623.20		41,623.20
731	MUNI	?	2011	8	17	26,976.50	Pasadena Cn	5.000%	2023	6	1	0.00		26,976.50
731	MUNI	?	2011	2	4	50,000.00	241721	5.250%	2023	8	15	53,249.00		53,249.00
731	MUNI	?	2011	6	2	10,490.30	Kansas St TP	4.750%	2023	9	1	10,490.30		10,490.30
731	FNR	3	1992	7	30	153,105.00	1993250	7.000%	2023	12	25	136,221.99		136,221.99
731	MUNI	?	2011	8	17	63,243.00	Delaware St.	4.200%	2024	2	1	0.00		63,243.00

ENDING

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	MAT YR	MAT MO	MAT DAY	BEGINNING BOOK VALUE	FEBRUARY	BOOK VALUE	ENDING
731 MUNI		3	2011	8	29	26,303.25 Delaware St.		4.125%	2024	2	1	0.00			26,303.25
731 FNMA		3	2008	8	18	60,000.00	200453	5.500%	2024	7	25	55,864.46	-1,169.36		44,987.87
731 MUNI	?		2011	4	19	25,000.00	875128	6.000%	2024	10	2	25,613.50			0.00
731 FNMA		3	2009	9	30	100,000.00	200977	4.500%	2024	10	25	99,500.00			99,500.00
731 FMAC		3	2008	4	25	100,000.00	3080	5.000%	2025	6	15	100,000.00			100,000.00
731 FNMA		3	1999	2	26	8,496.29	324196	6.000%	2025	9	1	4,095.62	-22.52		3,919.04
731 FFCB		3	2010	12	1	100,000.00	31331	4.200%	2025	12	1	100,000.00			0.00
731 FNMA		3	1999	3	18	5,912.94	303713	6.500%	2026	2	1	5,387.71	-31.24		4,676.09
731 FNMA	?		2011	2	25	300,000.00	3136	2.000%	2026	2	25	300,000.00			0.00
731 FNMA		3	1998	9	28	11,215.40	341451	6.000%	2026	4	1	10,787.33	-38.28		10,486.95
731 FNMA		3	1999	3	23	1,970.82	250529	6.500%	2026	4	1	1,760.72	-19.11		1,381.42
731 MUNI		3	2011	5	24	10,176.20 St. Joe Sch		5.000%	2026	5	1	10,176.20			0.00
731 FNR		3	2002	12	26	14,154.93	.9722	4.500%	2027	3	18	7,525.67			2,269.64
731 FNR		3	2006	5	9	44,110.00	199722	4.500%	2027	3	18	41,904.62	-688.97		41,904.62
731 MUNI	?		2011	2	22	50,000.00	97942	5.000%	2027	5	1	52,562.00			52,562.00
731 GNMA		3	2007	5	21	894.20	2563	6.500%	2028	3	20	808.04	-9.46		707.58
731 GNMA		3	1998	10	21	25,549.52	2629	6.000%	2028	8	20	18,408.41	-64.91		15,089.66
731 FNMA		3	1998	11	12	3,146.91	434259	6.125%	2028	9	1	1,406.54	-37.16		1,289.25
731 MUNI		3	2010	11	26	45,000.00	254845	5.420%	2028	10	1	44,906.40			44,906.40
731 FNMA		3	1998	10	28	7,189.06	442621	6.000%	2028	11	2	5,801.97	-1,282.77		4,363.78
731 FNR		3	2006	9	15	10,889.20	9951	6.000%	2029	10	25	8,856.12	-149.10		7,169.48
731 GNR		3	2006	8	25	36,278.76	20032	5.000%	2030	3	20	18,190.22			0.00
731 FHLM		3	2008	12	22	100,000.00	2934	5.000%	2030	4	15	100,000.00			100,000.00
731 FHR		3	2007	6	14	71,478.75	3303	5.500%	2030	8	15	42,267.39	-4,088.83		11,605.72
731 MUNI	?		2011	2	4	35,000.00	909087	5.500%	2030	10	1	37,693.95			37,693.95
731 MUNI		3	2011	7	25	10,604.20 Trotwood-M		5.000%	2030	12	1	0.00			0.00
731 GNR		3	2007	4	19	35,905.61	200473	5.500%	2031	3	20	11,544.25			0.00
731 FNR		3	2007	5	15	50,000.00	200528	5.000%	2031	3	25	48,375.00	-4,343.92		39,515.89
731 FMAC		3	2008	9	26	6,367.77	3072	5.000%	2031	5	15	2,813.15			0.00
731 FNMA		3	2009	2	17	40,797.50	200373	3.500%	2031	5	25	151,489.75	-1,752.94		136,706.42
731 FMAC		3	2008	7	25	95,680.00	2590	5.000%	2031	8	15	80,681.77	-5,480.99		53,910.08
731 FMAC		3	2008	8	25	46,185.00	2590	5.000%	2031	8	15	45,759.92	-1,515.87		34,953.77
731 FMAC		3	2008	9	8	46,830.00	2590	5.000%	2031	8	15	45,112.51			22,188.80
731 FMAC		3	2009	2	6	8,708.23	2645	3.500%	2031	9	15	6,217.96	-234.93		4,156.39
731 GNR		3	2006	8	23	9,064.46	200148	6.000%	2031	10	20	8,238.75	-86.46		7,309.93
731 GNR		3	2007	12	12	20,211.87	200318	5.000%	2031	10	20	17,073.46	-257.52		14,976.48
731 GNR		3	2007	3	30	25,228.15	20034	5.500%	2031	11	16	19,983.67	-1,048.27		13,558.70
731 FNMA		3	2008	10	22	40,860.85	200160	6.000%	2031	11	25	34,801.09	-860.69		28,342.20
731 FNMA		3	2006	11	13	20,866.62	617257	5.000%	2031	12	1	15,923.28	-966.48		10,243.80
731 GNR		3	2003	8	5	72,351.48	200153	5.500%	2031	12	20	58,075.20	-1,554.36		44,990.00
731 GNR		3	2007	5	24	10,957.63	200379	4.000%	2031	12	20	7,399.40	-298.26		4,781.50

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FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	MAT YR	MAT MO	MAT DAY	BEGINNING BOOK VALUE	FEBRUARY	BOOK VALUE
731 GNR	3	2007	11	27	50,000.00	200353	5.000%	2031	12	20	48,437.50	-1,967.93	40,677.78	
731 GNR	3	2006	1	11	16,344.49	200592	5.000%	2032	1	20	12,996.40		12,996.40	
731 GNR	3	2006	10	4	28,567.00	200592	5.000%	2032	1	20	99,695.79		99,695.79	
731 FMAC	3	2008	8	18	93,158.58	2522	5.250%	2032	2	15	56,362.73	-4,765.86	22,885.00	
731 GNR	3	2007	4	16	46,326.76	200469	5.500%	2032	2	20	27,174.71	-2,288.89	5,394.30	
731 GNR	3	2007	8	30	43,000.00	200469	5.500%	2032	2	20	42,677.50		42,677.50	
731 GNR	3	2007	11	13	36,199.57	20057	5.000%	2032	2	20	34,815.25	-1,205.54	27,844.52	
731 FNR	3	2006	9	18	16,162.32	200252	6.000%	2032	2	25	10,833.20	-675.00	5,291.16	
731 FMAC	3	2008	9	26	28,196.18	2597	5.000%	2032	3	15	17,826.82	-986.93	8,714.61	
731 GNR	3	2007	7	26	30,000.00	200548	6.000%	2032	3	17	29,466.90		29,466.90	
731 FNR	3	2006	7	12	20,785.19	20027	6.000%	2032	3	25	17,549.90	-198.62	14,503.98	
731 FMAC	3	2008	11	24	100,000.00	2887	5.000%	2032	4	15	95,000.00		95,000.00	
731 GNR	3	2007	11	29	23,000.00	200279	5.500%	2032	5	20	22,655.00	-800.64	21,568.48	
731 FNMA	3	2008	9	26	24,568.99	200337	5.000%	2032	5	25	15,479.22	-706.88	8,950.24	
731 GNR	3	2007	11	14	15,372.00	200416	5.500%	2032	6	20	15,218.40		15,218.40	
731 MUNI	3	2011	8	12	54,255.50	Detroit Sew	5.000%	2032	7	1	0.00		54,255.50	
731 FFLM	3	2009	1	23	42,610.45	2495	3.500%	2032	7	15	37,105.74	-1,256.49	31,518.91	
731 GNR	3	2007	11	16	50,000.00	200472	5.000%	2032	7	20	48,750.00		48,750.00	
731 GNMA	3	2009	10	16	100,000.00	200994	4.500%	2032	9	20	99,500.00		99,500.00	
731 GNMA	3	2009	10	30	42,492.67	200994	4.500%	2032	9	20	33,519.42		32,640.26	
731 GNMA	3	2009	10	30	100,000.00	200994	4.500%	2032	9	20	100,000.00		100,000.00	
731 FNR	3	2007	6	19	35,613.65	200258	6.000%	2032	9	25	29,724.73	-624.25	24,310.69	
731 FMAC	3	2008	8	25	45,489.77	2794	6.000%	2032	10	15	39,795.57	-917.42	34,244.39	
731 FMAC	3	2010	11	20	75,000.00	3702	4.000%	2032	10	15	75,000.00		75,000.00	
731 GNR	3	2007	11	29	34,000.00	200553	4.500%	2032	10	17	31,025.00		31,025.00	
731 GNMA	3	2006	7	20	39,031.86	3295	5.500%	2032	10	20	42,234.66	-724.55	37,665.03	
731 GNMA	3	2006	9	29	46,228.04	3294	5.000%	2032	10	20	40,403.97	-1,433.68	32,141.68	
731 GNR	3	2007	8	29	73,000.00	200269	5.500%	2032	10	20	69,988.75		69,988.75	
731 FNMA	3	2008	8	25	49,740.35	200461	5.500%	2032	10	25	38,526.86	-1,178.03	28,772.93	
731 MUNI	3	2011	6	30	26,869.25	60374	5.750%	2032	11	15	26,869.25		26,869.25	
731 FNMA	3	2006	11	13	28,619.94	254548	5.500%	2032	12	1	24,132.74	-464.43	19,747.44	
731 FMAC	3	2009	2	19	28,668.96	2586	4.000%	2032	12	15	24,422.22	-599.70	20,598.86	
731 GNR	3	2007	10	23	75,000.00	200288	5.500%	2032	12	20	73,667.25		73,667.25	
731 GNR	3	2007	5	29	42,000.00	20056	5.500%	2033	2	20	49,187.50	-2,100.85	46,874.43	
731 GNR	3	2007	11	19	50,000.00	200669	5.750%	2033	2	20	50,000.00		50,000.00	
731 GNR	3	2007	11	29	75,000.00	200669	5.750%	2033	2	20	75,000.00		75,000.00	
731 FNMA	3	2007	4	26	25,985.31	68980	5.500%	2033	5	1	24,884.83	-65.14	21,911.05	
731 GNR	3	2008	1	30	63,097.82	200341	5.250%	2033	5	20	57,362.72	-977.26	50,645.12	
731 FNMA	3	2008	5	21	45,000.00	200343	5.500%	2033	5	25	41,380.90	-3,337.63	9,720.06	
731 FNMA	3	2008	8	25	60,000.00	2003131	5.500%	2033	5	25	53,002.13	-1,125.02	42,357.64	
731 FNMA	3	2008	11	28	71,000.00	200343	5.500%	2033	5	25	67,450.00		67,450.00	

ENDING

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	MAT YR	MAT MO	MAT DAY	BEGINNING BOOK VALUE	FEBRUARY	BOOK VALUE
731	FNMA	3	2007	5	25	19,550.66	55531	5.500%	2033	6	1	16,378.08	-415.89	13,060.89
731	FNMA	3	2007	9	27	35,539.19	72868	5.000%	2033	7	1	30,669.20	-1,332.41	25,297.71
731	FHR	3	2007	10	25	25,000.00	2869	5.000%	2033	7	15	23,750.00		23,750.00
731	GNMA	3	2006	6	21	7,690.23	604471	5.500%	2033	7	15	6,505.64	-73.29	5,733.39
731	FNMA	3	2010	10	26	48,500.00	200364	3.500%	2033	7	25	48,500.00		48,500.00
731	FNMA	3	2009	2	26	58,682.57	200372	3.500%	2033	8	25	50,249.76	-839.74	42,111.90
731	FNMA	3	2009	5	13	51,880.45	200374	3.500%	2033	8	25	46,668.09	-866.98	41,789.20
731	FHLM	3	2008	10	17	37,000.00	2671	5.500%	2033	9	15	30,849.65	-997.78	17,115.69
731	FHLM	3	2008	11	28	70,000.00	2671	5.500%	2033	9	15	67,200.00		67,200.00
731	GNMA	3	2007	10	26	28,084.16	620627	5.500%	2033	9	15	25,566.57	-54.95	24,575.10
731	FMAC	3	2008	7	25	46,528.00	3033	5.500%	2033	10	15	103,902.82	-775.95	94,691.73
731	GNR	3	2007	11	30	32,000.00	200516	5.000%	2033	11	20	30,280.00		30,280.00
731	FHR	3	2007	11	30	30,604.88	2744	5.500%	2034	2	15	25,801.16		25,801.16
731	FHR	3	2008	1	17	17,000.00	2744	5.500%	2034	2	15	16,277.50		16,277.50
731	GNMA	3	2007	10	22	32,012.42	3529	5.000%	2034	3	20	27,659.46	-583.07	23,575.79
731	FNMA	3	2008	9	8	53,271.10	200464	5.000%	2034	3	25	45,491.97	-631.35	37,603.98
731	FNMA	3	2007	7	26	15,171.21	770723	5.500%	2034	4	1	12,736.52	-20.28	8,895.93
731	GNR	3	2007	4	20	18,816.02	200426	5.000%	2034	4	16	1,963.01		0.00
731	GNR	3	2008	1	16	28,507.00	200426	5.500%	2034	4	16	25,176.16		25,176.16
731	GNMA	3	2009	8	13	69,065.69	200929	4.500%	2034	4	20	60,457.55		52,363.48
731	GNR	3	2008	1	25	83,000.00	200574	5.000%	2034	5	16	80,995.55		80,995.55
731	GNMA	3	2006	11	20	18,551.69	3555	5.000%	2034	5	20	16,200.86	-284.84	13,955.78
731	FNMA	3	2010	1	29	44,798.00	20043	5.500%	2034	5	25	44,798.30		44,798.30
731	FNMA	3	2006	4	24	31,985.94	255269	5.500%	2034	6	1	27,227.98	-612.80	22,820.38
731	FHR	3	2007	7	16	10,576.00	2810	6.000%	2034	6	15	28,687.50		28,687.50
731	GNR	3	2007	12	21	50,000.00	200480	5.000%	2034	7	20	46,937.50		46,937.50
731	GNR	3	2008	1	30	63,068.00	20055	5.000%	2034	7	20	61,705.98	-39.43	61,705.98
731	GNMA	3	2006	9	20	17,402.43	633553	5.500%	2034	8	15	17,197.10		16,888.94
731	GNR	3	2007	10	14	50,000.00	200516	5.000%	2034	8	20	46,062.50		46,062.50
731	FNMA	3	2006	9	13	45,287.05	790724	5.500%	2034	9	1	42,186.45	-500.97	38,950.25
731	GNMA	3	2007	7	20	14,717.40	3610	5.500%	2034	9	20	12,558.76	-213.30	10,799.94
731	GNR	3	2006	11	2	30,000.00	200588	5.500%	2034	9	20	29,625.00		29,625.00
731	FHR	3	2008	1	18	4,846.00	2877	5.880%	2034	10	15	33,824.25		33,824.25
731	GNMA	3	2007	6	28	33,802.55	463294	6.000%	2034	10	15	32,420.92	-1,631.78	28,910.84
731	FNMA	3	2008	5	28	58,427.00	796284	5.000%	2034	12	1	77,081.96	-104.91	57,528.61
731	FHR	3	2007	5	22	54.00	3057	5.500%	2034	12	15	28,864.46		28,864.46
731	FHLM	3	2006	8	21	32,146.17	1749	5.500%	2035	1	1	27,135.21	-690.10	22,186.77
731	FMAC	3	2009	3	30	33,626.48	3514	5.000%	2035	1	15	3,921.99		0.00
731	GNR	3	2007	10	23	29,022.00	20053	5.000%	2035	1	16	27,174.01		27,174.01
731	FHR	3	2006	12	26	5,906.47	3025	5.000%	2035	2	15	1,287.03		0.00
731	GNR	3	2008	1	16	50,000.00	20056	5.500%	2035	2	20	41,895.00		41,895.00

ENDING

BOOK VALUE

FEBRUARY

BEGINNING

BOOK VALUE

BEGINNING

POOL

GNMA

PARVALUE

NUMBER

RATE

YR

MO

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	YR	MAT MO	MAT DAY	BEGINNING BOOK VALUE	FEBRUARY	ENDING BOOK VALUE
731 FNMA		3	2007	7	24	51,887.45	357748	5.500%	2035	4	1	44,229.27	-1,096.96	37,294.40
731 GNMA		3	2007	4	30	14,330.70		5.500%	2035	5	15	12,729.97		11,105.04
731 FNMA		3	2006	10	18	10,481.15	357797	5.500%	2035	6	1	8,735.41	-253.66	6,990.07
731 FHR		3	2007	5	24	42,881.05	2986	5.500%	2035	6	15	36,344.76	-431.12	28,397.24
731 FHR		3	2007	5	25	9,152.07	3000	5.000%	2035	6	15	6,303.61		2,022.01
731 GNMA		3	2007	5	21	16,684.98	643417	5.500%	2035	6	15	14,677.52	-25.64	13,159.69
731 GNR		3	2007	5	9	113,850.00	200593	5.500%	2035	6	20	113,850.17		113,850.17
731 FNR		3	2006	2	28	29,315.15	20068	6.000%	2035	6	25	20,640.09	-1,211.39	9,144.31
731 FNMA		3	2006	8	21	21,432.56	834953	5.500%	2035	7	1	18,924.22	-163.59	16,347.35
731 FHR		3	2006	12	29	14,740.13	3007	5.500%	2035	7	15	3,637.87		0.00
731 FHR		3	2008	2	12	31,234.04	3003	5.500%	2035	7	15	4,755.69		0.00
731 GNR		3	2007	3	29	10,704.45	200554	5.000%	2035	7	20	13,306.85	-718.52	8,325.00
731 GNR		3	2008	1	16	49,000.00	200551	5.000%	2035	7	20	45,815.00		45,815.00
731 GNR		3	2007	11	30	25,000.00	20067	5.500%	2035	8	20	24,619.50		24,619.50
731 GNR		3	2008	1	17	32,000.00	20067	5.500%	2035	8	20	31,839.68		31,839.68
731 FNMA		3	2008	8	18	44,634.81	200568	5.500%	2035	8	25	40,255.67	-614.66	35,247.51
731 FNR		3	2007	5	10	5,937.69	200567	5.500%	2035	8	25	2,782.52		0.00
731 FHR		3	2008	1	29	59,000.00	3033	5.500%	2035	9	15	58,703.75	-0.23	58,701.98
731 FMAC		3	2009	10	29	30,000.00	3037	5.000%	2035	9	15	16,087.21	-2,447.92	5,188.09
731 GNMA		3	2006	8	21	12,491.13	3760	5.500%	2035	9	20	11,006.72	-178.04	9,598.02
731 FNMA		3	2008	5	8	80,000.00	200579	5.500%	2035	9	25	80,000.00		80,000.00
731 FFLM		3	2006	10	23	33,819.41	47388	5.000%	2035	10	1	26,040.65	-581.83	20,092.21
731 FNR		3	2007	6	27	30,000.00	200584	5.750%	2035	10	25	28,912.50		28,912.50
731 FHR		3	2006	4	28	13,838.81	3062	5.500%	2035	11	15	5,020.72		0.00
731 FHR		3	2006	7	28	25,517.69	3075	5.500%	2035	11	15	18,691.73	-786.54	10,997.82
731 FNR		3	2007	11	16	15,000.00	200623	6.000%	2035	11	25	14,925.00		14,925.00
731 FNMA		3	2006	10	20	27,665.63	256022	5.500%	2035	12	1	23,563.40	-767.58	19,099.01
731 GNMA		3	2009	7	9	100,000.00	200936	4.500%	2035	12	16	99,750.00		99,750.00
731 FFLM		3	2006	10	23	15,293.36	2093	5.000%	2036	1	1	13,665.63	-542.42	11,765.19
731 FNMA		3	2007	8	29	17,641.03	850566	5.000%	2036	1	1	12,055.88	-420.46	9,105.22
731 FNMA		3	2007	7	24	14,841.47	870157	5.500%	2036	3	1	11,283.80	-692.37	8,909.48
731 FFLM		3	2007	4	12	14,271.54	44745	5.500%	2036	4	1	11,327.41	-291.49	8,492.60
731 FNMA		3	2006	9	1	14,221.97	868417	5.500%	2036	4	1	12,129.72	-639.16	10,011.44
731 GNR		3	2007	7	31	55,000.00	200617	6.000%	2036	4	20	54,303.15		54,303.15
731 FFLM		3	2006	8	23	21,806.45	49377	5.500%	2036	5	1	16,966.51	-522.70	13,449.96
731 FFLM		3	2007	7	13	27,780.41		5.000%	2036	5	1	-943.38		0.00
731 FFLM		3	2007	8	17	56,096.00	2186	5.000%	2036	5	1	83,820.32	-1,823.83	71,149.80
731 GNMA		3	2006	8	31	19,987.94	3864	5.500%	2036	6	20	17,261.96	-382.87	14,020.32
731 FNMA		3	2006	8	31	6,985.28	883204	6.000%	2036	7	1	5,918.34	-8.33	5,156.22
731 FNMA		3	2007	5	3	21,362.48	902414	5.500%	2036	11	1	80,797.16	-232.40	77,886.61
731 FNR		3	2007	6	13	8,163.00	200740	5.750%	2037	3	25	95,402.31		95,402.31



ENDING

FUND	TYPE	LOC	PUR YR	PUR MO	PUR DAY	GNMA PARVALUE	POOL NUMBER	RATE	MAT YR	MAT MO	MAT DAY	BEGINNING BOOK VALUE	FEBRUARY	BOOK VALUE
731 FNMA		3	2009	10	30	48,403.00	200988	4.500%	2039	6	25	99,875.00		99,875.00
731 GNMA		3	2009	9	30	100,000.00	200976	4.500%	2039	7	20	75,495.44		75,495.44
731 GNMA		3	2009	9	30	100,000.00	200976	4.500%	2039	7	20	99,591.94		99,591.94
731 FMAC		3	2010	11	30	74,368.99	3754	3.750%	2039	8	15	72,526.12	-4,697.06	35,177.61
731 GNMA		3	2010	12	29	99,750.00	2010158	4.000%	2039	8	20	99,490.22	-3,118.26	79,131.70
731 FMAC		3	2010	10	29	150,000.00	101539	4.000%	2039	10	15	149,812.50		0.00
731 GNMA		3	2009	11	3	100,000.00	200996	4.000%	2039	10	20	94,461.06		94,461.06
731 GNMA		3	2010	4	30	42,881.26	201041	4.500%	2039	10	20	26,572.28	-4,148.79	1,029.76
731 GNMA		3	2009	11	30	100,000.00	2009100	4.500%	2039	11	20	100,000.00	-6,482.52	0.00
731 GNMA		3	2010	5	28	63,554.60	201056	4.500%	2039	11	20	39,547.23	-6,000.32	3,462.89
731 GNMA		3	2010	9	30	49,391.58	2010115	3.500%	2040	3	20	42,238.75	-2,437.24	25,130.65
731 GNMA		3	2010	12	30	100,000.00	2010163	4.000%	2040	12	20	38,493.33	-2,067.12	19,982.12
731 FNMA ?		3	2011	1	31	98,450.57	201114	4.500%	2040	12	25	97,394.32	-2,425.91	64,377.48
731 FNMA ?		3	2011	3	30	85,000.00	20014	4.500%	2040	12	25	83,682.99		83,682.99
731 MUNI		3	2010	11	24	75,000.00	167562	7.166%	2041	1	1	75,000.00		75,000.00
731 FHR		3	2011	9	16	75,000.00	3858	4.000%	2041	5	15	49,750.00	-1,296.26	71,143.10
731 MUNI		3	2011	6	28	49,750.00 ?		4.000%	2041	7	1	49,750.00		49,750.00
731 GNMA		3	2011	8	31	100,000.00	2011129	3.500%	2041	4	16	0.00	-5,613.45	77,020.42
731 GNR		3	2011	12	30	75,000.00	2011157	3.000%	2041	10	20	0.00	-885.30	74,114.70
731 FNR		3	2012	1	5	75,000.00	12-02	3.500%	2041	10	25	75,000.00		75,000.00
731 FNR		3	2012	1	24	75,000.00	12-02	3.500%	2041	10	25	75,000.00		75,000.00
731 FMAC		3	2012	2	28	50,000.00	4016	3.500%	2042	3	1	0.00	50,000.00	50,000.00
731 MUNI		3	2011	10	25	10,419.50	N.C. Duke U	5.125%	2042	7	1	0.00		10,419.50
731 FNR		3	2011	12	6	75,000.00	2011146	3.500%	2049	12	31	72,634.21	-1,235.11	72,634.21
731 FNR		3	2011	12	16	75,000.00	2011142	3.500%	2049	12	31	72,508.20	-1,273.45	72,508.20
731 FMAC		3	2011	11	8	75,000.00	3954	3.500%	2049	12	31	67,783.01	-580.03	67,783.01
731 FMAC		3	2011	11	15	75,000.00	3954(B)	3.500%	2049	12	31	75,000.00		75,000.00
731 GNR		3	2011	10	11	74,812.50	11141	3.000%	2049	12	31	69,612.79	-1,841.22	69,612.79
731 FNR		3	2011	10	7	75,000.00	2011113	4.000%	2049	12	31	55,770.73	-10,526.99	55,770.73

TOTALS 17,897,136.21 14,437,008.73 -294,668.63 14,141,739.60

CITY OF TROY MICHIGAN  
 EMPLOYEE RETIREMENT SYSTEM  
 MUTUAL FUNDS  
 ACCT# 1120.146  
 February 29, 2012

FUND	TYPE	LOC	LAST PAID DATE	MUTUAL NAME	CASH		INCOME		TOTAL	PER SHARE	PRICE	FEBRUARY		TOTAL SHARES	TOTAL INVESTED	TOTAL CASH	TOTAL INCOME	TOTAL INVESTMENT
					SHARES	INVESTED	REINVESTED	INCOME				CASH	SHARES					
731	0	1	11/17/10	AMER. FUNDS CAPITAL WORLD	19,211	670,980.25	14,939.25	1,212,554.23	685,319.50	35.32	35.32	19,457	1,659,912.73	19,457	670,980.25	22,171.38	693,101.63	
731	0	12/29/09		AMERICAN EURO PACIFIC GROWTH	81,119	2,100,016.35	0.00	0.00	3,512,550.56	38.42	-11119	71,380	1,659,912.73	71,380	1,659,912.73	1,261,060.82	2,900,973.55	
731	0	4	11/15/11	AMERICAN EURO PACIFIC GROWTH	5,000	437,659.89	70,145.38	0.00	1,070,145.38	12.47	0.00	47,707	1,000,000.00	5,000	437,659.89	70,145.38	2,000,973.55	
731	0	12/11/09		BLACKROCK ALL CAP GLOBAL	47,707	1,000,000.00	0.00	0.00	1,070,145.38	20.00	166.3	10,345	200,000.00	10,345	200,000.00	10,076.30	210,076.30	
731	0	06/09/11		CLEARBRIDGE ENERGY MLP	10,000	200,000.00	0.00	0.00	1,293,569.45	9.14		88,989	1,000,003.28	88,989	1,000,003.28	315,060.73	1,315,064.01	
731	0	07/02/10		COHEN & STEERS INT'L RET	86,850	1,000,003.28	293,566.17	0.00	1,293,569.45	5.88		283,197	1,999,999.00	283,197	1,999,999.00	1,849,565.05	2,034,465.05	
731	0	6	9/8/11	COLUMBIA LARGE CORE (AMERIPRISE)	280,379	189,500.00	1,850,068.31	0.00	2,039,568.31	5.88		189,485	1,999,999.00	189,485	1,999,999.00	356,026.73	2,356,026.73	
731	0	4	10/11/10	DREYFUS PREMIER INTERM TERM FUND	186,310	1,999,999.00	313,026.78	0.00	2,313,026.78	13.35	413.568	57,306.68	1,999,999.00	57,306.68	1,999,999.00	49,921.52	1,549,921.52	
731	0	1&4	04/18/11	EATON VANCE FLOATING RATE FUND	160,034	1,500,010.50	8,569.97	0.00	1,508,580.47	37.71	572.46	5,245	1,500,010.50	164,552	1,500,010.50	176,875.91	207,273.23	
731	0	6	12/10/10	FIDELITY EQUITY INCOME	5,135	30,597.32	174,011.20	0.00	204,608.52	43.36		38,373	400,000.00	5,245	30,597.32	111,724.82	511,724.82	
731	0	08/13/09		ING - GLOBAL OPPORTUNITIES	38,370	400,000.00	111,689.50	0.00	511,689.50	12.34		102,803	508,453.25	38,373	400,000.00	906,603.12	1,415,056.37	
731	0	01/04/10		ING INTERNATIONAL VALUE	99,800	508,453.25	878,188.08	0.00	1,386,642.33	12.46		25,463	761,276.65	102,803	508,453.25	218,581.12	979,857.77	
731	0	12/15/09		INVESCO EUROPEAN GROWTH FUND	24,630	761,276.65	194,926.91	0.00	956,203.56	27.31		24,730	1,000,005.25	25,463	761,276.65	32,411.66	1,032,416.91	
731	0	11/25/09		JENNISON NATURAL RESOURCES	24,730	1,000,005.25	32,411.66	0.00	1,032,416.91	44.02		55,289	1,725,000.02	24,730	1,000,005.25	396,357.25	2,121,357.27	
731	0	12/18/09		JOHN HANCOCK INT'L CORE FUND	54,417	1,725,000.02	374,940.10	0.00	2,099,940.12	27.05		226,922	3,000,010.50	55,289	1,725,000.02	1,228,308.20	3,328,917.48	
731	0	1	01/18/11	LORD ABBET FLOATING RATE FUND	215,764	3,000,010.50	35,313.15	0.00	3,035,323.65	9.38	1460.378	77,960	1,000,000.00	226,922	3,000,010.50	136,442.22	3,136,452.72	
731	0	09/29/10		MAINSTAY CONVERTIBLE	72,483	1,000,000.00	65,994.33	0.00	1,065,994.33	14.66		77,960	1,000,000.00	77,960	1,000,000.00	142,886.74	1,142,886.74	
731	0	03/18/11		MES DIVERSIFIED INCOME FUND	95,541	1,000,005.25	1,010,883.35	0.00	1,010,883.35	10.53	279.189	97,822	1,000,005.25	97,822	1,000,005.25	34,996.34	1,035,001.59	
731	0	1	10/11/10	PIMCO TOTAL RETURN	172,849	1,009,900.45	1,075,820.88	0.00	2,085,721.13	10.85	474.33	176,774	1,009,900.45	176,774	1,009,900.45	1,125,172.21	2,135,072.66	
731	0	1	01/11/11	PIMCO UNCONSTRAINED BOND FUND	180,098	2,000,009.28	1,112,618.19	0.00	2,010,695.07	11.14	61.104	182,525	2,000,000.00	182,525	2,000,000.00	39,864.23	2,039,864.23	
731	0	12/24/09		PUTNAM - INTERNATIONAL	114,497	2,000,009.28	102,750.30	0.00	2,102,759.58	18.34		121,975	2,100,009.28	121,975	2,100,009.28	119,255.57	2,221,264.85	
731	0	4	09/30/10	PUTNAM CONV. INCOME GROWTH	56,996	1,025,032.18	1,127,782.48	0.00	1,127,782.48	18.81	-14996	42,909	728,696.99	42,909	728,696.99	163,279.71	891,976.70	
731	0	6	12/15/10	RS LARGE CAP ALPHA FUND	5,654	35,000.00	161,964.51	0.00	196,964.51	41.87		5,690	35,000.00	5,690	35,000.00	445,581.91	1,610,581.91	
731	0	02/15/05		SELIGMAN COMM & INFO A	55,532	1,165,000.00	348,496.97	0.00	1,513,496.97	24.44		57,895	1,165,000.00	57,895	1,165,000.00	255,484.75	2,010,484.75	
731	0	12/29/10		SENTINEL - COMMON	9,322	40,000.00	248,610.63	0.00	288,610.63	31.01		9,545	40,000.00	9,545	40,000.00	299,079.00	3,399,083.02	
731	0	12/22/09		TEMPLETON FOREIGN FUND	374,355	1,000,004.02	2,234,853.84	0.00	3,334,857.86	6.37		385,486	1,000,004.02	385,486	1,000,004.02	10,375.25	1,010,380.50	
731	0	11/17/10		THORNBURG INT'L	36,635	1,000,005.25	6,818.75	0.00	1,006,825.00	27.45		36,788	1,000,005.25	36,788	1,000,005.25	170,983.31	200,983.31	
731	0	6	12/09/10	VANGUARD (WADDELL & REED)	25,721	30,000.00	170,983.31	0.00	200,983.31	8.05		25,721	30,000.00	25,721	30,000.00	652,769.11	702,569.11	
731	0	6	07/31/11	VALUE LINE PREMIER GROWTH	39,841	50,000.00	590,596.46	0.00	641,396.46	26.90		42,206	50,000.00	42,206	50,000.00	187,169.76	237,169.76	
731	0	06/14/10		WELLS FARGO CLASSIC VALUE	11,438	50,000.00	185,103.33	0.00	235,103.33	16.57		11,596	50,000.00	11,596	50,000.00	187,169.76	237,169.76	

TOTALS 2,589,817 28,123,688.69 11,869,916.16 39,360,924.96

##### -757,038.81 38,848.00 2,833,813 27,968,629.88 12,782,750.10 40,151,379.98

CITY OF TROY MICHIGAN  
 EMPLOYEE RETIREMENT SYSTEM  
 PREFERRED STOCK  
 ACCT# 1120.145  
 February 29, 2012

FUND	TYPE	LOC	YR	PUR	MO	PUR	DAY	NAME	JULY 1, 2011 BALANCE			FEBRUARY			ENDING BALANCE		
									SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	SHARES	BOOK VALUE	
731	1	3	2009	6	17	DOMINION RESOURCES	8.375	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00
731	1	3	2002	1	15	DTE ENERGY TRUST		20,000	500,000.00	20,000	500,000.00	20,000	500,000.00	20,000	500,000.00	20,000	500,000.00
731	1	3	2010	4	14	ENTERGY MISSISSIPPI		10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00
731	1	3	2009	5	19	ENTERGY TEXAS		10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00
731	1	3	2009	3	19	FPL PFD 8.75%		10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00
731	1	1	2003	7	15	GENERAL MOTORS PFD 6.25		20,000	498,768.25	20,000	498,768.25	20,000	498,768.25	20,000	498,768.25	20,000	498,768.25
731	1	3	2002	2	8	GENERAL MOTORS PFD 7.25		20,000	500,000.00	20,000	500,000.00	20,000	500,000.00	20,000	500,000.00	20,000	500,000.00
731	1	3	2010	11	2	GOLDMAN SACHS 6.125% PFD		10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00	10,000	250,000.00
<b>TOTALS</b>									<b>110,000</b>	<b>2,748,768.25</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>2,248,768.25</b>	<b>-</b>	<b>-</b>	<b>2,248,768.25</b>

CITY OF TROY  
 EMPLOYEE RETIREMENT SYSTEM  
 MARKET VALUE  
 2/29/11

	Cash	Stocks	Pref Stock	Mutual Funds	Corp Bonds	Govt Bonds	Options	Other	Total	Percent
Wells Fargo	426,730	3,868,171							4,294,901	2.31%
UBS Grant - Regular	10,588,005	34,575,060		14,729,256	7,972,514	464,920	(123,997)	137,908	68,343,666	36.73%
UBS Grant - NAIC	766,143	10,194,885		17,504,194					10,961,028	5.89%
UBS Jones - Regular	734,919								18,239,113	9.80%
UBS Jones - Equities	1,183,122	10,371,810		1,203,803	4,702,290		(85,940)		11,554,932	6.21%
Fidelity	2,640,295	26,933,716		924,108					35,394,165	19.02%
Morgan Stanley	4,343,290	22,794,114	1,441,605			11,848,589		46,449	41,398,154	22.25%
City Funds	(7,893,310)	115,954		3,667,894					(4,109,462)	-2.21%
<b>Total</b>	<b>12,789,193</b>	<b>108,853,710</b>	<b>1,441,605</b>	<b>38,029,255</b>	<b>12,674,805</b>	<b>12,313,509</b>	<b>(209,937)</b>	<b>184,357</b>	<b>186,076,496</b>	<b>100.00%</b>
<b>Percent</b>	<b>6.87%</b>	<b>58.50%</b>	<b>0.77%</b>	<b>20.44%</b>	<b>6.81%</b>	<b>6.62%</b>	<b>-0.11%</b>	<b>0.10%</b>	<b>100.00%</b>	

**Rebecca S. Sorensen, CPA/PFS, CFP, CIMA, AIF**  
**Senior Vice President – Investments**  
**Private Wealth Advisor**

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**[Rebecca.Sorensen@ubs.com](mailto:Rebecca.Sorensen@ubs.com)**

**Rebecca is a Senior Vice President of Investments and Wealth Advisor with UBS Financial Services' Birmingham MI office. Rebecca joined the firm in June of 2001 and has over 25 years investment industry experience. Rebecca is a CPA, Certified Financial Planner, Personal Financial Specialist, Accredited Investment Fiduciary, and Certified Investment Management Analyst. Additionally, she has completed the Wharton School's IMCA program on Alternative Investments.**

**Rebecca received the 2009 UBS Exceptional Client Experience Award which recognizes a financial advisor's commitment to excellence within the firm. Rebecca holds the designation of Wealth Advisor within UBS Financial Services. This designation requires highly specialized knowledge in the area of personal finance, and most specifically in the areas of asset management, concentrated wealth, and trust and estate planning.**

**Rebecca is also a member of the UBS Defined Contribution (DC) Advisory program, eligible to advisors who demonstrate extensive experience and knowledge related to Defined Contribution Retirement Plans. UBS advisors within this program are subject to the Investment Advisers Act of 1940 (The Act) including the fiduciary standards of conduct set forth in the Act.**

**Rebecca is a 1994 graduate of Leadership Oakland. She is a graduate of Walsh College with a Bachelor's Degree in Accountancy. Rebecca is a member of the Investment Management Consultants' Association, a member of the Financial Planning Association, and a member of the MACPAs and the AICPAs.**

**A specialist in Financial and Retirement Planning, Rebecca assists clients with asset allocation, investment selection, and performance monitoring. Clients include individuals, foundations, endowments, and corporate and municipal retirement plans. Rebecca has lectured frequently on the subject of Retirement Planning, having given presentations to the Michigan Association of CPA's, hourly and salaried employees of Ford and Chrysler - as well as many other companies in Michigan, and to members of various business groups.**

**Rebecca served on the Foundation Board of Walsh College, is past Chair and current Board Member of the Oakland County Economic Development Corporation, is past Chair and past Board Member of Lighthouse PATH of Oakland County, and serves on the Board and Planned Giving Committee for the Community House in Birmingham, MI. Rebecca is also a member of the Distinguished Clown Corps supporting The Parade Company.**

**In 2001, Leadership Oakland recognized Rebecca as one of its 2001 Distinguished Leadership Award recipients in the individual category. The Distinguished Leadership awards recognize individuals, non-profit, and corporate leaders who exemplify Leadership Oakland's mission to develop leadership skills, explore key issues affecting the region, and enable participants to reach their full potential personally, professionally, and in the community.**

**Rebecca is a recipient of The 2003 State of Michigan Governor's Award for Volunteerism for her work with Lighthouse PATH.**

The Zatkín Group  
of Wells Fargo Advisors

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Member FINRA/SIPC



## CITY OF TROY MEMBERS OF THE BOARD

MAY 2012

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We recommend **adding** the following position to our equity portfolio:

<b><u>Niska Gas Storage Partners LLC</u></b>	<b>(NKA...\$13.00)*</b>
<b>Industry:</b>	<b><i>Oil &amp; Gas Storage &amp; Transportation</i></b>
<b>Economic Sector:</b>	<b><i>Energy</i></b>
<b>Exchange:</b>	<b><i>NYSE</i></b>
<b>P/E = N/A*</b>	<b>Yield = 10.769%*</b>
<b>Ratings:</b>	
<b>Wells Fargo Securities</b>	<b><i>Market Perform</i></b>
<b>ValuEngine:</b>	<b><i>Buy</i></b>

We appreciate your continued support and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Wegner".

Doug Wegner  
Financial Consultant

Enclosures

\* as of May 1, 2012

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Member FINRA/SIPC



May 2, 2012

Dear City of Troy - Members of the Board:

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<http://www.wellsfargoadvisors.com/researchdisclosures>

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Wegner".

Doug Wegner  
Financial Consultant

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April 24, 2012



## Equity Research

### Niska Gas Storage Partners, LLC

**NKA: Upgrading To Market Perform--Increasing 2013 Estimates  
Improving 2012/2013 Spreads Should Support Current Distribution**

## Market Perform / V

Sector: Small Cap Pipeline MLPs  
Overweight

### Rating Change

- **Key Takeaways.** We are upgrading our rating on NKA to Market Perform from Underperform given the improvement in storage spreads for the 2012/2013 winter season. Our valuation range increases to \$9-12/unit from \$6-9/unit. We expect NKA to provide improved EBITDA guidance for FY2013, which potentially (1) reduces the likelihood of a near-term distribution reduction or recapitalization and (2) improves Niska's fixed charged coverage ratios. As such, we expect the current distribution level can be maintained for the remainder of CY2012. We are raising our FY2013 DCF and EPU estimates to \$1.47 and \$0.86, respectively, from \$0.87 and \$0.39, to reflect higher seasonal spreads for the year. To note, we do not view the widening of near-term spreads as a turning point in natural gas storage fundamentals. We believe the improvement in 2012/2013 storage spreads is a short-term phenomenon related to high storage levels (which are pressuring front month prices) and not due to an improvement in demand.
- **2012/2013 Seasonal Spreads Have Improved.** Since NKA's FQ3 earnings call on 2/2/12, the winter summer spread for 2012/2013 has increased to roughly \$1.22/MMBtu from \$0.91/MMBtu. In addition, volatility (as measured by park and loan opportunities) for the quarter ended March 31 increased to 30% of trading days from 12% of trading days in the comparable year-ago period. As a reminder, NKA is targeting 55-60% of capacity for long-term firm contracts, 10% for short-term firm contracts and 30% for proprietary optimization activities.
- **Why Not Outperform?** If management maintains the distribution for the balance of the year, this would imply a potential return of about 12% (based solely on NKA's yield). However, spreads beyond the 2013 winter season remain anemic suggesting that natural gas storage fundamentals could remain challenging for a prolonged period of time. We still see a possibility for a restructuring of the company's balance sheet although management should have more flexibility as to when and how to accomplish a potential recapitalization. Thus, risk/reward appears balanced, in our view.

#### Valuation Range: \$9.00 to \$12.00 from \$6.00 to \$9.00

The high end of our valuation range is based on our three-stage distribution discount model, which reflects a 11% required rate of return and a long-term growth rate of 1.25%. The low end of our valuation range is based on a liquidation value for the partnership assuming storage fundamentals remain challenging. Risks to the units trading below our range include (1) delays/cost overruns on expansion projects, (2) an overbuild of natural gas storage, and (3) reduced gas price volatility.

#### Investment Thesis:

Our Market Perform rating reflects our expectation that Niska will be able to continue to pay the current distribution to common unitholders through FY'13. However, absent an improvement in storage spreads beyond FY'13, we still believe NKA will likely need to reduce its distribution in order to sustain payments to all unitholders. Approximately 80% of Niska's distribution is tax deferred.

**Please see page 8 for rating definitions, important disclosures and required analyst certifications**

Wells Fargo Securities, LLC does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of the report and investors should consider this report as only a single factor in making their investment decision.

	2011A	2012E		2013E	
DCF/unit		Curr.	Prior	Curr.	Prior
Q1 (June)	\$0.22	\$0.30 A	NC	\$0.23	0.16
Q2 (Sep.)	0.26	0.16 A	NC	0.23	0.19
Q3 (Dec.)	0.58	(0.12) A	NC	0.43	0.25
Q4 (Mar.)	0.54	0.46	NC	0.58	0.27
FY	\$1.60	\$0.81	NC	\$1.47	0.87
CY	\$0.88	\$1.35		\$1.25	
FY P/DCF	7.2x	14.3x		7.9x	
Rev.(MM)	\$275	\$272		\$252	

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters  
NA = Not Available, NC = No Change, NE = No Estimate, NM = Not Meaningful  
V = Volatile, \* = Company is on the Priority Stock List

Ticker	NKA
Price (04/23/2012)	\$11.58
52-Week Range:	\$8-22
Shares Outstanding: (MM)	67.6
Market Cap.: (MM)	\$782.8
S&P 500:	1,366.94
Avg. Daily Vol.:	240,076
Dividend/Yield:	\$1.40/12.1%
LT Debt: (MM)	\$762.8
LT Debt/Total Cap.:	46.0%
ROE:	11.0%
3-5 Yr. Est. Growth Rate:	0.0%
CY 2012 Est. P/DCF/unit-to-Growth:	NM
Last Reporting Date:	02/02/2012
	Before Open

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters

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Together we'll go far



**Master Limited Partnerships**

**Company Description:**

Niska Gas Storage Partners, LLC is a publicly traded MLP involved in the acquisition, development, and operation of natural gas storage facilities. The partnership owns and contracts for 204.5 Bcf of depleted reservoir natural gas storage capacity in Alberta, Canada (148.0 Bcf), northern California (35.0 Bcf), and the Mid-Continent region (21.5 Bcf) of the U.S. The general partner of Niska Gas Storage Partners, LLC is primarily owned by Carlyle/Riverstone Funds, which is affiliated with Riverstone Holdings, a leading energy and power-focused private equity firm.

**Upgrading To Market Perform From Underperform**

We're upgrading NKA to Market Perform from Underperform given the improvement in storage spreads for the 2012/2013 winter season. Our valuation range increases to \$9-12/unit from \$6-9/unit. We expect NKA to provide improved EBITDA guidance for FY2013, which potentially (1) reduces the likelihood of a near-term recapitalization, (2) strengthens Niska's fixed charged coverage ratios, and (3) suggests the current quarterly distribution is likely to be paid for the remainder of CY2012.

In essence, we believe the near-term improvement in spreads has given Niska more time to evaluate its strategic options vis-à-vis its debt levels and distributions. Absent an improvement in storage spreads beyond CY2012, we still believe Niska would likely need to reduce its distribution in order to sustain payments to both common and subordinated unitholders and maintain appropriate debt metrics.

We have made the following adjustments to our model to reflect the improvement in 2012/2013 storage spreads:

- We've increased our FY2013 EBITDA estimate to \$166.3MM from \$130.2MM to reflect the recent improvement in storage spreads. Specifically, we are modeling a realized winter summer spread of \$1.00/MMBtu versus \$0.65/MMBtu previously.
- We now forecast the partnership to pay the current quarterly distribution of \$0.35/unit to common units (\$1.40/unit annualized) for the remainder of Niska's FY2013.
- Our model assumes Niska continues to suspend distribution payments to subordinated unitholders for the remainder of FY2013. The excess cash flow generated of \$53MM (versus a previous forecast of \$39MM) is used to reduce debt outstanding (i.e. repurchase senior notes).
- We continue to forecast weaker storage spreads for FY2014 and FY2015 of \$0.65/MMBtu and \$0.675/MMBtu, respectively, which results in forecasted EBITDA of \$135.8MM and \$141.2MM, respectively. As such, our model assumes Niska will reset the quarterly distribution to a sustainable level of \$0.20/unit (or \$0.80/unit annualized).
- At our forecasted distribution reset of \$0.80/unit, Niska can pay both common and subordinated units assuming a distribution coverage ratio of approximately 1.25x (based on an average for FY2014-2017). Given the reduction in debt in FY2013, Niska would not be in violation of its FCCR covenants even at our forecasted EBITDA levels.
- We removed our forecast for a \$165MM equity infusion in FY2013 given the potential near-term improvement in EBITDA.

Figure 1. Summary Of Changes To Modeling Assumptions

<i>\$ in millions</i>	FY'12E	FY'13E	FY'14E	FY'15E	FY'16E	FY'17E
<b>REVISED Estimates:</b>						
Total debt	\$769.3	\$641.3	\$622.0	\$612.0	\$596.4	\$581.4
Interest expense	\$68.4	\$57.4	\$57.2	\$56.5	\$54.7	\$52.4
Adjusted EBITDA	\$129.7	\$166.3	\$135.8	\$141.2	\$146.2	\$151.0
<b>Debt-to-EBITDA</b>	<b>5.9x</b>	<b>3.9x</b>	<b>4.6x</b>	<b>4.3x</b>	<b>4.1x</b>	<b>3.9x</b>
<b>FCCR</b>	<b>1.90x</b>	<b>2.90x</b>	<b>2.37x</b>	<b>2.50x</b>	<b>2.68x</b>	<b>2.88x</b>
Repurchase of senior notes	\$164.8	\$115.0	--	--	--	--
Equity infusion	--	--	--	--	--	--
<b>Distribution per unit</b>	<b>\$1.40</b>	<b>\$1.40</b>	<b>\$0.80</b>	<b>\$0.85</b>	<b>\$0.96</b>	<b>\$1.05</b>
Coverage ratio (common only)	0.89x	2.08x	2.39x	2.40x	2.26x	2.22x
<b>Coverage ratio (all units)</b>	<b>0.64x</b>	<b>1.05x</b>	<b>1.29x</b>	<b>1.29x</b>	<b>1.22x</b>	<b>1.20x</b>
<b>PREVIOUS Estimates:</b>						
Total debt	\$769.3	\$525.8	\$526.6	\$516.6	\$499.7	\$481.7
Interest expense	\$68.4	\$45.3	\$44.8	\$42.4	\$40.5	\$38.2
Adjusted EBITDA	\$129.8	\$130.2	\$130.9	\$138.9	\$146.0	\$152.7
<b>Debt-to-EBITDA</b>	<b>5.9x</b>	<b>4.0x</b>	<b>4.0x</b>	<b>3.7x</b>	<b>3.4x</b>	<b>3.2x</b>
<b>FCCR</b>	<b>1.90x</b>	<b>2.87x</b>	<b>2.92x</b>	<b>3.28x</b>	<b>3.60x</b>	<b>3.99x</b>
Repurchase of senior notes	\$164.8	\$70.0	--	--	--	--
Equity infusion	--	\$165.0	--	--	--	--
<b>Distribution per unit</b>	<b>\$1.40</b>	<b>\$0.70</b>	<b>\$0.70</b>	<b>\$0.75</b>	<b>\$0.87</b>	<b>\$0.95</b>
Coverage ratio (common only)	0.89x	2.00x	1.94x	2.00x	1.90x	1.89x
<b>Coverage ratio (all units)</b>	<b>0.65x</b>	<b>1.24x</b>	<b>1.24x</b>	<b>1.28x</b>	<b>1.21x</b>	<b>1.21x</b>

Note 1: Revised estimates assume quarterly distribution is reduced to \$0.20/unit (or \$0.80/unit annualized) in FQ1'14 versus our previous forecast of a reduction to \$0.175/unit (or \$0.70/unit annualized) in FQ1'13

Note 2: Revised estimates assume FY'13 senior notes repurchase of \$115MM versus \$70MM previously

Note 3: Interest expense estimates are based on the respective fiscal year's Q4 run-rate

Source: Wells Fargo Securities, LLC estimates

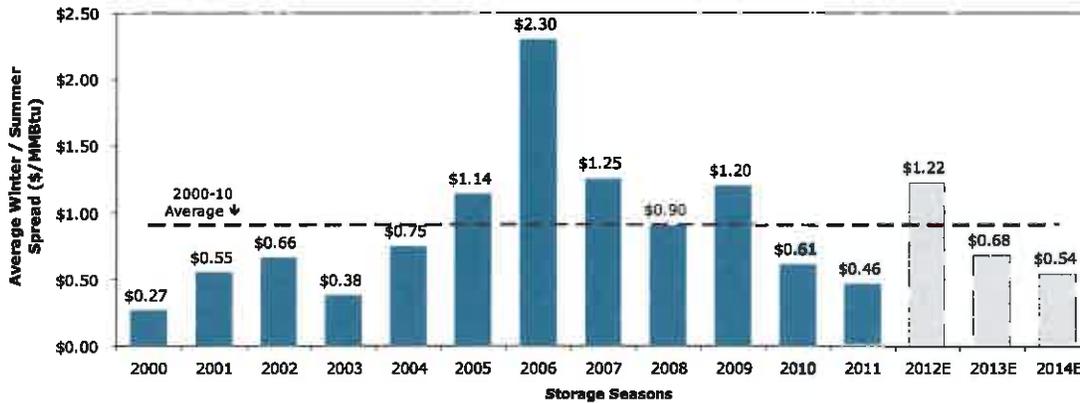
### 2012 Seasonal Storage Spreads Improve, But 2013+ Remains Relatively Weak

At the end of March, the implied winter/summer spreads for 2012, 2013, and 2014 approximated \$1.22 per MMBtu, \$0.68 per MMBtu, and \$0.54 per MMBtu, respectively, compared \$0.98 per MMBtu, \$0.59 per MMBtu, and \$0.51 per MMBtu at the end of February. The aforementioned figures are based on the difference between maximum NYMEX futures monthly pricing for the winter (November to April) and minimum NYMEX futures monthly pricing for the summer (May to October) in 2012, 2013, and 2014. Future seasonal spread expectations remain below the five-year historical average (i.e., 2006-2010) of \$1.25 per MMBtu.

As a reminder, the winter to summer spread represents the effective value of storage in any given year because a user of storage can buy natural gas in the summer (when prices are seasonally low due to less demand), inject it into storage, and sell forward on the NYMEX at the higher winter price, locking in a margin.

Master Limited Partnerships

Figure 2. Historical And Forecasted Winter Summer Spread Based On NYMEX Futures



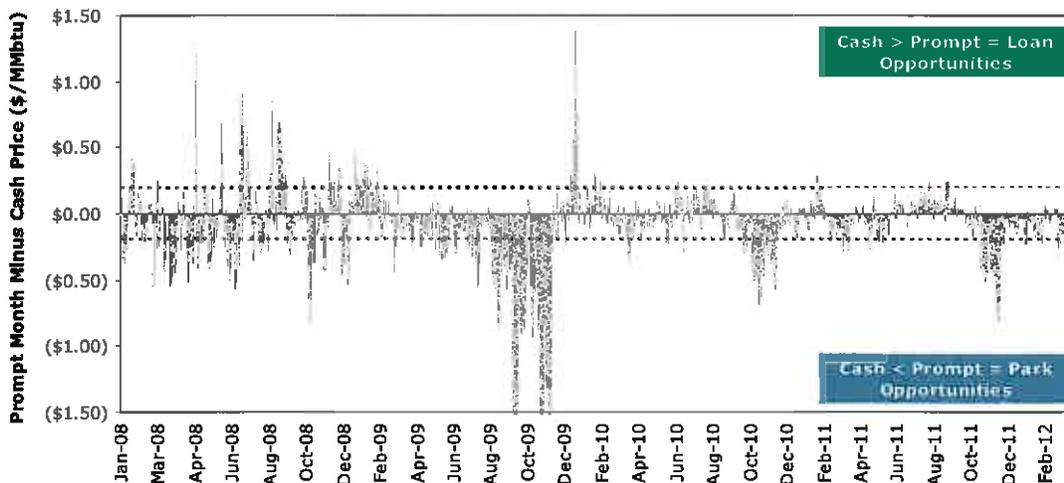
Note: Figures are based on natural gas storage seasons.  
Source: Bloomberg and FactSet

Park And Loan Opportunities Improved In March

Intra-month storage spreads (i.e., the basis for hub services revenue and park and loan opportunities) improved from the prior month. Thus, we estimate there was an increase in the number of opportunities for storage operators to conduct park and loan activities. However, barring a significant change in weather conditions or disruption in supplies, we expect intra-month storage spreads (i.e., short-term firm or cash-prompt) could weaken from current levels.

As shown in Figure 3, when the difference between cash Henry Hub pricing and prompt month futures pricing exceeds \$0.20 per MMBtu (i.e., represents variable costs), storage operators can take advantage of park (cash is less than prompt) and loan (cash is greater than prompt) opportunities.

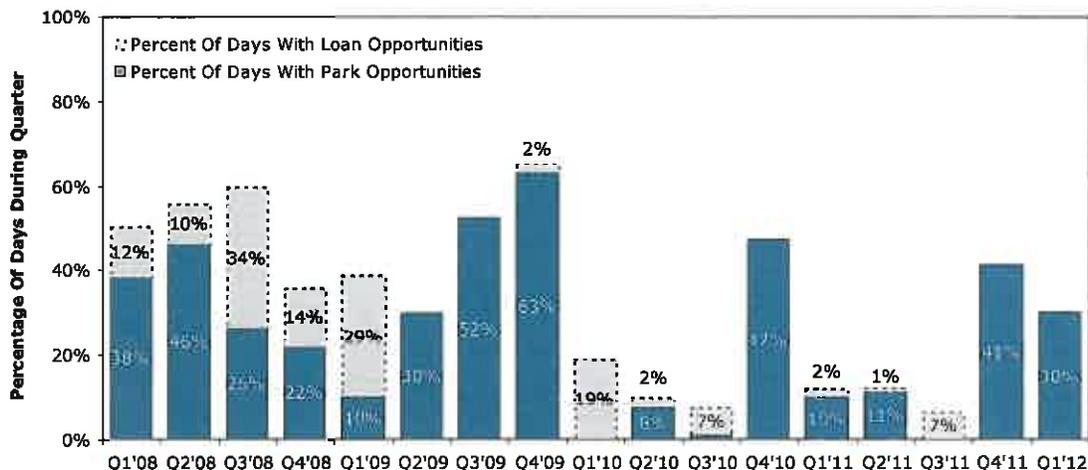
Figure 3. Prompt Month Versus Spot Gas Prices



Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

For Q1'12, we estimate 30% of trading days provided storage operators with sufficient spreads to conduct park and loan activities. This is a significant increase from 12% in the comparable prior year period, but down sequentially from the prior quarter (of 41%).

Figure 4. Percentage Of Days With Park And Loan Opportunities (By Quarter)



Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

**Increasing FY2013 Estimates On Improved 2012/2013 Seasonal Spreads**

We are increasing our FY2013 DCF/unit and EPU estimates to \$1.47 and \$0.86, respectively, from \$0.87 and \$0.39 previously, to reflect the improvement in 2012 seasonal storage spreads. There is no change to our FY2012 estimates.

Master Limited Partnerships

Figure 5. NKA Estimate Change Summary

(\$ in millions, except for per unit data)	FY2012 Estimates				FY2013 Estimates			
	Revised	Previous	Var (\$)	Var (%)	Estimates	Previous	Var (\$)	Var (%)
<b>Revenue:</b>								
LTF service	112.1	112.1	(0.1)	(0.1%)	137.7	112.4	25.2	22.4%
STF service	27.5	27.5	0.0	0.0%	41.3	40.3	1.0	2.4%
Proprietary optimization	68.4	68.4	0.0	0.0%	72.6	62.4	10.2	16.3%
Mark-to-market gain/(loss)	63.7	63.7	0.0	0.0%	0.0	0.0	0.0	NM
<b>Total revenue</b>	<b>271.6</b>	<b>271.7</b>	<b>(0.1)</b>	<b>(0.0%)</b>	<b>251.5</b>	<b>215.1</b>	<b>36.3</b>	<b>16.9%</b>
<b>Expenses:</b>								
Operating costs	47.0	47.0	0.0	0.0%	50.0	49.7	0.2	0.5%
General and administrative	31.2	31.2	0.0	0.0%	35.3	35.3	0.0	0.0%
Depreciation - PP&E	44.5	44.5	0.0	0.0%	44.9	44.9	0.0	0.0%
<b>Total expenses</b>	<b>122.6</b>	<b>122.6</b>	<b>0.0</b>	<b>0.0%</b>	<b>130.2</b>	<b>129.9</b>	<b>0.2</b>	<b>0.2%</b>
<b>EBIT</b>	<b>149.0</b>	<b>149.0</b>	<b>(0.1)</b>	<b>(0.0%)</b>	<b>121.3</b>	<b>85.2</b>	<b>36.1</b>	<b>42.4%</b>
Interest expense, net	74.7	74.7	0.0	0.0%	61.7	49.6	12.1	24.4%
Foreign exchange loss / (gain)	0.9	0.9	0.0	NM	0.0	0.0	0.0	NM
Total income income taxes / (benefit)	(11.1)	(11.1)	0.0	0.0%	0.0	0.0	0.0	NM
<b>Net income</b>	<b>78.4</b>	<b>78.5</b>	<b>(0.1)</b>	<b>(0.1%)</b>	<b>59.6</b>	<b>35.6</b>	<b>24.0</b>	<b>67.4%</b>
<b>EPU</b>	<b>\$1.13</b>	<b>\$1.13</b>	<b>(\$0.00)</b>	<b>(0.1%)</b>	<b>\$0.86</b>	<b>\$0.39</b>	<b>\$0.46</b>	<b>117.9%</b>
Average total units outstanding	68.0	68.0	0.0	0.0%	68.3	88.9	(20.6)	(23.2%)
<b>Adjusted EBITDA</b>	<b>129.7</b>	<b>129.8</b>	<b>(0.1)</b>	<b>(0.0%)</b>	<b>166.3</b>	<b>130.2</b>	<b>36.1</b>	<b>27.7%</b>
Maintenance capex	1.7	1.7	0.0	0.0%	2.3	1.8	0.5	27.7%
<b>Available cash flow</b>	<b>56.1</b>	<b>56.1</b>	<b>(0.1)</b>	<b>(0.1%)</b>	<b>102.2</b>	<b>78.8</b>	<b>23.5</b>	<b>29.8%</b>
GP interest	1.2	1.2	0.0	0.0%	2.0	1.3	0.7	53.6%
<b>Distributable cash flow (DCF)</b>	<b>54.9</b>	<b>54.9</b>	<b>(0.1)</b>	<b>(0.1%)</b>	<b>100.3</b>	<b>77.5</b>	<b>22.8</b>	<b>29.4%</b>
<b>DCF per unit</b>	<b>\$0.81</b>	<b>\$0.81</b>	<b>(\$0.00)</b>	<b>(0.1%)</b>	<b>\$1.47</b>	<b>\$0.87</b>	<b>\$0.60</b>	<b>68.5%</b>
<b>Distribution declared per unit</b>	<b>\$1.40</b>	<b>\$1.40</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>\$1.40</b>	<b>\$0.70</b>	<b>\$0.70</b>	<b>100.0%</b>
<b>To Common Only:</b>								
<b>Distribution coverage ratio</b>	<b>0.89x</b>	<b>0.89x</b>	<b>(0.00x)</b>	<b>(0.1%)</b>	<b>2.08x</b>	<b>2.00x</b>	<b>0.07x</b>	<b>3.7%</b>
Excess cash flow	(6.8)	(6.7)	(0.1)	0.8%	53.0	39.4	13.6	NM
<b>To All Unitholders:</b>								
<b>Distribution coverage ratio</b>	<b>0.64x</b>	<b>0.65x</b>	<b>(0.00x)</b>	<b>(0.1%)</b>	<b>1.05x</b>	<b>1.24x</b>	<b>(0.19x)</b>	<b>(15.5%)</b>
Excess cash flow	(30.9)	(30.9)	(0.1)	0.2%	4.7	15.2	(10.6)	(69.3%)

Source: Wells Fargo Securities, LLC estimates

Raising Our Valuation Range To \$9-12 Per Unit From \$6-9 Per Unit

Our valuation range is predicated on a combination of a dividend discount model (high end) and break up value (low end). Our DDM yields a valuation of \$12/unit, assuming a required rate of return of 11% and a long-term distribution growth rate of 1.25%. The high-end of our valuation range also reflects a modest improvement in fundamentals over time with NKA gradually increasing the distribution from our forecasted reset level. The low-end of our valuation range is based on a breakup value for the partnership assuming a 9-10x EBITDA multiple for the business.

NKA currently yields 12.1% and trades at CY2012E and CY2013E price-to-distributable cash flow multiples of 8.6x and 9.3x, respectively. This compares to the small-cap MLP pipeline peer group median of 7.3%, 11.0x and 10.5x, respectively.

Figure 6. NKA Versus The Peer Group

Ticker	Current Price	Current Yield	Price/DCF		Distrib. Growth Est.			P/DCF To Growth Ratio	
			2012E	2013E	1-Year	3-Year	5-Year		
Niska Gas Storage Partners, LLC	NKA	\$11.58	12.1%	8.6x	9.3x	0.0%	NM	NM	NM
PAA Natural Gas Storage, L.P.	PNG	\$18.61	7.7%	12.1x	11.4x	1.8%	2.8%	3.2%	4.0x
Small Cap Pipeline MLP Median			7.3%	11.0x	10.5x	3.0%	3.4%	3.6%	2.9x

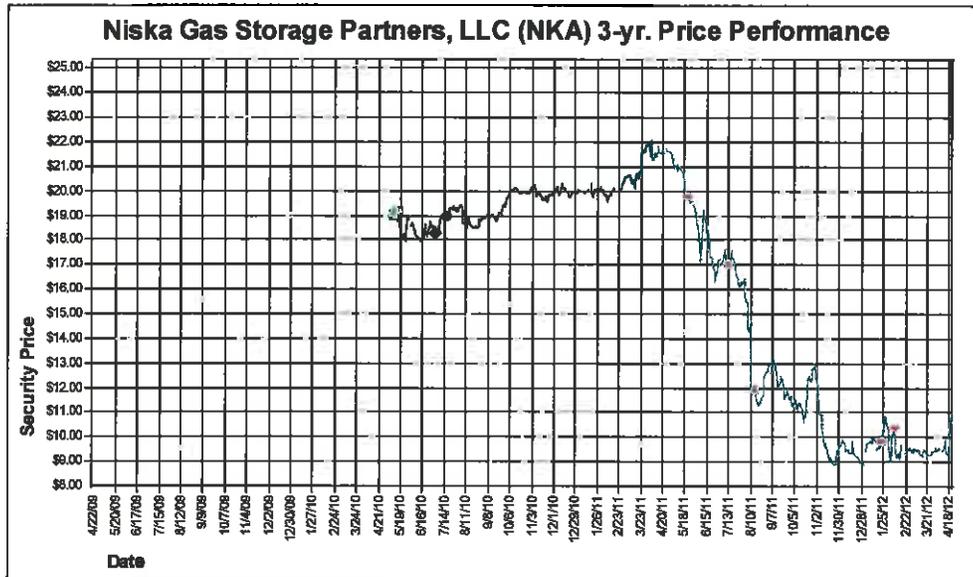
Source: FactSet and Wells Fargo Securities, LLC estimates

## Niska Gas Storage Partners, LLC (NKA)

	FY End	Q1A	Q2A	Q3A	Q4E	FY End	Q1E	Q2E	Q3E	Q4E	FY End				
\$ in millions, except per unit data	Mar-11A	Jun-11	Sep-11	Dec-11	Mar-12	Mar-12E	Jun-12	Sep-12	Dec-12	Mar-13	Mar-13E	Mar-14E	Mar-15E	Mar-16E	Mar-17E
LTF Revenue	119.8	29.6	29.5	29.0	24.0	112.1	34.3	34.5	34.3	34.5	137.7	119.9	135.5	140.2	144.0
% of total	44%	65%	39%	32%	40%	41%	65%	65%	51%	44%	55%	63%	59%	59%	59%
STF Revenue	41.0	5.6	5.7	8.2	7.9	27.5	8.8	8.8	11.8	11.9	41.3	40.2	35.8	36.7	37.5
% of total	18%	12%	8%	9%	13%	10%	17%	17%	18%	15%	16%	18%	15%	15%	15%
Proprietary Optimization	114.3	21.4	16.6	(9.1)	39.4	68.4	9.6	9.6	21.0	32.4	72.6	64.8	61.6	62.5	63.2
% of total	42%	47%	22%	(10%)	65%	25%	18%	18%	31%	41%	29%	29%	26%	26%	26%
Mark-to-market gain/(loss)	0.0	(10.8)	23.8	61.7	(11.0)	63.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% of total	0%	(24%)	31%	69%	(16%)	23%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Revenue</b>	<b>\$274.9</b>	<b>\$45.8</b>	<b>\$75.7</b>	<b>\$89.9</b>	<b>\$60.3</b>	<b>\$271.6</b>	<b>\$52.7</b>	<b>\$52.9</b>	<b>\$67.2</b>	<b>\$76.8</b>	<b>\$251.5</b>	<b>\$224.9</b>	<b>\$232.8</b>	<b>\$239.4</b>	<b>\$244.7</b>
Revenue per Mcf of storage capacity															
Long-term contract	\$1.14					\$1.02					\$1.08	\$0.86	\$0.89	\$0.92	\$0.95
Short-term contract	\$1.16					\$0.80					\$1.18	\$1.14	\$1.17	\$1.20	\$1.23
Realized optimization	\$1.77					\$1.10					\$1.24	\$1.34	\$1.43	\$1.45	\$1.47
Blended rate	\$1.38					\$1.01					\$1.14	\$1.01	\$1.03	\$1.06	\$1.09
Base EBITDA	195.5	38.6	30.2	12.5	48.5	129.7	32.7	32.3	45.9	55.4	166.3	135.8	141.2	146.2	151.0
EBITDA from assumed acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total EBITDA</b>	<b>\$195.5</b>	<b>\$38.6</b>	<b>\$30.2</b>	<b>\$12.5</b>	<b>\$48.5</b>	<b>\$129.7</b>	<b>\$32.7</b>	<b>\$32.3</b>	<b>\$45.9</b>	<b>\$55.4</b>	<b>\$166.3</b>	<b>\$135.8</b>	<b>\$141.2</b>	<b>\$146.2</b>	<b>\$151.0</b>
Net Income per unit (EPU)	\$1.47	\$0.07	\$0.40	\$0.52	\$0.14	\$1.13	\$0.08	\$0.08	\$0.25	\$0.44	\$0.86	\$0.49	\$0.55	\$0.63	\$0.73
Average Units Outstanding	67.6	67.6	68.0	68.3	68.3	68.0	68.3	68.3	68.3	68.3	68.3	68.3	68.3	68.3	68.3
Distributable Cash Flow (DCF):															
Adjusted EBITDA	195.5	38.6	30.2	12.5	48.5	129.7	32.7	32.3	45.9	55.4	166.3	135.8	141.2	146.2	151.0
(-) Interest expense	76.5	17.6	18.4	18.6	16.3	70.9	16.3	15.8	15.3	14.4	61.7	56.9	57.7	57.2	55.0
(-) Cash income taxes	0.4	0.3	0.5	0.4	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(-) Maintenance capex	1.6	0.0	0.2	1.3	0.3	1.7	0.4	0.4	0.6	0.8	2.3	1.9	1.9	2.0	2.1
(-) Estimated Canadian withholding tax	7.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(-) Other	(0.4)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Available Cash Flow</b>	<b>\$110.4</b>	<b>\$20.7</b>	<b>\$11.2</b>	<b>(\$7.8)</b>	<b>\$31.9</b>	<b>\$58.1</b>	<b>\$15.9</b>	<b>\$16.1</b>	<b>\$30.0</b>	<b>\$40.3</b>	<b>\$102.2</b>	<b>\$77.0</b>	<b>\$81.6</b>	<b>\$87.0</b>	<b>\$93.9</b>
(-) Cash paid to GP	1.9	0.5	0.2	0.2	0.2	1.2	0.5	0.5	0.5	0.5	2.0	1.1	1.2	1.3	1.5
<b>Distributable Cash Flow</b>	<b>\$108.5</b>	<b>\$20.2</b>	<b>\$11.0</b>	<b>(\$8.0)</b>	<b>\$31.7</b>	<b>\$56.9</b>	<b>\$15.4</b>	<b>\$15.6</b>	<b>\$29.5</b>	<b>\$39.8</b>	<b>\$100.3</b>	<b>\$75.9</b>	<b>\$80.4</b>	<b>\$85.7</b>	<b>\$92.4</b>
DCF Per Unit	\$1.60	\$0.30	\$0.16	(\$0.12)	\$0.46	\$0.81	\$0.23	\$0.23	\$0.43	\$0.58	\$1.47	\$1.11	\$1.18	\$1.25	\$1.35
Distribution Declared Per Unit	\$1.40	\$0.35	\$0.35	\$0.35	\$0.35	\$1.40	\$0.35	\$0.35	\$0.35	\$0.35	\$1.40	\$0.80	\$0.86	\$0.96	\$1.05
% year/year change		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(42.9%)	5.6%	13.3%	9.7%
Common Units Only:															
Distribution Coverage	1.14x	0.80x	0.91x	(0.63x)	2.59x	0.89x	1.29x	1.31x	2.44x	3.27x	2.08x	2.39x	2.40x	2.26x	2.22x
Excess Cash Flow (Deficit)	\$13.8	(\$6.2)	(\$1.1)	(\$20.1)	\$19.6	(\$6.8)	\$3.6	\$3.8	\$17.7	\$27.9	\$63.0	\$44.5	\$47.6	\$48.5	\$51.7
All Units:															
Distribution Coverage	1.14x	1.50x	0.46x	(0.32x)	1.31x	0.64x	0.65x	0.66x	1.23x	1.65x	1.05x	1.29x	1.29x	1.22x	1.20x
Excess Cash Flow (Deficit)	\$13.8	\$6.9	(\$13.2)	(\$32.2)	\$7.5	(\$30.9)	(\$8.5)	(\$8.3)	\$5.6	\$15.9	\$4.7	\$17.2	\$18.4	\$15.5	\$15.6
Capital Expenditures:															
Maintenance Capex	1.6	0.0	0.2	1.3	0.3	1.7	0.4	0.4	0.6	0.8	2.3	1.9	1.9	2.0	2.1
(% of EBITDA)	0.8%	0.0%	0.5%	10.2%	0.5%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Acquisition Capex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Growth Capex	32.4	10.9	16.8	14.5	22.8	65.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0	0.0	0.0
<b>Total Capex</b>	<b>\$34.0</b>	<b>\$10.9</b>	<b>\$16.9</b>	<b>\$15.8</b>	<b>\$23.1</b>	<b>\$66.7</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.6</b>	<b>\$0.8</b>	<b>\$2.3</b>	<b>\$11.9</b>	<b>\$12.0</b>	<b>\$2.0</b>	<b>\$2.1</b>
Financing & Credit Metrics:															
Equity Issuance Via Secondaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term Debt Issuance	0	0	(31)	(94)	(40)	(165)	(35)	(35)	(23)	(23)	(115)	0	0	0	0
Total Debt Outstanding	800	800	769	679	789	789	718	682	662	641	641	622	612	596	581
Total Debt Outstanding, net	682	780	743	664	727	727	691	656	617	589	569	530	488	435	378
Debt-to-TTM EBITDA	4.1x	4.0x	4.1x	4.8x	5.9x	5.9x	5.8x	5.4x	4.2x	3.8x	3.9x	4.8x	4.3x	4.1x	3.9x
Debt-to-EBITDA run-rate	4.1x	5.2x	6.4x	13.6x	4.0x	5.9x	5.5x	5.3x	3.6x	2.9x	3.8x	4.6x	4.3x	4.1x	3.9x
Debt-to-capitalization	47%	47%	46%	50%	60%	59%	55%	51%	50%	51%	53%	55%	57%	58%	59%
Fixed charge coverage ratio	2.6x	2.7x	2.5x	1.8x	1.9x	1.9x	1.9x	2.0x	2.6x	2.8x	2.9x	2.4x	2.5x	2.7x	2.9x

Source: Partnership reports and Wells Fargo Securities, LLC estimates

### Required Disclosures



	Date	Publication Price (\$)	Rating Code	Val. Rng. Low	Val. Rng. High	Close Price (\$)
□	5/12/2010		IPO at \$20.50			
	6/30/2010		Blum			
◆	7/1/2010	18.56	2	19.00	21.00	18.29
◆	7/16/2010	19.11	2	20.00	22.00	19.00
◆	5/20/2011	19.80	2	19.00	21.00	19.75
◆	7/13/2011	17.12	2	18.00	20.00	17.05
◆	8/15/2011	11.84	2	9.00	13.00	11.90
◆	1/23/2012	9.64	2	7.00	11.00	9.80
◆	2/8/2012	10.24	3	6.00	9.00	10.28

Source: Wells Fargo Securities, LLC estimates and Reuters data

<b>Symbol Key</b>	◆ Initiation, Resumption, Drop or Suspend	<b>Rating Code Key</b>	SR Suspended
▲ Rating Downgrade	■ Analyst Change	1 Outperform/Buy	NR Not Rated
▲ Rating Upgrade	□ Split Adjustment	2 Market Perform/Hold	NE No Estimate
● Valuation Range Change		3 Underperform/Sell	

### Additional Information Available Upon Request

I certify that:

- 1) All views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers discussed; and
- 2) No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by me in this research report.

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- Wells Fargo Securities, LLC or its affiliates intends to seek or expects to receive compensation for investment banking services in the next three months from Niska Gas Storage Partners, LLC.
- Wells Fargo Securities, LLC or its affiliates may have a significant financial interest in Niska Gas Storage Partners, LLC.

**NKA:** Risks to the units trading below our range include (1) delays/cost overruns on expansion projects, (2) an overbuild of natural gas storage, and (3) reduced gas price volatility.

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### STOCK RATING

**1=Outperform:** The stock appears attractively valued, and we believe the stock's total return will exceed that of the market over the next 12 months. BUY

**2=Market Perform:** The stock appears appropriately valued, and we believe the stock's total return will be in line with the market over the next 12 months. HOLD

**3=Underperform:** The stock appears overvalued, and we believe the stock's total return will be below the market over the next 12 months. SELL

### SECTOR RATING

**O=Overweight:** Industry expected to outperform the relevant broad market benchmark over the next 12 months.

**M=Market Weight:** Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

**U=Underweight:** Industry expected to underperform the relevant broad market benchmark over the next 12 months.

### VOLATILITY RATING

**V** = A stock is defined as volatile if the stock price has fluctuated by +/-20% or greater in at least 8 of the past 24 months or if the analyst expects significant volatility. All IPO stocks are automatically rated volatile within the first 24 months of trading.

As of: April 24, 2012

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Wells Fargo Securities, LLC has provided investment banking services for 43% of its Equity Research Outperform-rated companies.

50% of companies covered by Wells Fargo Securities, LLC Equity Research are rated Market Perform.

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3% of companies covered by Wells Fargo Securities, LLC Equity Research are rated Underperform.

Wells Fargo Securities, LLC has provided investment banking services for 24% of its Equity Research Underperform-rated companies.

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**VALUENGINE RECOMMENDATION & BASIC INFORMATION**

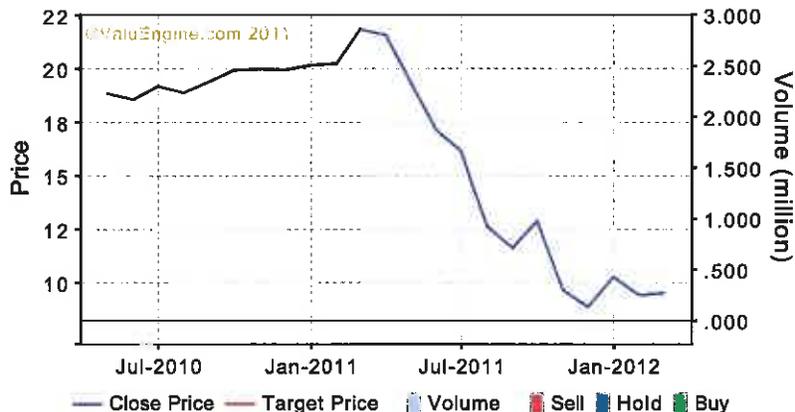
RECOMMENDATION	
<b>STRONG BUY</b>	
<b>BUY</b>	
<b>HOLD</b>	
<b>SELL</b>	
<b>STRONG SELL</b>	
<b>1-Yr Target Price</b>	\$13.56
<b>1-Yr Forecast Rtn</b>	6.74%
<b>Last Trade</b>	\$12.7
<b>Trade Date</b>	04/30/12

BASIC INFORMATION	
<b>Last 1-Yr Rtn</b>	-34.67%
<b>1-Yr Forecast Rtn Rank</b>	top 16%
<b>Market Cap(billion)</b>	\$0.438048
<b>Trailing 4 Qtrs P/E</b>	9.91
<b>Forward 4 Qtrs P/E</b>	40.59
<b>PEG Ratio</b>	n/a
<b>P/S Ratio</b>	1.59
<b>Est 5-Yr EPS Growth</b>	3.00%
<b>Annual Dividend</b>	\$1.40
<b>Dividend Yield</b>	11.02%
<b>LT Debt/Equity</b>	1.92
<b>Beta</b>	1.03
<b>5-Yr Avg Annual Rtn</b>	n/a
<b>Sector</b>	Oils-energy
<b>Industry</b>	Oil & Gas-prod/pipeline

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**VALUENGINE RECOMMENDATION**

ValuEngine has issued a BUY recommendation for NISKA GAS STRG on May. 01, 2012. Based on the information we have gathered and our resulting research, we feel that NISKA GAS STRG has the probability to OUTPERFORM average market performance for the next year. The company exhibits ATTRACTIVE P/E Ratio and Book Market Ratio.

**FORECASTED TARGET PRICES**

The predictive variables used in ValuEngine's forecast target price models include both proprietary and well-established forecasting variables derived from credible financial research studies and publications. The ValuEngine Forecast Model relies on a variety of predictive variables including the ValuEngine Fair Value for the equity calculated by the ValuEngine Valuation Model, the Price/Earnings ratio, the stock's Momentum-based on the Last 12 Month Return, the company's Market Capitalization, Earnings Growth, and Earnings Revision. Our forecasting models capture, among other things, several important tendencies that stock prices consistently exhibit: Short-term price reversals, Intermediate-term momentum continuation, and Long-term price reversals. We use a distinct forecasting model for each time horizon and for every industry. We then apply advanced statistical/econometric techniques to ensure that our stock return forecasts are as reliable as possible. Click [HERE](#) for additional information on ValuEngine's research.

**RECOMMENDATION OVERVIEW**

ValuEngine's stock recommendations are based on the proprietary ValuEngine one-year forecast return (1YFR) model output for each individual equity. A stock is rated Strong Buy, Buy, Hold, Sell, Strong Sell based on the Forecast One Year Return. The breakdown for each rating is as follows:

- Strong Buy: Better than +12% 1YFR
- Buy: Between +5% and +12% 1YFR
- Hold: Between -5% and +5% 1YFR
- Sell: Between -12% and -5% 1YFR
- Strong Sell: Worse than -12% 1YFR

ValuEngine's Strong Buy-rated stocks have an averaged annual return of 19% since 2001. For more details on the ValuEngine One Year Forecast Target price and its components, please go [HERE](#).

# NISKA GAS STRG(NKA)

## ANNUAL/QUARTERLY FINANCIALS - BALANCE SHEET (millions)

	201103	201003	4Q2011	3Q2011	2Q2011	1Q2011
<b>ASSETS</b>						
Cash	117.74	131.55	14.59	26.67	19.52	117.74
Marketable Securities	0	0	0	0	0	0
Receivables	47.72	66.41	55.28	33.81	65.97	47.72
Inventory	133.57	129.39	259.12	358.36	209.07	133.57
Raw Materials	133.57	129.39	259.12	358.36	209.07	133.57
Notes Receivable	0	0	0	0	0	0
Other Current Assets	144.65	102.57	117.92	115.59	98.55	144.65
<b>Total Current Assets</b>	<b>443.69</b>	<b>429.93</b>	<b>446.93</b>	<b>534.44</b>	<b>393.12</b>	<b>443.69</b>
Net Property, Plant & Equipment	964.14	983.01	982.18	975.85	969.49	964.14
Investment & Advances	0	0	0	0	0	0
Other non-current Assets	21.49	34.81	49.71	21.71	20.71	21.49
Deferred Charges	22.21	24.25	16.77	19.54	21.18	22.21
Intangibles	594.45	617.54	334.28	587.71	591.13	594.45
Deposits & Other Assets	15.26	15.26	16.85	16.81	16.94	15.26
<b>TOTAL ASSETS</b>	<b>2061.27</b>	<b>2104.82</b>	<b>1846.73</b>	<b>2156.07</b>	<b>2012.61</b>	<b>2061.27</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>						
Notes Payable	0	0	0	0	0	0
Accounts Payable	2.4	2.14	0.06	1.68	3.48	2.4
Current Portion of Long-term Debt	0	0	84	89	10.07	0
Current Portion of Capital Leases	0	0	0	0	0	0
Accrued Expenses	86.66	61.35	116.01	142.31	60.29	86.66
Income Taxes Payable	29.02	57.1	26.45	26.37	23.52	29.02
Other Current Liabilities	53.45	59.54	83.68	54.21	49.54	53.45
<b>Total Current Liabilities</b>	<b>171.54</b>	<b>180.15</b>	<b>310.21</b>	<b>313.59</b>	<b>146.92</b>	<b>171.54</b>
Mortgages	0	0	0	0	0	0
Deferred Charges (taxes/income)	148.51	158.7	135.38	140.53	148.58	148.51
Convertible Debt	0	0	0	0	0	0
Long Term Debt	800	800	678.79	769.34	800	800
Non-Current Capital Leases	0	0	0	0	0	0
Other Long-Term Liabilities	24.23	36.18	34.61	23.85	23.32	24.23
Minority Interest (liabilities)	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1144.29</b>	<b>1175.03</b>	<b>1159</b>	<b>1247.32</b>	<b>1118.83</b>	<b>1144.29</b>
Preferred Stock	0	0	0	0	0	0
Common Stock, Net	510.27	0	396.61	512.01	498.91	510.27
Capital Surplus	0	849.99	0	0	0	0
Retained Earnings	0	79.79	0	0	0	0
Treasury Stock	0	0	0	0	0	0
Other Equity	406.69	0	291.12	396.73	394.87	406.69
<b>Total Shareholders' Equity</b>	<b>916.97</b>	<b>929.78</b>	<b>687.73</b>	<b>908.74</b>	<b>893.78</b>	<b>916.97</b>
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>2061.27</b>	<b>2104.82</b>	<b>1846.73</b>	<b>2156.07</b>	<b>2012.61</b>	<b>2061.27</b>

# NISKA GAS STRG(NKA)

## VALUENGINE'S METHODOLOGY

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

### VE'S FAIR VALUE MODEL:

ValuEngine's stock valuation model employs a sophisticated, three-factor approach. Fundamental variables, such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimates of the company's future 12-month EPS, and correlations to 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, representing the VE 'model price'. This is the price that ValuEngine believes the equity should trade at, if the market were perfectly efficient.

The VE Fair Value for NISKA GAS STRG is currently: \$0.00

The VE Fair Value is only the first of many steps in ValuEngine's full analysis. VE believes that just because a stock is undervalued today, does not mean that the market will recognize the true value immediately. Different stocks in different sectors can take a wide range of time frames to return to fair value. In some cases, other data may indicate that even though the stock is undervalued, it may continue to drop in price due to such things as strong short term momentum or overall market conditions. The opposite can also occur with overvalued stocks continuing to rise in value.

### VE'S FORECAST TARGET PRICE MODEL:

The VE one year forecast target prices uses the VE Fair Value as the base data point. In addition, VE's stock forecasts examine short-term price reversals, intermediate-term momentum continuation, and long-term price reversals over six time horizons for every industry 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 meeting and exceeding any given stock investment target. All of this is laid on top of the VE Fair Value to compute an actual price target one year from date of this report.

### VE RECOMMENDATION:

The recommendation is an assessment of its overall attractiveness, according to VE. It is based on the one year forecast target price, which is the final evolution of the two step process listed above (fair value computation, with additional momentum, price reversal and other market indicators). On average, only 2 percent of ValuEngine's 5,500 stocks under coverage achieve a strong buy rating at a given time, but this can vary depending upon market conditions.

For additional information about ValuEngine's financial research and financial modeling on over 5,500 companies, please click [HERE](#).

### Definitions:

**Sharpe Ratio:** measures the risk-return tradeoff offered by the stock, and it is named after the Nobel Prize winner William Sharpe. It is the stock's average annual return (over the recent 5 years) divided by its annualized volatility over the same 5 years. **High quality stocks are usually associated with high Sharpe ratios.**

**Momentum Rank:** as defined before, it is the relative return performance of the stock over the recent 12 months. On a scale of 1 to 100, the higher the momentum rank, the stronger the stock has performed in the recent 12 months.

### Abbreviations:

- 1YRF: ValuEngine 1 Year Forecast Target Price
- Avg: Average
- LT: Long Term
- MB: Market Book
- P/E: Price to Earnings
- P/S: Price to Sales
- Qtrs: Quarters
- Rtn: Return
- Yr: Year

### ValuEngine DISCLOSURES

ValuEngine offers equity recommendations and related return estimates to investors and their advisors. It uses a five-class Strong Buy/Buy/Hold/Sell/Strong Sell rating system.

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

- Strong Buy: Better than +12% One Year Forecast
- Buy: Between +5% and +12% One Year Forecast
- Hold: Between -5% and +5% One Year Forecast
- Sell: Between -5% and -12% One Year Forecast
- Strong Sell: Worse than -12% One Year Forecast

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