

Agenda

Employees' Retirement System Board Meeting

March 13, 2013 at 12:00 PM
Conference Room C

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

Roll Call

Minutes from the February 13, 2013 Meeting

Retirement Requests

Name	Raymond M. Piper	Paul Monacelli	James M. Feld
Pension Program	DB	DB	DB
Retirement Date	4/18/13	3/8/13	3/22/13
Department	Police	Police	Police
Service Time	22 yrs, 0 mo	25 yrs, 0 mo	25 yrs, 0 mo

Other Business

RFI for Investment Consultant Evaluations

Investments

Public Comment

Adjourn

A meeting of the Employees' Retirement System Board of Trustees was held on Wednesday February 13, 2013 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
Thomas J. Gordon, II
Thomas Darling, CPA
Milton Stansbury
Dave Henderson
Brian Kischnick
Steve Pallotta

Trustees Absent: William R. Need (Ex-Officio)

Also Present: Justin Breyer
Rebecca Sorrenson - UBS

Other Business - Election of Officers

Resolution #2013-02-4

Moved by Kischnick
Seconded by Pallotta

RESOLVED, That Mark Calice be elected as Chair and Tomas J. Gordon II be elected as vice chair.

Yeas: All – 7
Absent:

Minutes

Resolution # ER – 2013-02-5

Moved by Kischnick
Seconded by Gordon

RESOLVED, That the Minutes of the January 9, 2013 meeting be approved.

Yeas: All-7
Absent:

Retirement Request

Resolution # ER – 2013-02-6

Moved by Gordon

Seconded by Pallotta

RESOLVED, That the following retirement requests be approved:

Name	Raymond M. Piper	Larry K. Schultz
Pension Program	DB	DB
Retirement Date	4/28/13	3/1/13
Department	Police	Police
Service Time	22 yrs, 2 mo	25 yrs, 1 mo

Yeas: All-7

Absent:

Other Business – UBS Quarterly Report

Rebecca Sorrenson and John Grant reviewed the UBS Quarterly Report, Fixed Income Recommendations, and Portfolio Performance Review.

(John Grant and Rebecca Sorrenson left the meeting after presentation)

Other Business – Todd Michael Memo and Verified Complaint

The Board read and acknowledged the memo.

Other Business – Status of Evaluations for the Responses to RFI for Investment Consultant

The Board discussed the procedure for selecting candidates to interview and the interview process.

INVESTMENTS

Resolution # ER – 2013-02-7

Moved by Pallotta

Seconded by Gordon

RESOLVED, That the Employees' Retirement System Board directs the Pension Administrator to invest \$2 Million in the Lord Abbett Floating Rate Fund.

Yeas: All-7

Absent:

Public Comment

None

The next meeting is March 13th, 2013 at 12:00 p.m. at Troy City Hall, Conference Room C, 500 W. Big Beaver Road, Troy, MI 48084.

The meeting adjourned at 2:13 p.m.

Mark Calice, Chairman

Tom Darling, Pension Administrator



Branch office:
 325 North Old Woodward Ave.
 Suite 200
 Birmingham, MI 480095335

Financial Advisor:
 Grant/Sorensen Wealth Mgmt Grp
 248-645-4940

UBS Client Review

as of March 4, 2013

Prepared for

CITY OF TROY
 EMPLOYEES RETIREMENT
 SYSTEMS NAIC

Accounts included in this review

Account	Name	Type
TZ [REDACTED]00	• CITY OF TROY	• Defined Benefit
Risk profile:	Moderate	
Return Objective:	Current Income and Capital Appreciation	

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Performance review

as of March 04, 2013

Sources of portfolio value

\$ Millions



Portfolio value and investment returns

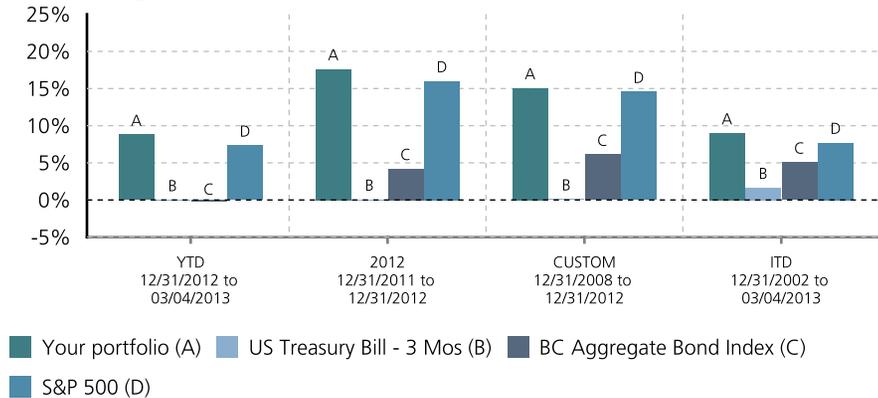
Performance returns (annualized > 1 year)

	YTD 12/31/2012 to 03/04/2013	2012 12/31/2011 to 12/31/2012	For period of 12/31/2008 to 12/31/2012	ITD 12/31/2002 to 03/04/2013
Opening value	11,111,705.63	10,033,601.83	6,704,928.60	4,545,750.56
Net deposits/withdrawals	0.00	-646,457.00	-607,606.67	405,296.65
Div./interest income	11,930.73	139,758.58	444,897.92	922,127.59
Change in accr. interest	0.00	0.00	0.00	0.00
Change in value	966,366.10	1,584,802.22	4,569,485.78	6,216,827.66
Closing value	12,090,002.46	11,111,705.63	11,111,705.63	12,090,002.46
Net Time-weighted ROR	8.80	17.63	15.07	9.00

Net deposits and withdrawals include program and account fees.

Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	YTD 12/31/2012 to 03/04/2013	2012 12/31/2011 to 12/31/2012	For period of 12/31/2008 to 12/31/2012	ITD 12/31/2002 to 03/04/2013
Your portfolio	8.80	17.63	15.07	9.00
US Treasury Bill - 3 Mos	0.01	0.08	0.11	1.66
BC Aggregate Bond Index	-0.18	4.21	6.12	5.07
S&P 500	7.35	16.00	14.57	7.72

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

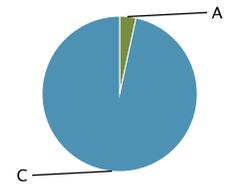
Portfolio holdings

as of March 04, 2013

Summary of Portfolio Holdings

	Cost basis (\$)	Value on 03/04/2013 (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of portfolio
A Cash	411,471.86	411,471.86	0.00	0.00%	0.00	0.00%	3.40%
Cash	411,471.86	411,471.86	0.00	0.00%	0.00	0.00%	3.40%
B Fixed Income	0.00	0.00	0.00	0.00%	0.00	0.00%	0.00%
C Equity	5,748,567.63	11,678,530.60	5,578,492.97	97.04%	127,102.57	1.09%	96.60%
US	5,151,696.35	10,976,330.60	5,473,164.25	106.24%	115,580.00	1.05%	90.79%
International	596,871.28	702,200.00	105,328.72	17.65%	11,522.57	1.64%	5.81%
D Commodities	0.00	0.00	0.00	0.00%	0.00	0.00%	0.00%
E Non-Traditional	0.00	0.00	0.00	0.00%	0.00	0.00%	0.00%
F Other	0.00	0.00	0.00	0.00%	0.00	0.00%	0.00%
Total Portfolio	\$6,160,039.49	\$12,090,002.46	\$5,578,492.97	90.56%	\$127,102.57	1.05%	100%

Balanced mutual funds are allocated in the 'Other' category





Portfolio holdings - as of March 04, 2013 (continued)

Details of portfolio holdings

	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of asset class	% of portfolio
Total Portfolio	\$6,160,039.49	\$12,090,002.46	\$5,578,492.97	90.56%	\$127,102.57	1.05%	100%	100%

Cash	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Cash	% of portfolio
Cash											
RMA MONEY MKT. PORTFOLIO	411,471.86	1.00	1.00	411,471.86	411,471.86	0.00	0.00%	0.00	0.00%	100.00%	3.40%
Total Cash				\$411,471.86	\$411,471.86	\$0.00	0.00%	\$0.00	0.00%	100.00%	3.40%

Total Cash				\$411,471.86	\$411,471.86	\$0.00	0.00%	\$0.00	0.00%	100%	3.40%
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Equity US	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
ABBOTT LABS	4,000.00	20.99	34.31	83,966.43	137,240.00	53,273.57	63.45%	2,240.00	1.63%	1.18%	1.14%
ABBVIE INC COM	4,000.00	22.76	38.24	91,054.24	152,960.00	61,905.76	67.99%	6,400.00	4.18%	1.31%	1.27%
AECOM TECHNOLOGY CORP	3,000.00	29.49	30.34	88,460.70	91,020.00	2,559.30	2.89%	0.00	0.00%	0.78%	0.75%
AFLAC INC	7,000.00	0.00	50.21	0.00	351,470.00	0.00	0.00%	9,800.00	2.79%	3.01%	2.91%
ALMOST FAMILY INC	2,000.00	27.28	20.61	54,566.15	41,220.00	-13,346.15	-24.46%	0.00	0.00%	0.35%	0.34%
AUTOMATIC DATA PROCESSNG INC	2,000.00	33.34	61.84	66,672.80	123,670.00	56,997.20	85.49%	3,480.00	2.81%	1.06%	1.02%
BIO REFERENCE LAB INC NEW NEW	2,000.00	22.16	27.58	44,318.95	55,160.00	10,841.05	24.46%	0.00	0.00%	0.47%	0.46%
BRUKER CORP	2,000.00	19.05	18.07	38,107.71	36,140.00	-1,967.71	-5.16%	0.00	0.00%	0.31%	0.30%
CELGENE CORP	2,000.00	59.03	105.56	118,056.25	211,120.00	93,063.75	78.83%	0.00	0.00%	1.81%	1.75%
COACH INC	1,000.00	31.10	49.28	31,095.92	49,280.00	18,184.08	58.48%	1,200.00	2.44%	0.42%	0.41%
COGNEX CORP	2,000.00	33.67	41.00	67,345.65	82,000.00	14,654.35	21.76%	880.00	1.07%	0.70%	0.68%
DANAHER CORP	8,000.00	14.65	61.66	117,224.25	493,280.00	376,055.75	320.80%	800.00	0.16%	4.22%	4.08%
EBAY INC	10,000.00	33.32	55.48	333,170.85	554,800.00	221,629.15	66.52%	0.00	0.00%	4.75%	4.59%
EMC CORP MASS	6,000.00	13.50	23.22	81,014.00	139,320.00	58,306.00	71.97%	0.00	0.00%	1.19%	1.15%
EMERSON ELECTRIC CO	4,000.00	23.56	55.54	94,240.25	222,160.00	127,919.75	135.74%	6,560.00	2.95%	1.90%	1.84%
EXPRESS SCRIPTS HLDG CO	1,620.00	56.21	57.88	91,052.10	93,765.60	2,713.50	2.98%	0.00	0.00%	0.80%	0.78%
FACTSET RESH SYSTEMS INC	3,000.00	15.62	97.87	46,870.25	293,610.00	246,739.75	526.43%	3,720.00	1.27%	2.51%	2.43%
FASTENAL CO	8,000.00	7.27	51.80	58,125.00	414,400.00	356,275.00	612.95%	3,200.00	0.77%	3.55%	3.43%
FISERV INC	3,000.00	38.44	82.82	115,329.50	248,460.00	133,130.50	115.43%	0.00	0.00%	2.13%	2.06%
FRANKLIN RESOURCES INC	2,000.00	87.53	142.33	175,059.24	284,660.00	109,600.76	62.61%	2,320.00	0.82%	2.44%	2.35%



Portfolio holdings - as of March 04, 2013 (continued)

Equity	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
US											
GAMESTOP CORP NEW (HOLDING CO) CL A	4,000.00	25.35	23.54	101,408.50	94,160.00	-7,248.50	-7.15%	4,400.00	4.67%	0.81%	0.78%
GILEAD SCIENCES INC	14,000.00	22.05	43.87	308,721.43	614,180.00	305,458.57	98.94%	0.00	0.00%	5.26%	5.08%
GLOBAL PAYMENTS INC	2,000.00	39.39	48.22	78,788.25	96,440.00	17,651.75	22.40%	160.00	0.17%	0.83%	0.80%
HCC INSURANCE HLDGS INC	2,000.00	28.56	39.82	57,122.57	79,640.00	22,517.43	39.42%	1,320.00	1.66%	0.68%	0.66%
IDEX CORP	2,250.00	12.33	50.42	27,750.00	113,445.00	85,695.00	308.81%	1,800.00	1.59%	0.97%	0.94%
LABORATORY CORP AMER HLDGS NEW	5,000.00	64.44	89.48	322,221.10	447,400.00	125,178.90	38.85%	0.00	0.00%	3.83%	3.70%
LKQ CORP NEW	4,000.00	9.25	20.66	36,990.75	82,640.00	45,649.25	123.41%	0.00	0.00%	0.71%	0.68%
MEDNAX INC	2,000.00	65.98	85.23	131,968.56	170,460.00	38,491.44	29.17%	0.00	0.00%	1.46%	1.41%
MEDTRONIC INC	10,000.00	50.10	45.26	501,012.30	452,600.00	-48,412.30	-9.66%	10,400.00	2.30%	3.88%	3.74%
NEUSTAR INC CL A	4,000.00	22.50	43.85	90,011.90	175,400.00	85,388.10	94.86%	0.00	0.00%	1.50%	1.45%
O REILLY AUTOMOTIVE INC	4,000.00	18.22	103.61	72,891.40	414,440.00	341,548.60	468.57%	0.00	0.00%	3.55%	3.43%
OMNICOM GROUP INC	4,000.00	41.81	57.88	167,220.25	231,520.00	64,299.75	38.45%	6,400.00	2.76%	1.98%	1.91%
PERRIGO COMPANY	1,000.00	57.50	114.60	57,499.25	114,600.00	57,100.75	99.31%	360.00	0.31%	0.98%	0.95%
PRAXAIR INC	5,800.00	41.51	112.90	240,732.00	654,820.00	414,088.00	172.01%	13,920.00	2.13%	5.61%	5.42%
ROPER INDS INC NEW	4,000.00	15.11	125.04	60,440.25	500,160.00	439,719.75	727.53%	2,640.00	0.53%	4.28%	4.14%
ST JUDE MEDICAL INC	6,000.00	36.39	41.11	218,368.75	246,660.00	28,291.25	12.96%	6,000.00	2.43%	2.11%	2.04%
STRYKER CORP	13,000.00	16.05	65.07	208,628.87	845,910.00	637,281.13	305.46%	13,780.00	1.63%	7.24%	7.00%
TRACTOR SUPPLY COMPANY	4,000.00	18.24	103.68	72,965.85	414,720.00	341,754.15	468.38%	3,200.00	0.77%	3.55%	3.43%
TRUE RELIGION APPAREL INC	5,000.00	21.97	27.85	109,867.37	139,250.00	29,382.63	26.74%	4,000.00	2.87%	1.19%	1.15%
VARIAN MEDICAL SYSTEMS INC	3,000.00	35.07	71.55	105,221.36	214,650.00	109,428.64	104.00%	0.00	0.00%	1.84%	1.78%
VISA INC CL A	5,000.00	77.23	159.50	386,135.40	797,500.00	411,364.60	106.53%	6,600.00	0.83%	6.83%	6.60%
Total US				\$5,151,696.35	\$10,976,330.60	\$5,473,164.25	106.24%	\$115,580.00	1.05%	93.99%	90.79%
International											
FABRINET	4,000.00	21.23	16.20	84,933.90	64,800.00	-20,133.90	-23.71%	0.00	0.00%	0.55%	0.54%
SHIRE PLC SPON ADR	2,000.00	80.42	95.20	160,846.10	190,400.00	29,553.90	18.37%	1,039.80	0.55%	1.63%	1.57%
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR	12,000.00	29.26	37.25	351,091.28	447,000.00	95,908.72	27.32%	10,482.77	2.35%	3.83%	3.70%
Total International				\$596,871.28	\$702,200.00	\$105,328.72	17.65%	\$11,522.57	1.64%	6.01%	5.81%
Total Equity				\$5,748,567.63	\$11,678,530.60	\$5,578,492.97	97.04%	\$127,102.57	1.09%	100%	96.60%



Portfolio holdings - as of March 04, 2013 (continued)

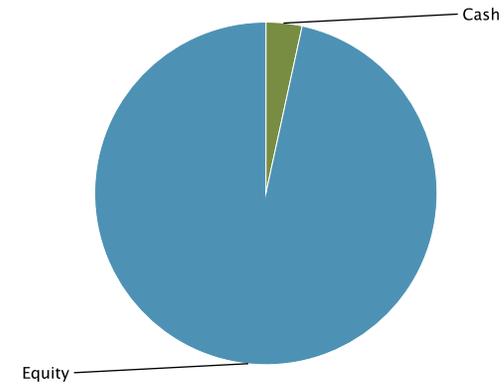
	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of asset class	% of portfolio
Total Portfolio	\$6,160,039.49	\$12,090,002.46	\$5,578,492.97	90.56%	\$127,102.57	1.05%	100%	100%

Total accrued interest (included in market values): \$0.00

Asset allocation summary

as of March 04, 2013

	Market value (\$)	% of portfolio
Cash	411,471.86	3.40
Cash	411,471.86	3.40
US	411,471.86	3.40
US Cash	411,471.86	3.40
Fixed Income	0.00	0.00
Equity	11,678,530.60	96.60
US	10,976,330.60	90.79
Large Cap	6,824,655.60	56.45
Core	1,196,480.00	9.90
Growth	5,227,425.60	43.24
Value	351,470.00	2.91
Other	49,280.00	0.40
Mid Cap	3,743,025.00	30.96
Core	792,300.00	6.55
Growth	2,530,265.00	20.93
Value	420,460.00	3.48
Small Cap	408,650.00	3.38
Core	91,020.00	0.75
Growth	137,160.00	1.13
Value	180,470.00	1.50
International	702,200.00	5.81
International	64,800.00	0.54
Core	64,800.00	0.54
Developed Markets	637,400.00	5.27
Growth	190,400.00	1.57
Value	447,000.00	3.70
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	0.00	0.00





Asset allocation summary - as of March 04, 2013 (continued)

Total Portfolio	\$12,090,002.46	100%
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Balanced mutual funds are allocated in the 'Other' category

Equity sector analysis

as of March 04, 2013

Summary of equity sector analysis compared to S&P 500 index

	Actual %	Model %	Value of equity (\$)	Model value (\$)	Gap (\$)	Actual (%)	Model (%)	Gap (%)
Consumer discretionary	12.21	11.27	1,426,010.00	1,315,744.13	110,265.87	12.21%	11.27%	0.94%
Energy		10.95	0.00	1,279,164.64	-1,279,164.64	0.00%	10.95%	-10.95%
Finance	6.13	15.76	715,770.00	1,840,643.87	-1,124,873.87	6.13%	15.76%	-9.63%
Health care	38.29	11.6	4,471,465.60	1,354,871.88	3,116,593.72	38.29%	11.60%	26.69%
Industrials	15.71	10.11	1,834,465.00	1,180,247.48	654,217.52	15.71%	10.11%	5.60%
Materials	5.61	3.28	654,820.00	382,673.92	272,146.08	5.61%	3.28%	2.33%
Staples		12	0.00	1,402,000.59	-1,402,000.59	0.00%	12.00%	-12.00%
Technology	22.06	18.59	2,576,000.00	2,171,091.39	404,908.61	22.06%	18.59%	3.47%
Telecommunications		2.93	0.00	342,614.22	-342,614.22	0.00%	2.93%	-2.93%
Utilities		3.42	0.00	399,793.47	-399,793.47	0.00%	3.42%	-3.42%
Total classified equity			\$11,678,530.60					

Rounding calculation may affect totals.



Equity sector analysis - as of March 04, 2013 (continued)

Detail of equity sector analysis

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Consumer discretionary						
COACH INC CUSIP: 189754104 Symbol: COH	1,000.00	49.28	49,280.00 0.42%	High 1.17		Neutral (Rating Exception)
GAMESTOP CORP NEW (HOLDING CO) CL A CUSIP: 36467W109 Symbol: GME	4,000.00	23.54	94,160.00 0.81%			
LKQ CORP NEW CUSIP: 501889208 Symbol: LKQ	4,000.00	20.66	82,640.00 0.71%			
O REILLY AUTOMOTIVE INC CUSIP: 67103H107 Symbol: ORLY	4,000.00	103.61	414,440.00 3.55%	Medium 0.55		Buy (Rating Exception)
OMNICOM GROUP INC CUSIP: 681919106 Symbol: OMC	4,000.00	57.88	231,520.00 1.98%	Low 1.06	Underperform	Neutral
TRACTOR SUPPLY COMPANY CUSIP: 892356106 Symbol: TSCO	4,000.00	103.68	414,720.00 3.55%	High 0.83		Buy
TRUE RELIGION APPAREL INC CUSIP: 89784N104 Symbol: TRLG	5,000.00	27.85	139,250.00 1.19%			
Total consumer discretionary			\$1,426,010.00 12.21%			
Finance						
AFLAC INC CUSIP: 001055102 Symbol: AFL	7,000.00	50.21	351,470.00 3.01%	Medium 1.35	Outperform	Neutral
FRANKLIN RESOURCES INC CUSIP: 354613101 Symbol: BEN	2,000.00	142.33	284,660.00 2.44%	Low 1.17	Marketperform	Neutral (Rating Exception)
HCC INSURANCE HLDGS INC CUSIP: 404132102 Symbol: HCC	2,000.00	39.82	79,640.00 0.68%			
Total finance			\$715,770.00 6.13%			
Health care						
ABBOTT LABS CUSIP: 002824100 Symbol: ABT	4,000.00	34.31	137,240.00 1.18%	Low 0.57		Buy
ABBVIE INC COM CUSIP: 00287Y109 Symbol: ABBV	4,000.00	38.24	152,960.00 1.31%	1.00		Neutral (Rating Exception)
ALMOST FAMILY INC CUSIP: 020409108 Symbol: AFAM	2,000.00	20.61	41,220.00 0.35%			
BIO REFERENCE LAB INC NEW NEW CUSIP: 09057G602 Symbol: BRLI	2,000.00	27.58	55,160.00 0.47%			
BRUKER CORP CUSIP: 116794108 Symbol: BRKR	2,000.00	18.07	36,140.00 0.31%	High 1.11		Buy



Equity sector analysis - as of March 04, 2013 (continued)

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Health care						
CELGENE CORP CUSIP: 151020104 Symbol: CELG	2,000.00	105.56	211,120.00 1.81%	High 0.74	Outperform	Neutral (Rating Exception)
EXPRESS SCRIPTS HLDG CO CUSIP: 30219G108 Symbol: ESRX	1,620.00	57.88	93,765.60 0.80%	Medium 0.98	Outperform	Buy
GILEAD SCIENCES INC CUSIP: 375558103 Symbol: GILD	14,000.00	43.87	614,180.00 5.26%	Medium 0.68	Outperform	Buy (Rating Exception)
LABORATORY CORP AMER HLDGS NEW CUSIP: 50540R409 Symbol: LH	5,000.00	89.48	447,400.00 3.83%	Low 0.72		Neutral
MEDNAX INC CUSIP: 58502B106 Symbol: MD	2,000.00	85.23	170,460.00 1.46%			
MEDTRONIC INC CUSIP: 585055106 Symbol: MDT	10,000.00	45.26	452,600.00 3.88%	Low 0.84	Outperform	Buy
PERRIGO COMPANY CUSIP: 714290103 Symbol: PRGO	1,000.00	114.60	114,600.00 0.98%	Medium 0.64		Buy
SHIRE PLC SPON ADR CUSIP: 82481R106 Symbol: SHPG	2,000.00	95.20	190,400.00 1.63%	Low 0.96		Buy
ST JUDE MEDICAL INC CUSIP: 790849103 Symbol: STJ	6,000.00	41.11	246,660.00 2.11%	Medium 0.91	Marketperform	Buy
STRYKER CORP CUSIP: 863667101 Symbol: SYK	13,000.00	65.07	845,910.00 7.24%	Low 0.85	Marketperform	Neutral
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR CUSIP: 881624209 Symbol: TEVA	12,000.00	37.25	447,000.00 3.83%	Low 0.66	Outperform	Neutral (Rating Exception)
VARIAN MEDICAL SYSTEMS INC CUSIP: 92220P105 Symbol: VAR	3,000.00	71.55	214,650.00 1.84%			
Total health care			\$4,471,465.60			38.29%
Industrials						
AECOM TECHNOLOGY CORP CUSIP: 00766T100 Symbol: ACM	3,000.00	30.34	91,020.00 0.78%	High 1.12		Buy (Rating Exception)
DANAHER CORP CUSIP: 235851102 Symbol: DHR	8,000.00	61.66	493,280.00 4.22%	Low 0.90	Outperform	Buy
EMERSON ELECTRIC CO CUSIP: 291011104 Symbol: EMR	4,000.00	55.54	222,160.00 1.90%	Low 1.03	Outperform	Neutral
FASTENAL CO CUSIP: 311900104 Symbol: FAST	8,000.00	51.80	414,400.00 3.55%	Medium 0.84		Neutral (Rating Exception)
IDEX CORP CUSIP: 45167R104 Symbol: IEX	2,250.00	50.42	113,445.00 0.97%			
ROPER INDS INC NEW CUSIP: 776696106 Symbol: ROP	4,000.00	125.04	500,160.00 4.28%		Marketperform	
Total industrials			\$1,834,465.00			15.71%



Equity sector analysis - as of March 04, 2013 (continued)

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Materials						
PRAXAIR INC CUSIP: 74005P104 Symbol: PX	5,800.00	112.90	654,820.00 5.61%		Marketperform	
Total materials			\$654,820.00 5.61%			
Technology						
AUTOMATIC DATA PROCESSNG INC CUSIP: 053015103 Symbol: ADP	2,000.00	61.84	123,670.00 1.06%	Low 0.75		Neutral
COGNEX CORP CUSIP: 192422103 Symbol: CGNX	2,000.00	41.00	82,000.00 0.70%			
EBAY INC CUSIP: 278642103 Symbol: EBAY	10,000.00	55.48	554,800.00 4.75%			
EMC CORP MASS CUSIP: 268648102 Symbol: EMC	6,000.00	23.22	139,320.00 1.19%	Medium 1.00		Buy
FABRINET CUSIP: G3323L100 Symbol: FN	4,000.00	16.20	64,800.00 0.55%			
FACTSET RESH SYSTEMS INC CUSIP: 303075105 Symbol: FDS	3,000.00	97.87	293,610.00 2.51%	Medium 0.89		Neutral (Rating Exception)
FISERV INC CUSIP: 337738108 Symbol: FISV	3,000.00	82.82	248,460.00 2.13%	Low 0.91		Neutral (Rating Exception)
GLOBAL PAYMENTS INC CUSIP: 37940X102 Symbol: GPN	2,000.00	48.22	96,440.00 0.83%	Low 0.86		Buy
NEUSTAR INC CL A CUSIP: 64126X201 Symbol: NSR	4,000.00	43.85	175,400.00 1.50%			
VISA INC CL A CUSIP: 92826C839 Symbol: V	5,000.00	159.50	797,500.00 6.83%	Low 0.79		Neutral (Rating Exception)
Total technology			\$2,576,000.00 22.06%			
Total classified equity			\$11,678,530.60			
Total equity			\$11,678,530.60			

Balanced mutual funds are allocated in the 'Other' category



Equity sector analysis - as of March 04, 2013 (continued)

Portfolio does not contain applicable holdings - exhibit intentionally left blank.



Portfolio does not contain applicable holdings - exhibit intentionally left blank.



No Account Data

The account(s) you selected do not contain any data. Please select new accounts or choose new reports and resubmit your request. If you believe this message to be an error please contact the Portfolio Reporting Group at 800-763-0007, option 1.



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding

these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/ Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cashflows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

Annualized Performance: All performance periods greater than one year are calculated (unless otherwise

stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance: Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Dividends/Interest: Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Change in Accrued Interest: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Beta: A measure of sensitivity of a portfolio of equities in relation to market movements. Beta measures the covariance of a portfolio in relation to the rest of the stock market as measured by a benchmark index. A portfolio with a higher beta would be expected to rise and fall further than the market. A portfolio with a low beta (less than 1) indicates that it would be expected to rise and fall less than the market.

Performance Start Date Changes: The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date. The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Account Performance: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Percentage: Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

Tax lots: This report displays security tax lots as one line item (i.e., lumped tax lots). The total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual

retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

Margin: The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Equity Style: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Equity Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Estimated Annual Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Volatility Bands: Volatility bands provide a quantitative analysis of a stock's historic price fluctuations. Volatility is defined as the standard deviation (a measure of dispersion around an average) of one year of weekly returns, weighted more heavily toward the most recent dates. The stock volatilities are banded into High, Medium and Low categories and are determined from looking at an unweighted basket of Dow Jones Global Index constituents divided into three equal parts. The volatility bands are provided for informational purposes only.

Research Rating: UBS Wealth Management Research is written by UBS Wealth Management Americas and UBS Wealth Management & Swiss Bank, and UBS Investment Research is written by UBS Investment Bank. Both UBS research providers employ their own ratings systems, methodologies and assumptions and may publish research views that are inconsistent with each other. For more information about each research source, please go to UBS Online Services or ask your Financial Advisor.

UBS Wealth Management Research Rating: Under Review The Wealth Management Research Relative Sector Rating for this stock has been placed Under Review by the analyst.

UBS Investment Research Rating: Rating Exception The rating for this stock may have been placed Under Review by the analyst, or may have an exception to the core rating bands. For further information, please refer to the "Research Rating Exceptions" daily report or contact your financial advisor or representative.

UBS Investment Research Rating: Rating Exception Recommendation and price target information temporarily suspended due to restriction or pending review. For further information please refer to the "Research Rating Exceptions" daily report or contact

your financial advisor or representative.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no ratings currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Interest Rate Risk: Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Call Provisions: When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager

directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients:

As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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 248-645-4940

UBS Client Review

as of March 4, 2013

Prepared for

CITY OF TROY
 EMPLOYEES RETIREMENT SYSTEMS

Accounts included in this review

Account	Name	Type
TZ [REDACTED] 95	• ERS Account	• Defined Benefit
Risk profile:	Moderate	
Return Objective:	Current Income and Capital Appreciation	

What's inside

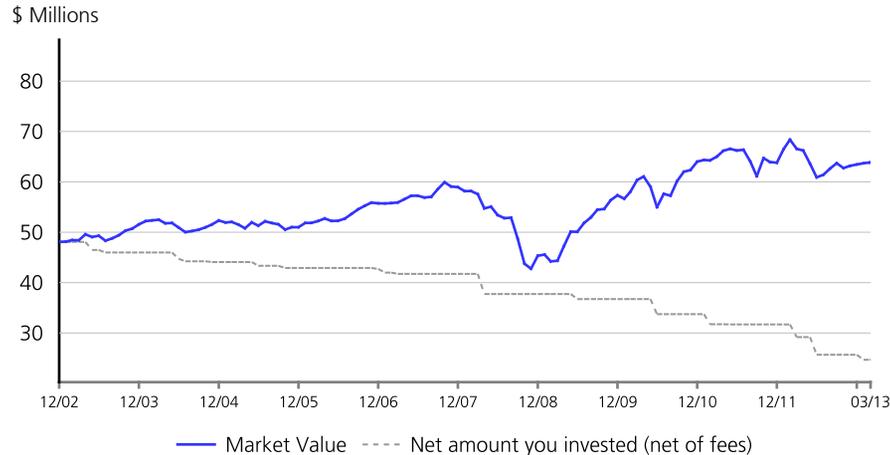
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Performance review

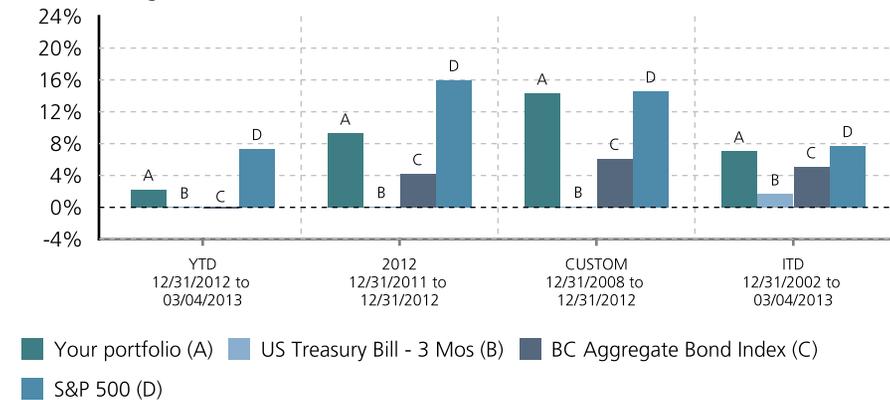
as of March 04, 2013

Sources of portfolio value



Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Portfolio value and investment returns

Performance returns (annualized > 1 year)

	YTD 12/31/2012 to 03/04/2013	2012 12/31/2011 to 12/31/2012	For period of 12/31/2008 to 12/31/2012	ITD 12/31/2002 to 03/04/2013
Opening value	63,453,366.76	63,802,547.70	45,330,259.67	48,080,148.50
Net deposits/withdrawals	-1,000,025.00	-6,020,250.00	-12,057,430.00	-23,405,111.62
Div./interest income	246,382.75	1,773,601.56	7,032,926.97	20,753,323.11
Change in accr. interest	-23,785.76	-39,635.23	-112,404.55	-522,634.65
Change in value	1,200,438.12	3,937,102.72	23,260,014.67	18,970,651.52
Closing value	63,876,376.87	63,453,366.76	63,453,366.76	63,876,376.87
Net Time-weighted ROR	2.25	9.28	14.30	7.04

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	YTD 12/31/2012 to 03/04/2013	2012 12/31/2011 to 12/31/2012	For period of 12/31/2008 to 12/31/2012	ITD 12/31/2002 to 03/04/2013
Your portfolio	2.25	9.28	14.30	7.04
US Treasury Bill - 3 Mos	0.01	0.08	0.11	1.66
BC Aggregate Bond Index	-0.18	4.21	6.12	5.07
S&P 500	7.35	16.00	14.57	7.72

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.



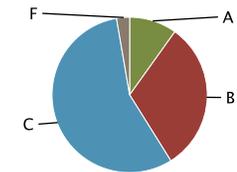
Portfolio holdings

as of March 04, 2013

Summary of Portfolio Holdings

	Cost basis (\$)	Value on 03/04/2013 (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of portfolio
A Cash	6,322,588.08	6,322,419.90	-168.18	0.00%	0.00	0.00%	9.90%
Cash	6,322,588.08	6,322,419.90	-168.18	0.00%	0.00	0.00%	9.90%
B Fixed Income	18,988,993.26	19,927,857.78	938,864.52	4.94%	926,696.60	4.65%	31.20%
US	13,793,856.53	14,579,763.92	785,907.39	5.70%	696,848.63	4.78%	22.82%
Global	5,195,136.73	5,348,093.86	152,957.13	2.94%	229,847.97	4.30%	8.38%
C Equity	23,971,242.11	35,895,181.63	9,925,328.02	41.41%	656,147.78	1.83%	56.19%
US	18,249,261.86	29,130,760.92	8,882,887.56	48.68%	571,516.46	1.96%	45.60%
Global	2,595,442.10	3,432,452.41	837,010.31	32.25%	16,771.47	0.49%	5.37%
International	3,126,538.15	3,331,968.30	205,430.15	6.57%	67,859.85	2.04%	5.22%
D Commodities	0.00	0.00	0.00	0.00%	0.00	0.00%	0.00%
E Non-Traditional	0.00	0.00	0.00	0.00%	0.00	0.00%	0.00%
F Other	1,586,299.81	1,730,917.56	144,617.75	9.12%	53,662.82	3.10%	2.71%
Balanced	1,586,299.81	1,730,917.56	144,617.75	9.12%	53,662.82	3.10%	2.71%
Total Portfolio	\$50,869,123.26	\$63,876,376.87	\$11,008,642.11	21.64%	\$1,636,507.20	2.56%	100%

Balanced mutual funds are allocated in the 'Other' category





Portfolio holdings - as of March 04, 2013 (continued)

Details of portfolio holdings

	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of asset class	% of portfolio
Total Portfolio	\$50,869,123.26	\$63,876,376.87	\$11,008,642.1	21.64%	\$1,636,507.20	2.56%	100%	100%

Cash	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Cash	% of portfolio
Cash											
RMA MONEY MKT. PORTFOLIO	4,916,965.83	1.00	1.00	4,916,965.83	4,916,965.83	0.00	0.00%	0.00	0.00%	77.77%	7.70%
UNITED STATES TREAS BILL DUE 03/28/13	700,000.00	1.00	1.00	699,918.98	699,972.00	53.02	0.01%	0.00	0.00%	11.07%	1.10%
UNITED STATES TREAS BILL DUE 07/18/13	700,000.00	1.00	1.00	699,955.20	699,734.00	-221.20	-0.03%	0.00	0.00%	11.07%	1.10%
USD CASH	5,748.07	1.00	1.00	5,748.07	5,748.07	0.00	0.00%	0.00	0.00%	0.09%	0.01%
Total Cash				\$6,322,588.08	\$6,322,419.90	-\$168.18	0.00%	\$0.00	0.00%	100.00%	9.90%
Total Cash				\$6,322,588.08	\$6,322,419.90	-\$168.18	0.00%	\$0.00	0.00%	100%	9.90%

Fixed Income US	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of portfolio
AT&T BROADBAND CORP 09.455% 111522 DTD111802 FC051503 GLOBAL B/E	297,000.00	98.86	151.78	293,625.00	459,289.01	165,664.01	56.42%	28,081.35	6.23%	2.30%	0.72%
ATLANTIC RICHFIELD CO 08.250% 020122 DTD020192 FC080192 DEBS	600,000.00	97.88	133.99	587,250.00	808,459.50	221,209.50	37.67%	49,500.00	6.16%	4.06%	1.27%
BANK OF AMER INTERNOTES 04.000% 041515 DTD042910 FC101510 NTS B/E	500,000.00	100.00	104.85	500,000.00	531,992.22	31,992.22	6.40%	20,000.00	3.81%	2.67%	0.83%
BANK OF AMER INTERNOTES 04.900% 021517 DTD021910 FC081510 NTS B/E	1,000,000.00	100.00	106.84	1,000,000.00	1,070,956.11	70,956.11	7.10%	49,000.00	4.59%	5.37%	1.68%



Portfolio holdings - as of March 04, 2013 (continued)

Fixed Income	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of portfolio
US											
BLACKROCK HIGH YIELD BOND A Client investment: \$1,500,005.25 Reinvested dividends: \$29,650.01 Investment return: \$85,007.55	193,766.85	7.89	8.18	1,529,655.26	1,585,012.80	55,357.54	3.62%	92,122.96	5.81%	7.95%	2.48%
EATON VANCE FLOATING RATE FUND CLASS A Client investment: \$1,000,005.25 Reinvested dividends: \$82,295.53 Investment return: \$91,336.34	115,241.98	9.39	9.47	1,082,300.78	1,091,341.59	9,040.81	0.84%	45,532.11	4.17%	5.48%	1.71%
FORD HOLDING INC DEB 09.375% 030120 DTD030190 FC090190	200,000.00	97.69	130.14	195,375.00	260,444.25	65,069.25	33.30%	18,750.00	7.20%	1.31%	0.41%
GENL MOTORS ACCEPT 06.750% 041513 DTD041503 FC101503 CALLABLE	500,000.00	100.00	100.27	500,000.00	514,366.25	14,366.25	2.87%	33,750.00	6.73%	2.58%	0.81%
LORD ABBETT FLOATING RATE FUND A Client investment: \$5,000,015.75 Reinvested dividends: \$332,047.38 Investment return: \$374,701.85	566,355.91	9.41	9.49	5,332,063.13	5,374,717.60	42,654.47	0.80%	278,627.85	5.18%	26.97%	8.41%
PIMCO TOTAL RETURN FUND CLASS A Client investment: \$1,000,005.25 Reinvested dividends: \$1,273,582.11 Investment return: \$1,372,904.34	211,112.95	10.77	11.24	2,273,587.36	2,372,909.59	99,322.23	4.37%	62,729.26	2.64%	11.91%	3.71%
PRUDENTIAL FINL NOTES 03.751% 111015 DTD111705 FLT VS YOY CPI- U +201BPS	500,000.00	100.00	102.06	500,000.00	510,275.00	10,275.00	2.05%	18,755.10	3.68%	2.56%	0.80%
Total US				\$13,793,856.53	\$14,579,763.92	\$785,907.39	5.70%	\$696,848.63	4.78%	73.16%	22.82%
Global											
ALLIANCE BERNSTEIN HIGH INCOME FD CL A Client investment: \$1,500,005.25 Reinvested dividends: \$33,488.42 Investment return: \$78,755.48	164,454.24	9.32	9.60	1,533,493.67	1,578,760.73	45,267.06	2.95%	104,437.65	6.62%	7.92%	2.47%
PIMCO UNCONSTRAINED BOND FUND CLASS A Client investment: \$2,000,000.00 Reinvested dividends: \$107,231.39 Investment return: \$187,440.53	189,061.41	11.15	11.57	2,107,231.39	2,187,440.53	80,209.14	3.81%	23,615.47	1.08%	10.98%	3.42%



Portfolio holdings - as of March 04, 2013 (continued)

Fixed Income	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Fixed Income	% of portfolio
Global											
TEMPLETON GLOBAL TOTAL RETURN CLASS A	114,879.64	13.53	13.77	1,554,411.67	1,581,892.60	27,480.93	1.77%	101,794.85	6.44%	7.94%	2.48%
Client investment: \$1,500,005.25 Reinvested dividends: \$54,406.42 Investment return: \$81,887.35											
Total Global				\$5,195,136.73	\$5,348,093.86	\$152,957.13	2.94%	\$229,847.97	4.30%	26.84%	8.38%

Total Fixed Income				\$18,988,993.26	\$19,927,857.78	\$938,864.52	4.94%	\$926,696.60	4.65%	100%	31.20%
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Equity	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
US											
AMERICAN SCIENCE & ENGINEERING INC	3,000.00	86.53	61.54	259,595.93	184,620.00	-74,975.93	-28.88%	6,000.00	3.25%	0.51%	0.29%
AMERICAN TOWER CORP REIT	5,000.00	63.62	78.86	318,090.87	394,300.00	76,209.13	23.96%	4,800.00	1.22%	1.10%	0.62%
APPLE INC	6,750.00	287.32	420.05	1,939,414.26	2,835,337.50	895,923.24	46.20%	71,550.00	2.52%	7.90%	4.44%
BANK OF AMER CORP	10,000.00	16.85	11.41	168,536.26	114,100.00	-54,436.26	-32.30%	400.00	0.35%	0.32%	0.18%
BED BATH & BEYOND INC	2,500.00	53.84	56.75	134,595.33	141,875.00	7,279.67	5.41%	0.00	0.00%	0.40%	0.22%
BRUKER CORP	5,000.00	15.60	18.07	78,022.84	90,350.00	12,327.16	15.80%	0.00	0.00%	0.25%	0.14%
CALL AMERICAN TOWER CORP DUE 07/20/13 82.500 050GW8	-20.00	101.11	182.50	-2,022.21	-3,650.00	-1,627.79	-80.50%	0.00	0.00%	-0.01%	-0.01%
CALL BED BATH & BEYOND I DUE 05/18/13 67.500 303178	-10.00	138.03	16.00	-1,380.33	-160.00	1,220.33	88.41%	0.00	0.00%	0.00%	0.00%
CALL BRUKER CORP DUE 06/22/13 17.500 062AY9	-10.00	93.77	160.00	-937.67	-1,600.00	-662.33	-70.64%	0.00	0.00%	0.00%	0.00%
CALL CATERPILLAR INC DUE 05/18/13 97.500 072991	-10.00	146.89	91.00	-1,468.86	-910.00	558.86	38.05%	0.00	0.00%	0.00%	0.00%
CALL CELGENE CORP DUE 04/20/13 110.000 094889	-10.00	108.52	183.00	-1,085.22	-1,830.00	-744.78	-68.63%	0.00	0.00%	-0.01%	0.00%
CALL CHEVRON CORP DUE 06/22/13 120.000 0926P3	-30.00	166.23	250.50	-4,986.93	-7,515.00	-2,528.07	-50.69%	0.00	0.00%	-0.02%	-0.01%



Portfolio holdings - as of March 04, 2013 (continued)

Equity US	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
CALL COPANO ENERGY LLC C DUE 08/17/13 39.000 1098G8	-30.00	102.05	80.00	-3,061.60	-2,400.00	661.60	21.61%	0.00	0.00%	-0.01%	0.00%
CALL COSTCO WHOLESALE CO DUE 04/20/13 105.000 0929G5	-10.00	126.23	169.50	-1,262.30	-1,695.00	-432.70	-34.28%	0.00	0.00%	0.00%	0.00%
CALL DANAHER CORP DUE 06/22/13 62.500 126250	-30.00	136.66	200.00	-4,099.75	-6,000.00	-1,900.25	-46.35%	0.00	0.00%	-0.02%	-0.01%
CALL DECKERS OUTDOOR COR DUE 04/20/13 50.000 1243B0	-30.00	151.49	212.00	-4,544.68	-6,360.00	-1,815.32	-39.94%	0.00	0.00%	-0.02%	-0.01%
CALL DIRECTV DUE 06/22/13 57.500 1277Z5	-19.00	91.15	25.00	-1,731.77	-475.00	1,256.77	72.57%	0.00	0.00%	0.00%	0.00%
CALL DUKE ENERGY CORP NE DUE 07/20/13 70.000 119MG4	-18.00	95.92	160.00	-1,726.61	-2,880.00	-1,153.39	-66.80%	0.00	0.00%	-0.01%	0.00%
CALL EMC CORP MASS DUE 07/20/13 26.000 137499	-20.00	91.27	37.50	-1,825.48	-750.00	1,075.48	58.91%	0.00	0.00%	0.00%	0.00%
CALL FISERV INC DUE 03/16/13 80.000 159425	-20.00	110.95	297.50	-2,218.95	-5,950.00	-3,731.05	-168.14%	0.00	0.00%	-0.02%	-0.01%
CALL FLOWERS FOODS INC DUE 07/20/13 30.000 1622K1	-25.00	126.36	130.00	-3,159.10	-3,250.00	-90.90	-2.88%	0.00	0.00%	-0.01%	-0.01%
CALL GENUINE PARTS CO DUE 08/17/13 75.000 181455	-10.00	88.85	142.50	-888.49	-1,425.00	-536.51	-60.38%	0.00	0.00%	0.00%	0.00%
CALL GLOBAL PAYMENTS INC DUE 08/17/13 55.000 1848N3	-10.00	88.85	57.50	-888.49	-575.00	313.49	35.28%	0.00	0.00%	0.00%	0.00%
CALL GREEN MTN COFFEE DUE 03/16/13 35.000 3276A1	-30.00	116.88	1,297.50	-3,506.51	-38,925.00	-35,418.49	-1,010.08%	0.00	0.00%	-0.11%	-0.06%



Portfolio holdings - as of March 04, 2013 (continued)

Equity US	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
CALL HILLENBRAND INC DUE 07/20/13 25.000 2085U0	-10.00	88.85	60.00	-888.49	-600.00	288.49	32.47%	0.00	0.00%	0.00%	0.00%
CALL HONEYWELL INTL INC DUE 06/22/13 72.500 212440	-10.00	138.03	132.50	-1,380.34	-1,325.00	55.34	4.01%	0.00	0.00%	0.00%	0.00%
CALL JOS A BANK CLOTHIER DUE 07/20/13 45.000 240478	-10.00	177.38	160.00	-1,773.82	-1,600.00	173.82	9.80%	0.00	0.00%	0.00%	0.00%
CALL LENNOX INTL INC DUE 09/21/13 65.000 2594N4	-10.00	187.22	277.50	-1,872.20	-2,775.00	-902.80	-48.22%	0.00	0.00%	-0.01%	0.00%
CALL MCKESSON CORP DUE 05/18/13 105.000 2805A8	-10.00	93.77	495.00	-937.66	-4,950.00	-4,012.34	-427.91%	0.00	0.00%	-0.01%	-0.01%
CALL OMNICOM GROUP INC DUE 07/20/13 55.000 348929	-30.00	181.06	425.00	-5,431.70	-12,750.00	-7,318.30	-134.73%	0.00	0.00%	-0.04%	-0.02%
CALL ORACLE CORP DUE 03/16/13 34.000 353752	-30.00	106.01	122.00	-3,180.24	-3,660.00	-479.76	-15.09%	0.00	0.00%	-0.01%	-0.01%
CALL PEPSICO INC DUE 07/20/13 75.000 368024	-22.00	91.49	300.50	-2,012.88	-6,611.00	-4,598.12	-228.43%	0.00	0.00%	-0.02%	-0.01%
CALL PERRIGO COMPANY DUE 05/18/13 120.000 363545	-10.00	167.54	185.00	-1,675.44	-1,850.00	-174.56	-10.42%	0.00	0.00%	-0.01%	0.00%
CALL PFIZER INC DUE 09/21/13 28.000 370011	-20.00	91.27	101.00	-1,825.48	-2,020.00	-194.52	-10.66%	0.00	0.00%	-0.01%	0.00%
CALL PORTFOLIO RECOVERY DUE 03/16/13 125.000 3803K6	-10.00	112.06	230.00	-1,120.61	-2,300.00	-1,179.39	-105.25%	0.00	0.00%	-0.01%	0.00%
CALL PRAXAIR INC DUE 07/20/13 120.000 385344	-10.00	93.77	142.50	-937.67	-1,425.00	-487.33	-51.97%	0.00	0.00%	0.00%	0.00%
CALL PROCTER & GAMBLE CO DUE 07/20/13 77.500 383601	-10.00	134.10	181.50	-1,340.99	-1,815.00	-474.01	-35.35%	0.00	0.00%	-0.01%	0.00%



Portfolio holdings - as of March 04, 2013 (continued)

Equity	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
US											
CALL SIGMA ALDRICH CORP DUE 07/20/13 80.000 422142	-30.00	141.60	145.00	-4,248.07	-4,350.00	-101.93	-2.40%	0.00	0.00%	-0.01%	-0.01%
CALL SMUCKER J M CO NEW DUE 07/20/13 95.000 4258Y5	-10.00	93.77	430.00	-937.67	-4,300.00	-3,362.33	-358.58%	0.00	0.00%	-0.01%	-0.01%
CALL SPECTRA ENERGY CORP DUE 09/21/13 30.000 433AH7	-12.00	89.66	102.50	-1,075.88	-1,230.00	-154.12	-14.33%	0.00	0.00%	0.00%	0.00%
CALL STARBUCKS CORP DUE 07/20/13 62.500 509736	-10.00	98.69	88.00	-986.86	-880.00	106.86	10.83%	0.00	0.00%	0.00%	0.00%
CALL THORATEC CORP NEW DUE 07/20/13 41.000 4564C8	-10.00	113.44	77.50	-1,134.40	-775.00	359.40	31.68%	0.00	0.00%	0.00%	0.00%
CALL TRACTOR SUPPLY COMP DUE 04/20/13 110.000 4608B6	-10.00	157.71	120.00	-1,577.08	-1,200.00	377.08	23.91%	0.00	0.00%	0.00%	0.00%
CALL VISA INC CL A DUE 06/22/13 180.000 488372	-10.00	99.67	73.00	-996.69	-730.00	266.69	26.76%	0.00	0.00%	0.00%	0.00%
CALL WATSCO INC DUE 08/17/13 85.000 498009	-10.00	138.03	195.00	-1,380.34	-1,950.00	-569.66	-41.27%	0.00	0.00%	-0.01%	0.00%
CALL YUM! BRANDS INC DUE 04/20/13 65.000 5175J8	-30.00	178.09	235.00	-5,342.75	-7,050.00	-1,707.25	-31.95%	0.00	0.00%	-0.02%	-0.01%
CATERPILLAR INC	5,000.00	71.86	89.75	359,277.67	448,750.00	89,472.33	24.90%	10,400.00	2.32%	1.25%	0.70%
CELGENE CORP	3,000.00	56.44	105.56	169,309.83	316,680.00	147,370.17	87.04%	0.00	0.00%	0.88%	0.50%
CHEVRON CORP	16,900.00	0.00	117.49	0.00	1,985,581.00	0.00	0.00%	60,840.00	3.06%	5.53%	3.11%
CIT GROUP INC	9,162.00	47.53	42.32	435,487.64	387,735.84	-47,751.80	-10.97%	0.00	0.00%	1.08%	0.61%
CLEAN ENERGY FUELS CORP	5,000.00	20.33	12.72	101,643.37	63,600.00	-38,043.37	-37.43%	0.00	0.00%	0.18%	0.10%
CLIFFS NAT RESOURCES INC	12,000.00	33.84	23.78	406,067.53	285,360.00	-120,707.53	-29.73%	7,200.00	2.52%	0.79%	0.45%
COPANO ENERGY LLC COM UNITS MLP	10,000.00	29.82	38.20	298,179.02	382,000.00	83,820.98	28.11%	23,000.00	6.02%	1.06%	0.60%
CORNING INC	3,000.00	29.04	12.38	87,127.85	37,140.00	-49,987.85	-57.37%	1,080.00	2.91%	0.10%	0.06%



Portfolio holdings - as of March 04, 2013 (continued)

Equity US	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
COSTCO WHOLESALE CORP	5,000.00	84.41	103.43	422,060.72	517,150.00	95,089.28	22.53%	5,500.00	1.06%	1.44%	0.81%
DANAHER CORP	8,000.00	25.41	61.66	203,308.72	493,280.00	289,971.28	142.63%	800.00	0.16%	1.37%	0.77%
DARLING INTL INC	10,000.00	6.66	16.53	66,595.12	165,300.00	98,704.88	148.22%	0.00	0.00%	0.46%	0.26%
DECKERS OUTDOOR CORP	12,000.00	37.50	47.35	449,994.65	568,200.00	118,205.35	26.27%	0.00	0.00%	1.58%	0.89%
DIRECTV	4,920.00	48.10	48.94	236,667.51	240,784.80	4,117.29	1.74%	0.00	0.00%	0.67%	0.38%
DUKE ENERGY CORP NEW	8,841.00	40.32	69.71	356,494.82	616,306.11	259,811.29	72.88%	27,053.46	4.39%	1.72%	0.96%
EMC CORP MASS	17,000.00	12.33	23.22	209,532.02	394,740.00	185,207.98	88.39%	0.00	0.00%	1.10%	0.62%
ESCROW GENERAL MTRS CORP 6.250% SER C DUE 07/15/33 CALLBL CONV	20,000.00	24.84	0.38	496,763.00	7,600.00	-489,163.00	-98.47%	0.00	0.00%	0.02%	0.01%
FACTSET RESH SYSTEMS INC	2,000.00	31.36	97.87	62,713.03	195,740.00	133,026.97	212.12%	2,480.00	1.27%	0.55%	0.31%
FISERV INC	5,000.00	38.76	82.82	193,816.02	414,100.00	220,283.98	113.66%	0.00	0.00%	1.15%	0.65%
FLOWERS FOODS INC	7,500.00	16.96	28.38	127,229.34	212,850.00	85,620.66	67.30%	4,800.00	2.26%	0.59%	0.33%
FREEPORT-MCMORAN COPPER & GOLD INC	20,000.00	44.11	31.40	882,118.37	628,000.00	-254,118.37	-28.81%	25,000.00	3.98%	1.75%	0.98%
GAMESTOP CORP NEW (HOLDING CO) CL A	1,000.00	24.45	23.54	24,452.66	23,540.00	-912.66	-3.73%	1,100.00	4.67%	0.07%	0.04%
GENERAL MOTORS CO	2,037.00	112.20	27.09	228,544.97	55,182.33	-173,362.64	-75.85%	0.00	0.00%	0.15%	0.09%
GENL ELECTRIC CO	10,000.00	35.74	23.27	357,402.80	232,700.00	-124,702.80	-34.89%	7,600.00	3.27%	0.65%	0.36%
GENL MILLS INC	5,000.00	38.13	46.45	190,632.65	232,250.00	41,617.35	21.83%	6,600.00	2.84%	0.65%	0.36%
GENUINE PARTS CO	5,000.00	63.29	71.97	316,434.00	359,850.00	43,416.00	13.72%	10,750.00	2.99%	1.00%	0.56%
GLOBAL PAYMENTS INC	3,000.00	51.56	48.22	154,667.78	144,660.00	-10,007.78	-6.47%	240.00	0.17%	0.40%	0.23%
GOOGLE INC CL A	1,000.00	479.74	821.50	479,740.99	821,504.00	341,763.01	71.24%	0.00	0.00%	2.29%	1.29%
GREEN MTN COFFEE ROASTERS INC	13,000.00	30.14	47.92	391,824.65	622,960.00	231,135.35	58.99%	0.00	0.00%	1.74%	0.98%
HARTFORD FINCL SERVICES GROUP INC	5,000.00	67.53	23.69	337,662.20	118,450.00	-219,212.20	-64.92%	2,000.00	1.69%	0.33%	0.19%
HESS CORP	2,000.00	56.10	68.84	112,204.73	137,680.00	25,475.27	22.70%	800.00	0.58%	0.38%	0.22%
HILLENBRAND INC	5,000.00	19.55	24.16	97,745.28	120,800.00	23,054.72	23.59%	3,900.00	3.23%	0.34%	0.19%
HONEYWELL INTL INC	3,000.00	18.32	69.70	54,956.25	209,100.00	154,143.75	280.48%	4,920.00	2.35%	0.58%	0.33%
IDEX CORP	10,500.00	20.50	50.42	215,255.25	529,410.00	314,154.75	145.95%	8,400.00	1.59%	1.47%	0.83%
JOS A BANK CLOTHIERS INC	5,000.00	32.08	40.60	160,409.66	203,000.00	42,590.34	26.55%	0.00	0.00%	0.57%	0.32%
LENNOX INTL INC	5,000.00	42.09	60.50	210,437.94	302,500.00	92,062.06	43.75%	4,000.00	1.32%	0.84%	0.47%
MCDONALDS CORP	8,100.00	47.82	95.07	387,373.85	770,067.00	382,693.15	98.79%	24,948.00	3.24%	2.15%	1.21%
MCKESSON CORP	5,000.00	78.63	107.39	393,168.79	536,950.00	143,781.21	36.57%	4,000.00	0.74%	1.50%	0.84%
MOTORS LIQ CO GUC TR UBI	511.00	0.00	25.50	0.00	13,030.50	0.00	0.00%	0.00	0.00%	0.04%	0.02%
OMNICOM GROUP INC	8,000.00	34.28	57.88	274,205.25	463,040.00	188,834.75	68.87%	12,800.00	2.76%	1.29%	0.72%
ONEOK INC NEW	28,000.00	13.72	45.21	384,203.21	1,265,880.00	881,676.79	229.48%	40,320.00	3.19%	3.53%	1.98%
ORACLE CORP	10,000.00	13.18	35.05	131,772.17	350,500.00	218,727.83	165.99%	2,400.00	0.68%	0.98%	0.55%
PEPSICO INC	22,000.00	35.28	76.60	776,106.79	1,685,200.00	909,093.21	117.14%	47,300.00	2.81%	4.69%	2.64%



Portfolio holdings - as of March 04, 2013 (continued)

Equity	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
US											
PERRIGO COMPANY	5,000.00	99.44	114.60	497,217.21	573,000.00	75,782.79	15.24%	1,800.00	0.31%	1.60%	0.90%
PFIZER INC	7,000.00	9.07	27.69	63,480.04	193,830.00	130,349.96	205.34%	6,720.00	3.47%	0.54%	0.30%
PORTFOLIO RECOVERY ASSOC INC	4,000.00	48.08	120.48	192,314.39	481,920.00	289,605.61	150.59%	0.00	0.00%	1.34%	0.75%
PRAXAIR INC	6,000.00	41.66	112.90	249,987.48	677,400.00	427,412.52	170.97%	14,400.00	2.13%	1.89%	1.06%
PROCTER & GAMBLE CO	4,875.00	46.05	76.68	224,489.81	373,815.00	149,325.19	66.52%	10,959.00	2.93%	1.04%	0.59%
PUT APPLE INC DUE 03/16/13 425.000 030911	-10.00	448.98	1,296.00	-4,489.82	-12,960.00	-8,470.18	-188.65%	0.00	0.00%	-0.04%	-0.02%
PUT CELGENE CORP DUE 07/20/13 72.500 094889	-10.00	96.72	51.00	-967.19	-510.00	457.19	47.27%	0.00	0.00%	0.00%	0.00%
PUT CHEVRON CORP DUE 01/18/14 75.000 0926P3	-30.00	102.05	103.00	-3,061.60	-3,090.00	-28.40	-0.93%	0.00	0.00%	-0.01%	0.00%
PUT FISERV INC DUE 12/21/13 50.000 159425	-10.00	93.77	25.00	-937.66	-250.00	687.66	73.34%	0.00	0.00%	0.00%	0.00%
PUT GREEN MTN COFFEE DUE 03/16/13 17.000 3276A1	-10.00	182.30	3.00	-1,823.00	-30.00	1,793.00	98.35%	0.00	0.00%	0.00%	0.00%
PUT PORTFOLIO RECOVERY DUE 03/16/13 70.000 3803K6	-10.00	98.69	330.00	-986.85	-3,300.00	-2,313.15	-234.40%	0.00	0.00%	-0.01%	-0.01%
SCANA CORP NEW	5,000.00	34.85	49.49	174,228.40	247,450.00	73,221.60	42.03%	10,150.00	4.10%	0.69%	0.39%
SIGMA ALDRICH CORP	8,000.00	11.74	77.88	93,909.76	623,040.00	529,130.24	563.45%	6,880.00	1.10%	1.74%	0.98%
SMUCKER J M CO NEW	4,000.00	60.27	96.64	241,085.93	386,560.00	145,474.07	60.34%	8,320.00	2.15%	1.08%	0.61%
SOUTH JERSEY IND INC	5,000.00	37.59	55.56	187,934.87	277,800.00	89,865.13	47.82%	8,850.00	3.19%	0.77%	0.43%
SPECTRA ENERGY CORP	5,200.00	20.14	29.01	104,737.84	150,852.00	46,114.16	44.03%	6,344.00	4.21%	0.42%	0.24%
STARBUCKS CORP	5,000.00	55.61	55.70	278,067.04	278,500.00	432.96	0.16%	4,200.00	1.51%	0.78%	0.44%
THORATEC CORP NEW	5,000.00	29.63	35.28	148,140.05	176,400.00	28,259.95	19.08%	0.00	0.00%	0.49%	0.28%
TRACTOR SUPPLY COMPANY	4,000.00	20.34	103.68	81,375.30	414,720.00	333,344.70	409.64%	3,200.00	0.77%	1.16%	0.65%
VISA INC CL A	3,000.00	94.26	159.50	282,770.30	478,500.00	195,729.70	69.22%	3,960.00	0.83%	1.33%	0.75%
WALGREEN CO	5,000.00	39.30	41.77	196,513.07	208,850.00	12,336.93	6.28%	5,500.00	2.63%	0.58%	0.33%
WATSCO INC	5,000.00	61.20	77.63	306,014.09	388,150.00	82,135.91	26.84%	5,000.00	1.29%	1.08%	0.61%
WELLS FARGO & CO NEW	5,000.00	10.92	35.85	54,576.32	179,250.00	124,673.68	228.44%	5,000.00	2.79%	0.50%	0.28%
WTS GENERAL MOTORS CO EXP 07/10/16	1,852.00	82.17	17.83	152,171.95	33,021.16	-119,150.79	-78.30%	0.00	0.00%	0.09%	0.05%
WTS GENERAL MOTORS CO EXP 07/10/19	1,852.00	63.74	11.09	118,051.33	20,538.68	-97,512.65	-82.60%	0.00	0.00%	0.06%	0.03%
YUM! BRANDS INC	27,800.00	19.98	65.47	555,471.42	1,820,066.00	1,264,594.58	227.66%	37,252.00	2.05%	5.07%	2.85%



Portfolio holdings - as of March 04, 2013 (continued)

Equity	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
US											
Total US				\$18,249,261.86	\$29,130,760.92	\$8,882,887.56	48.68%	\$571,516.46	1.96%	81.16%	45.60%
Global											
AMER FUNDS CAPITAL WORLD GROWTH & INCOME FUND CL A Client investment: \$670,980.25 Reinvested dividends: \$41,768.36 Investment return: \$112,025.31	20,206.60	35.27	38.75	712,748.61	783,005.56	70,256.95	9.86%	16,771.47	2.14%	2.18%	1.23%
COLUMBIA SELIGMAN COMMUNICATION AND INFORMATION FUND A Client investment: \$1,602,223.43 Reinvested dividends: \$280,470.06 Investment return: \$1,047,223.43	61,686.77	30.52	42.95	1,882,693.49	2,649,446.86	766,753.37	40.73%	0.00	0.00%	7.38%	4.15%
Total Global				\$2,595,442.10	\$3,432,452.41	\$837,010.31	32.25%	\$16,771.47	0.49%	9.56%	5.37%
International											
BANK OF NOVA SCOTIA CANADA CAD	5,000.00	53.43	59.23	267,163.70	296,150.00	28,986.30	10.85%	11,374.80	3.84%	0.83%	0.46%
CALL RIO TINTO PLC SPON DUE 07/20/13 65.000 4005C0	-20.00	101.11	20.00	-2,022.21	-400.00	1,622.21	80.22%	0.00	0.00%	0.00%	0.00%
CALL TEVA PHARMACEUTICAL DUE 09/21/13 40.000 456748	-30.00	111.94	80.00	-3,358.21	-2,400.00	958.21	28.53%	0.00	0.00%	-0.01%	0.00%
DIAGEO PLC NEW GB SPON ADR	2,000.00	64.02	119.74	128,034.73	239,480.00	111,445.27	87.04%	5,700.85	2.38%	0.67%	0.37%
INVESCO EUROPEAN GROWTH FUND CLASS A Client investment: \$761,276.65 Reinvested dividends: \$249,643.64 Investment return: \$158,484.95	26,721.72	37.83	34.42	1,010,920.29	919,761.60	-91,158.69	-9.02%	16,041.05	1.74%	2.56%	1.44%
RIO TINTO PLC SPON ADR	10,000.00	42.96	50.48	429,598.42	504,800.00	75,201.58	17.51%	16,737.21	3.32%	1.41%	0.79%
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR	9,000.00	30.64	37.25	275,754.65	335,250.00	59,495.35	21.58%	7,862.08	2.35%	0.93%	0.52%
THORNBURG INTERNATIONAL VALUE FUND CLASS A Client investment: \$1,000,005.25 Reinvested dividends: \$20,441.53 Investment return: \$39,321.44	37,225.17	27.41	27.92	1,020,446.78	1,039,326.69	18,879.91	1.85%	10,143.86	0.98%	2.90%	1.63%



Portfolio holdings - as of March 04, 2013 (continued)

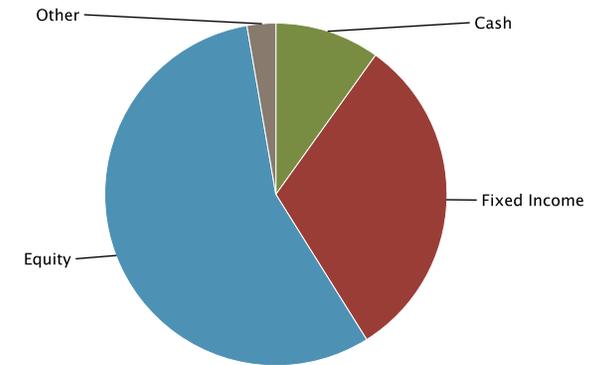
Equity	Quantity	Avg. purchase price (\$)	Price on 03/04/2013 (\$)	Cost basis (\$)	Market value (\$)	Unrealized gain/loss (\$)	Unrealized gain/loss (%)	Est. annual income (\$)	Current yield (%)	% of Equity	% of portfolio
International											
Total International				\$3,126,538.15	\$3,331,968.30	\$205,430.15	6.57%	\$67,859.85	2.04%	9.28%	5.22%
Total Equity				\$23,971,242.11	\$35,895,181.63	\$9,925,328.02	41.41%	\$656,147.78	1.83%	100%	56.19%
Other											
Balanced											
MFS DIVERSIFIED INCOME FUND CLASS A	145,822.88	10.88	11.87	1,586,299.81	1,730,917.56	144,617.75	9.12%	53,662.82	3.10%	100.00%	2.71%
Client investment: \$1,500,010.50											
Reinvested dividends: \$86,289.31											
Investment return: \$230,907.06											
Total Balanced				\$1,586,299.81	\$1,730,917.56	\$144,617.75	9.12%	\$53,662.82	3.10%	100.00%	2.71%
Total Other				\$1,586,299.81	\$1,730,917.56	\$144,617.75	9.12%	\$53,662.82	3.10%	100%	2.71%
Total Portfolio				\$50,869,123.26	\$63,876,376.87	\$11,008,642.1	21.64%	\$1,636,507.20	2.56%	100%	100%

Total accrued interest (included in market values): \$36,535.74

Asset allocation summary

as of March 04, 2013

	Market value (\$)	% of portfolio
Cash	6,322,419.90	9.90
Cash	6,322,419.90	9.90
US	6,322,419.90	9.90
US Cash	6,322,419.90	9.90
Fixed Income	19,927,857.78	31.20
US	14,579,763.92	22.82
US Fixed Income	2,372,909.59	3.71
Intermediate	2,372,909.59	3.71
Corporate Investment Grade Credit	3,641,416.09	5.70
Short	1,042,267.22	1.63
Intermediate	2,599,148.87	4.07
Corporate High Yield	8,565,438.24	13.41
Corporate High Yield	8,565,438.24	13.41
Global	5,348,093.86	8.38
Global	5,348,093.86	8.38
Global	5,348,093.86	8.38





Asset allocation summary - as of March 04, 2013 (continued)

Equity	35,895,181.63	56.19
US	29,130,760.92	45.60
US Equity	66,590.34	0.10
Other	66,590.34	0.10
Large Cap	18,932,389.74	29.64
Core	2,689,072.00	4.21
Growth	9,860,192.30	15.44
Value	5,992,475.44	9.38
Public Real Estate	390,650.00	0.61
Mid Cap	7,511,275.84	11.76
Core	3,774,575.84	5.91
Growth	2,682,300.00	4.20
Value	674,800.00	1.06
Master Limited Partnerships	379,600.00	0.59
Small Cap	2,612,905.00	4.09
Core	883,440.00	1.38
Growth	1,267,045.00	1.98
Value	462,420.00	0.73
Convertibles	7,600.00	0.01
Convertibles	7,600.00	0.01
Global	3,432,452.41	5.37
Global	3,432,452.41	5.37
Core	783,005.56	1.23
Growth	2,649,446.85	4.14
International	3,331,968.30	5.22
Developed Markets	3,331,968.30	5.22
Core	1,424,161.60	2.23
Growth	1,574,956.69	2.47
Value	332,850.01	0.52
Commodities	0.00	0.00
Non-Traditional	0.00	0.00
Other	1,730,917.56	2.71
Balanced	1,730,917.56	2.71
Balanced	1,730,917.56	2.71
Balanced	1,730,917.56	2.71
Total Portfolio	\$63,876,376.87	100%

Balanced mutual funds are allocated in the 'Other' category



Equity sector analysis

as of March 04, 2013

Summary of equity sector analysis compared to S&P 500 index

	Actual %	Model %	Value of equity (\$)	Model value (\$)	Gap (\$)	Actual (%)	Model (%)	Gap (%)
Consumer discretionary	15.36	11.27	5,513,184.97	3,454,087.88	2,059,097.09	15.36%	11.27%	4.09%
Energy	7.58	10.95	2,719,713.00	3,358,059.49	-638,346.49	7.58%	10.95%	-3.37%
Finance	5.49	15.76	1,971,905.84	4,832,053.21	-2,860,147.37	5.49%	15.76%	-10.27%
Health care	6.19	11.6	2,222,460.00	3,556,805.94	-1,334,345.94	6.19%	11.60%	-5.41%
Industrials	7.77	10.11	2,788,510.00	3,098,382.45	-309,872.45	7.77%	10.11%	-2.34%
Materials	7.57	3.28	2,718,600.00	1,004,594.51	1,714,005.49	7.57%	3.28%	4.29%
Staples	12.94	12	4,644,415.00	3,680,528.10	963,886.90	12.94%	12.00%	0.94%
Technology	15.8	18.59	5,672,221.50	5,699,543.15	-27,321.65	15.80%	18.59%	-2.79%
Telecommunications	2.93		0.00	899,429.91	-899,429.91	0.00%	2.93%	-2.93%
Utilities	6.71	3.42	2,407,436.11	1,049,536.73	1,357,899.38	6.71%	3.42%	3.29%
Total classified equity			\$30,658,446.42					

Rounding calculation may affect totals.



Equity sector analysis - as of March 04, 2013 (continued)

Detail of equity sector analysis

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Consumer discretionary						
BED BATH & BEYOND INC CUSIP: 075896100 Symbol: BBBY	2,500.00	56.75	141,875.00 0.46%	Medium 0.84		Neutral
DECKERS OUTDOOR CORP CUSIP: 243537107 Symbol: DECK	12,000.00	47.35	568,200.00 1.85%			
DIRECTV CUSIP: 25490A309 Symbol: DTV	4,920.00	48.94	240,784.80 0.79%	Low 0.82	Outperform	Neutral
GAMESTOP CORP NEW (HOLDING CO) CL A CUSIP: 36467W109 Symbol: GME	1,000.00	23.54	23,540.00 0.08%			
GENERAL MOTORS CO CUSIP: 37045V100 Symbol: GM	2,037.00	27.09	55,182.33 0.18%	Medium 1.36		Buy
GENUINE PARTS CO CUSIP: 372460105 Symbol: GPC	5,000.00	71.97	359,850.00 1.17%			
HILLENBRAND INC CUSIP: 431571108 Symbol: HI	5,000.00	24.16	120,800.00 0.39%			
JOS A BANK CLOTHIERS INC CUSIP: 480838101 Symbol: JOSB	5,000.00	40.60	203,000.00 0.66%			
MCDONALDS CORP CUSIP: 580135101 Symbol: MCD	8,100.00	95.07	770,067.00 2.51%	Low 0.58	Marketperform	Buy (Rating Exception)
OMNICOM GROUP INC CUSIP: 681919106 Symbol: OMC	8,000.00	57.88	463,040.00 1.51%	Low 1.06	Underperform	Neutral
STARBUCKS CORP CUSIP: 855244109 Symbol: SBUX	5,000.00	55.70	278,500.00 0.91%	High 0.92	Outperform	Buy
TRACTOR SUPPLY COMPANY CUSIP: 892356106 Symbol: TSCO	4,000.00	103.68	414,720.00 1.35%	High 0.83		Buy
WTS GENERAL MOTORS CO EXP 07/10/16 CUSIP: 37045V118 Symbol: GMWSA	1,852.00	17.83	33,021.16 0.11%			
WTS GENERAL MOTORS CO EXP 07/10/19 CUSIP: 37045V126 Symbol: GMWSB	1,852.00	11.09	20,538.68 0.07%			
YUM! BRANDS INC CUSIP: 988498101 Symbol: YUM	27,800.00	65.47	1,820,066.0 5.94%	Medium 0.77	Outperform	Neutral (Rating Exception)
Total consumer discretionary			\$5,513,184.97 15.36%			
Energy						
CHEVRON CORP CUSIP: 166764100 Symbol: CVX	16,900.00	117.49	1,985,581.0 6.48%	Low 0.81	Marketperform	Neutral

Equity sector analysis - as of March 04, 2013 (continued)

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Energy						
CLEAN ENERGY FUELS CORP CUSIP: 184499101 Symbol: CLNE	5,000.00	12.72	63,600.00 0.21%			
COPANO ENERGY LLC COM UNITS MLP CUSIP: 217202100 Symbol: CPNO	10,000.00	38.20	382,000.00 1.25%	High 0.94		Neutral (Rating Exception)
HESS CORP CUSIP: 42809H107 Symbol: HES	2,000.00	68.84	137,680.00 0.45%	High 1.17	Marketperform	Neutral
SPECTRA ENERGY CORP CUSIP: 847560109 Symbol: SE	5,200.00	29.01	150,852.00 0.49%	Low 0.83		Buy (Rating Exception)
Total energy			\$2,719,713.00 7.58%			
Finance						
AMERICAN TOWER CORP REIT CUSIP: 03027X100 Symbol: AMT	5,000.00	78.86	394,300.00 1.29%	Low 0.62	Outperform	Buy
BANK OF AMER CORP CUSIP: 060505104 Symbol: BAC	10,000.00	11.41	114,100.00 0.37%	High 1.56	Marketperform	Neutral
BANK OF NOVA SCOTIA CANADA CAD CUSIP: 064149107 Symbol: BNS	5,000.00	59.23	296,150.00 0.97%	Low 0.77		Buy (Rating Exception)
CIT GROUP INC CUSIP: 125581801 Symbol: CIT	9,162.00	42.32	387,735.84 1.26%			
HARTFORD FINCL SERVICES GROUP INC CUSIP: 416515104 Symbol: HIG	5,000.00	23.69	118,450.00 0.39%	Medium 1.92		Buy
PORTFOLIO RECOVERY ASSOC INC CUSIP: 73640Q105 Symbol: PRAA	4,000.00	120.48	481,920.00 1.57%			
WELLS FARGO & CO NEW CUSIP: 949746101 Symbol: WFC	5,000.00	35.85	179,250.00 0.58%	Low 1.03	Outperform	Neutral
Total finance			\$1,971,905.84 5.49%			
Health care						
BRUKER CORP CUSIP: 116794108 Symbol: BRKR	5,000.00	18.07	90,350.00 0.29%	High 1.11		Buy
CELGENE CORP CUSIP: 151020104 Symbol: CELG	3,000.00	105.56	316,680.00 1.03%	High 0.74	Outperform	Neutral (Rating Exception)
MCKESSON CORP CUSIP: 58155Q103 Symbol: MCK	5,000.00	107.39	536,950.00 1.75%	Low 0.81	Outperform	Buy
PERRIGO COMPANY CUSIP: 714290103 Symbol: PRGO	5,000.00	114.60	573,000.00 1.87%	Medium 0.64		Buy
PFIZER INC CUSIP: 717081103 Symbol: PFE	7,000.00	27.69	193,830.00 0.63%	Low 0.75	Marketperform	Buy



Equity sector analysis - as of March 04, 2013 (continued)

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Health care						
TEVA PHARMACEUTICALS IND LTD ISRAEL ADR CUSIP: 881624209 Symbol: TEVA	9,000.00	37.25	335,250.00 1.09%	Low 0.66	Outperform	Neutral (Rating Exception)
THORATEC CORP NEW CUSIP: 885175307 Symbol: THOR	5,000.00	35.28	176,400.00 0.58%	Medium 0.80		Buy
Total health care			\$2,222,460.00 6.19%			
Industrials						
AMERICAN SCIENCE & ENGINEERING INC CUSIP: 029429107 Symbol: ASEI	3,000.00	61.54	184,620.00 0.60%			
CATERPILLAR INC CUSIP: 149123101 Symbol: CAT	5,000.00	89.75	448,750.00 1.46%	Medium 1.40	Marketperform	Neutral
DANAHER CORP CUSIP: 235851102 Symbol: DHR	8,000.00	61.66	493,280.00 1.61%	Low 0.90	Outperform	Buy
GENL ELECTRIC CO CUSIP: 369604103 Symbol: GE	10,000.00	23.27	232,700.00 0.76%	Low 1.16	Marketperform	Buy (Rating Exception)
HONEYWELL INTL INC CUSIP: 438516106 Symbol: HON	3,000.00	69.70	209,100.00 0.68%	Low 1.08	Marketperform	Neutral
IDEX CORP CUSIP: 45167R104 Symbol: IEX	10,500.00	50.42	529,410.00 1.73%			
LENNOX INTL INC CUSIP: 526107107 Symbol: LII	5,000.00	60.50	302,500.00 0.99%	Medium 0.94		Neutral (Rating Exception)
WATSCO INC CUSIP: 942622200 Symbol: WSO	5,000.00	77.63	388,150.00 1.27%	Medium 0.84		Neutral
Total industrials			\$2,788,510.00 7.77%			
Materials						
CLIFFS NAT RESOURCES INC CUSIP: 18683K101 Symbol: CLF	12,000.00	23.78	285,360.00 0.93%	High 1.64		Neutral (Rating Exception)
FREEPORT-MCMORAN COPPER & GOLD INC CUSIP: 35671D857 Symbol: FCX	20,000.00	31.40	628,000.00 2.05%	High 1.50	Outperform	Buy
PRAXAIR INC CUSIP: 74005P104 Symbol: PX	6,000.00	112.90	677,400.00 2.21%		Marketperform	
RIO TINTO PLC SPON ADR CUSIP: 767204100 Symbol: RIO	10,000.00	50.48	504,800.00 1.65%	High 1.00		Buy
SIGMA ALDRICH CORP CUSIP: 826552101 Symbol: SIAL	8,000.00	77.88	623,040.00 2.03%	Low 0.86		Sell
Total materials			\$2,718,600.00 7.57%			



Equity sector analysis - as of March 04, 2013 (continued)

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Staples						
COSTCO WHOLESALE CORP CUSIP: 22160K105 Symbol: COST	5,000.00	103.43	517,150.00 1.69%		Marketperform	
DARLING INTL INC CUSIP: 237266101 Symbol: DAR	10,000.00	16.53	165,300.00 0.54%			
DIAGEO PLC NEW GB SPON ADR CUSIP: 25243Q205 Symbol: DEO	2,000.00	119.74	239,480.00 0.78%	Low 0.80		Neutral
FLOWERS FOODS INC CUSIP: 343498101 Symbol: FLO	7,500.00	28.38	212,850.00 0.69%			
GENL MILLS INC CUSIP: 370334104 Symbol: GIS	5,000.00	46.45	232,250.00 0.76%	Low 0.46	Outperform	Neutral (Rating Exception)
GREEN MTN COFFEE ROASTERS INC CUSIP: 393122106 Symbol: GMCR	13,000.00	47.92	622,960.00 2.03%			
PEPSICO INC CUSIP: 713448108 Symbol: PEP	22,000.00	76.60	1,685,200.0 5.50%	Low 0.58	Marketperform	Neutral
PROCTER & GAMBLE CO CUSIP: 742718109 Symbol: PG	4,875.00	76.68	373,815.00 1.22%	Low 0.61	Marketperform	Neutral (Rating Exception)
SMUCKER J M CO NEW CUSIP: 832696405 Symbol: SJM	4,000.00	96.64	386,560.00 1.26%			
WALGREEN CO CUSIP: 931422109 Symbol: WAG	5,000.00	41.77	208,850.00 0.68%	Medium 0.92	Marketperform	Neutral
Total staples			\$4,644,415.00 12.94%			
Technology						
APPLE INC CUSIP: 037833100 Symbol: AAPL	6,750.00	420.05	2,835,337.5 9.25%	High 0.88	Outperform	Buy
CORNING INC CUSIP: 219350105 Symbol: GLW	3,000.00	12.38	37,140.00 0.12%	High 1.11		Buy
EMC CORP MASS CUSIP: 268648102 Symbol: EMC	17,000.00	23.22	394,740.00 1.29%	Medium 1.00		Buy
FACTSET RESH SYSTEMS INC CUSIP: 303075105 Symbol: FDS	2,000.00	97.87	195,740.00 0.64%	Medium 0.89		Neutral (Rating Exception)
FISERV INC CUSIP: 337738108 Symbol: FISV	5,000.00	82.82	414,100.00 1.35%	Low 0.91		Neutral (Rating Exception)
GLOBAL PAYMENTS INC CUSIP: 37940X102 Symbol: GPN	3,000.00	48.22	144,660.00 0.47%	Low 0.86		Buy
GOOGLE INC CL A CUSIP: 38259P508 Symbol: GOOG	1,000.00	821.50	821,504.00 2.68%		Outperform	
ORACLE CORP CUSIP: 68389X105 Symbol: ORCL	10,000.00	35.05	350,500.00 1.14%	Medium 1.01	Marketperform	Buy (Rating Exception)



Equity sector analysis - as of March 04, 2013 (continued)

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Technology						
VISA INC CL A CUSIP: 92826C839 Symbol: V	3,000.00	159.50	478,500.00 1.56%	Low 0.79		Neutral (Rating Exception)
Total technology			\$5,672,221.50 15.80%			
Utilities						
DUKE ENERGY CORP NEW CUSIP: 26441C204 Symbol: DUK	8,841.00	69.71	616,306.11 2.01%	Low 0.48	Outperform	Buy (Rating Exception)
ONEOK INC NEW CUSIP: 682680103 Symbol: OKE	28,000.00	45.21	1,265,880.0 4.13%	Low 0.89		Buy
SCANA CORP NEW CUSIP: 80589M102 Symbol: SCG	5,000.00	49.49	247,450.00 0.81%	Low 0.58		Neutral
SOUTH JERSEY IND INC CUSIP: 838518108 Symbol: SJI	5,000.00	55.56	277,800.00 0.91%			
Total utilities			\$2,407,436.11 6.71%			
Total classified equity			\$30,658,446.42			
Unclassified securities						
CALL AMERICAN TOWER CORP DUE 07/20/13 82.500 050GW8 CUSIP: 99UBA9A20 Symbol: AMT	-20.00	182.50	-3,650.00 -0.01%	Low	Outperform	Buy
CALL BED BATH & BEYOND I DUE 05/18/13 67.500 303178 CUSIP: 99UBAHNX0 Symbol: BBBY	-10.00	16.00	-160.00 0.00%	Medium		Neutral
CALL BRUKER CORP DUE 06/22/13 17.500 062AY9 CUSIP: 99UBBCV29 Symbol: BRKR	-10.00	160.00	-1,600.00 0.00%	High		Buy
CALL CATERPILLAR INC DUE 05/18/13 97.500 072991 CUSIP: 99UBAI6T6 Symbol: CAT	-10.00	91.00	-910.00 0.00%	Medium	Marketperform	Neutral
CALL CELGENE CORP DUE 04/20/13 110.000 094889 CUSIP: 99UBA7I75 Symbol: CELG	-10.00	183.00	-1,830.00 0.00%	High	Outperform	Neutral (Rating Exception)
CALL CHEVRON CORP DUE 06/22/13 120.000 0926P3 CUSIP: 99UBASGV8 Symbol: CVX	-30.00	250.50	-7,515.00 -0.01%	Low	Marketperform	Neutral
CALL COPANO ENERGY LLC C DUE 08/17/13 39.000 1098G8 CUSIP: 99UBAX549 Symbol: CPNO	-30.00	80.00	-2,400.00 0.00%	High		Neutral (Rating Exception)
CALL COSTCO WHOLESALE CO DUE 04/20/13 105.000 0929G5 CUSIP: 99UBASN24 Symbol: COST	-10.00	169.50	-1,695.00 0.00%		Marketperform	



Equity sector analysis - as of March 04, 2013 (continued)

			Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Unclassified securities								
CALL DANAHER CORP DUE 06/22/13	62.500	126250			-6,000.00	Low	Outperform	Buy
CUSIP: 99UBA5R95 Symbol: DHR			-30.00	200.00	-0.01%			
CALL DECKERS OUTDOOR COR DUE 04/20/13	50.000				-6,360.00			
1243B0			-30.00	212.00	-0.01%			
CUSIP: 99UBAX6R7 Symbol: DECK								
CALL DIRECTV DUE 06/22/13	57.500	127725			-475.00	Low	Outperform	Neutral
CUSIP: 99UBAX6Y2 Symbol: DTV			-19.00	25.00	0.00%			
CALL DUKE ENERGY CORP NE DUE 07/20/13	70.000				-2,880.00	Low	Outperform	Buy (Rating Exception)
119MG4			-18.00	160.00	0.00%			
CUSIP: 99UBA4C86 Symbol: DUK								
CALL EMC CORP MASS DUE 07/20/13	26.000	137499			-750.00	Medium		Buy
CUSIP: 99UBALH34 Symbol: EMC			-20.00	37.50	0.00%			
CALL FISERV INC DUE 03/16/13	80.000	159425			-5,950.00	Low		Neutral (Rating Exception)
CUSIP: 99UBANQN6 Symbol: FISV			-20.00	297.50	-0.01%			
CALL FLOWERS FOODS INC DUE 07/20/13	30.000				-3,250.00			
1622K1			-25.00	130.00	-0.01%			
CUSIP: 99UBBDRE6 Symbol: FLO								
CALL GENUINE PARTS CO DUE 08/17/13	75.000				-1,425.00			
181455			-10.00	142.50	0.00%			
CUSIP: 99UBAXLQ2 Symbol: GPC								
CALL GLOBAL PAYMENTS INC DUE 08/17/13	55.000				-575.00	Low		Buy
1848N3			-10.00	57.50	0.00%			
CUSIP: 99UBAX7G0 Symbol: GPN								
CALL GREEN MTN COFFEE DUE 03/16/13	35.000				-38,925.00			
3276A1			-30.00	1,297.50	-0.06%			
CUSIP: 99UBAKVH9 Symbol: GMCR								
CALL HILLENBRAND INC DUE 07/20/13	25.000	2085U0			-600.00			
CUSIP: 99UBAX7M7 Symbol: HI			-10.00	60.00	0.00%			
CALL HONEYWELL INTL INC DUE 06/22/13	72.500				-1,325.00	Low	Marketperform	Neutral
212440			-10.00	132.50	0.00%			
CUSIP: 99UBAV0H9 Symbol: HON								
CALL JOS A BANK CLOTHIER DUE 07/20/13	45.000				-1,600.00			
240478			-10.00	160.00	0.00%			
CUSIP: 99UBASOC1 Symbol: JOSB								
CALL LENNOX INTL INC DUE 09/21/13	65.000	2594N4			-2,775.00	Medium		Neutral (Rating Exception)
CUSIP: 99UBAX8K0 Symbol: LII			-10.00	277.50	0.00%			
CALL MCKESSON CORP DUE 05/18/13	105.000				-4,950.00	Low	Outperform	Buy
2805A8			-10.00	495.00	-0.01%			
CUSIP: 99UBALS73 Symbol: MCK								
CALL OMNICOM GROUP INC DUE 07/20/13	55.000				-12,750.00	Low	Underperform	Neutral
348929			-30.00	425.00	-0.02%			
CUSIP: 99UBAYFM6 Symbol: OMC								



Equity sector analysis - as of March 04, 2013 (continued)

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Unclassified securities						
CALL ORACLE CORP DUE 03/16/13 CUSIP: 99UBA4TB1 Symbol: ORCL	34.000	353752	-3,660.00	Medium	Marketperform	Buy (Rating Exception)
CALL PEPSICO INC DUE 07/20/13 CUSIP: 99UBA8XG6 Symbol: PEP	75.000	368024	-6,611.00	Low	Marketperform	Neutral
CALL PERRIGO COMPANY DUE 05/18/13 363545 CUSIP: 99UBALWK9 Symbol: PRGO	120.000		-1,850.00	Medium		Buy
CALL PFIZER INC DUE 09/21/13 CUSIP: 99UBAWCX9 Symbol: PFE	28.000	370011	-2,020.00	Low	Marketperform	Buy
CALL PORTFOLIO RECOVERY DUE 03/16/13 3803K6 CUSIP: 99UBAM3G8 Symbol: PRAA	125.000		-2,300.00			
CALL PRAXAIR INC DUE 07/20/13 CUSIP: 99UBAZQK5 Symbol: PX	120.000	385344	-1,425.00		Marketperform	
CALL PROCTER & GAMBLE CO DUE 07/20/13 383601 CUSIP: 99UBAWZS5 Symbol: PG	77.500		-1,815.00	Low	Marketperform	Neutral (Rating Exception)
CALL RIO TINTO PLC SPON DUE 07/20/13 4005C0 CUSIP: 99UBAUPX9 Symbol: RIO	65.000		-400.00	High		Buy
CALL SIGMA ALDRICH CORP DUE 07/20/13 422142 CUSIP: 99UBAX978 Symbol: SIAL	80.000		-4,350.00	Low		Sell
CALL SMUCKER J M CO NEW DUE 07/20/13 4258Y5 CUSIP: 99UBBH790 Symbol: SJM	95.000		-4,300.00			
CALL SPECTRA ENERGY CORP DUE 09/21/13 433AH7 CUSIP: 99UBAYAF6 Symbol: SE	30.000		-1,230.00	Low		Buy (Rating Exception)
CALL STARBUCKS CORP DUE 07/20/13 CUSIP: 99UBBI6I9 Symbol: SBUX	62.500	509736	-880.00	High	Outperform	Buy
CALL TEVA PHARMACEUTICAL DUE 09/21/13 456748 CUSIP: 99UBBR715 Symbol: TEVA	40.000		-2,400.00	Low	Outperform	Neutral (Rating Exception)
CALL THORATEC CORP NEW DUE 07/20/13 4564C8 CUSIP: 99UBAYBI9 Symbol: THOR	41.000		-775.00	Medium		Buy
CALL TRACTOR SUPPLY COMP DUE 04/20/13 4608B6 CUSIP: 99UBBCPL4 Symbol: TSCO	110.000		-1,200.00	High		Buy
CALL VISA INC CL A DUE 06/22/13 CUSIP: 99UBA1H53 Symbol: V	180.000	488372	-730.00	Low		Neutral (Rating Exception)



Equity sector analysis - as of March 04, 2013 (continued)

	Number of shares	Price on 03/04/2013 (\$)	Value of equity (\$/%)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
Unclassified securities						
CALL WATSCO INC DUE 08/17/13 CUSIP: 99UBAYBZ1 Symbol: WSO	85.000	498009	-1,950.00	Medium		Neutral
CALL YUM! BRANDS INC DUE 04/20/13 CUSIP: 99UBANSI5 Symbol: YUM	65.000	5175J8	-7,050.00	Medium	Outperform	Neutral (Rating Exception)
ESCROW GENERAL MTRS CORP 6.250% SER C DUE 07/15/33 CALLBL CONV CUSIP: 370ESC717 Symbol:	20,000.00		7,600.00			
MOTORS LIQ CO GUC TR UBI CUSIP: 62010U101 Symbol: MTLQU	511.00	25.50	13,030.50			
PUT APPLE INC DUE 03/16/13 CUSIP: 99UBA96U3 Symbol: AAPL	425.000	030911	-12,960.00	High	Outperform	Buy
PUT CELGENE CORP DUE 07/20/13 CUSIP: 99UBAYB32 Symbol: CELG	72.500	094889	-510.00	High	Outperform	Neutral (Rating Exception)
PUT CHEVRON CORP DUE 01/18/14 CUSIP: 99UBBMBH6 Symbol: CVX	75.000	0926P3	-3,090.00	Low	Marketperform	Neutral
PUT FISERV INC DUE 12/21/13 CUSIP: 99UBANO32 Symbol: FISV	50.000	159425	-250.00	Low		Neutral (Rating Exception)
PUT GREEN MTN COFFEE DUE 03/16/13 3276A1 CUSIP: 99UBANPO5 Symbol: GMCR	17.000		-30.00			
PUT PORTFOLIO RECOVERY DUE 03/16/13 3803K6 CUSIP: 99UBANTB9 Symbol: PRAA	70.000		-3,300.00			

Total unclassified securities **\$5,236,735.21**
14.59%

Total equity **\$35,895,181.63**

Balanced mutual funds are allocated in the 'Other' category

Mutual funds included in this report

	Quantity	Price on 03/04/2013 (\$)	Market value on 03/04/2013 (\$)	Equity market value on 03/04/2013 (\$)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
INVESCO EUROPEAN GROWTH FUND CLASS A CUSIP: 008882854 Symbol: AEDAX (87.24% Equity)	26,721.72	34.42	919,761.60	802,400.02			
MFS DIVERSIFIED INCOME FUND CLASS A CUSIP: 552982837 Symbol: DIFAX (38.92% Equity)	145,822.88	11.87	1,730,917.56	673,673.11			
THORNBURG INTERNATIONAL VALUE FUND CLASS A CUSIP: 885215657 Symbol: TGVAX (94.6% Equity)	37,225.17	27.92	1,039,326.69	983,204.09			



Equity sector analysis - as of March 04, 2013 (continued)

	Quantity	Price on 03/04/2013 (\$)	Market value on 03/04/2013 (\$)	Equity market value on 03/04/2013 (\$)	Volatility/ 60-month beta	UBS Wealth Management Research rating	UBS Investment Research rating
AMER FUNDS CAPITAL WORLD GROWTH & INCOME FUND CL A CUSIP: 140543109 Symbol: CWGIX (92.42% Equity)	20,206.60	38.75	783,005.56	723,655.30			
COLUMBIA SELIGMAN COMMUNICATION AND INFORMATION FUND A CUSIP: 19766H429 Symbol: SLMCX (99.55% Equity)	61,686.77	42.95	2,649,446.86	2,637,524.35			



Bond summary

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

as of March 04, 2013

Bond overview

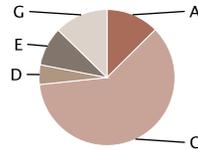
Total quantity	5,017,000
Total market value	\$5,526,552.60
Total accrued interest	\$36,535.74
Total market value plus accrued interest	\$5,563,088.34
Total estimated annual bond interest	\$217,836.45
Average coupon	6.30%
Average current yield	3.94%
Average yield to maturity	2.39%
Average yield to worst	2.39%
Average effective maturity	3.73

Investment type allocation

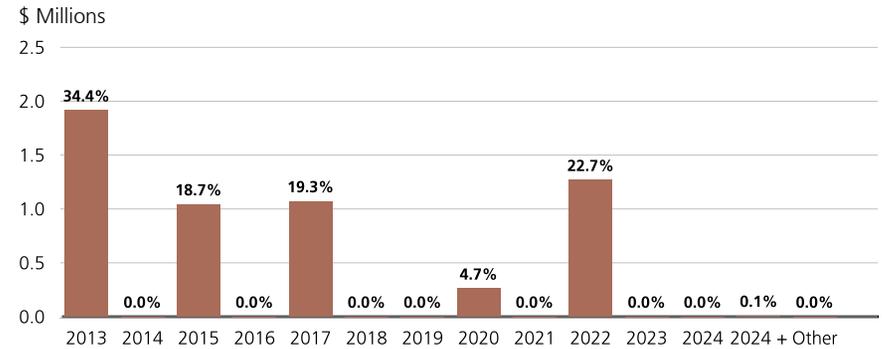
Investment type	Taxable (\$)	Tax-exempt / deferred (\$)	Total (\$)	% of bond port.
U.S. corporates	0.00	4,163,382.34	4,163,382.34	74.84
U.S. treasuries	0.00	1,399,706.00	1,399,706.00	25.16
Total	\$0.00	\$5,563,088.34	\$5,563,088.34	100%

Credit quality of bond holdings

Effective credit rating	Issues	Value on 03/04/2013 (\$)	% of port.
A Aaa/AAA/AAA	1	699,734.00	12.66
B Aa/AA/AA	0	0.00	0.00
C A/A/A	5	3,380,971.84	60.75
D Baa/BBB/BBB	1	260,444.25	4.71
E Non-investment grade	1	514,366.25	9.07
F Certificate of deposit	0	0.00	0.00
G Not rated	2	707,572.00	12.80
Total	10	\$5,563,088.34	100%



Bond maturity schedule



Effective maturity schedule

Cash, mutual funds and some preferred securities are not included.



Bond holdings

Includes all fixed-rate securities in the selected portfolio. Average yields and durations exclude Structured Product, Pass-Through, Perpetual Preferred, and Foreign securities.

as of March 04, 2013

Summary of bond holdings

Maturity Year	Issues	Quantity	Est. annual income (\$)	Current yield (%)	Yield to maturity (%)	Yield to worst (%)	Adjusted cost basis (\$)	Unrealized gain/loss (\$)	Mkt. value (\$)	% of bond portfolio maturing
2013	3	1,900,000	33,750.00	1.78%	1.19%	1.19%	1,899,874.18	1,166.82	1,914,072.25	34.4%
2014	0	0								
2015	2	1,000,000	38,755.10	3.75%	1.65%	1.65%	1,000,000	34,545.00	1,042,267.22	18.72%
2016	0	0								
2017	1	1,000,000	49,000.00	4.59%	3.05%	3.05%	1,000,000	68,370.00	1,070,956.11	19.33%
2018	0	0								
2019	0	0								
2020	1	200,000	18,750.00	7.20%	4.33%	4.33%	195,375	64,913.00	260,444.25	4.71%
2021	0	0								
2022	2	897,000	77,581.35	6.18%	3.54%	3.54%	880,875	373,833.60	1,267,748.51	22.7%
2023	0	0								
2024	0	0								
2025	0	0								
2026	0	0								
2027	0	0								
2028	0	0								
2029	0	0								
2030	0	0								
2031	0	0								
2032	0	0								
2033	1	20,000	0.00	0.00%			496,763	-489,163.00	7,600.00	0.14%
2034	0	0								
2035	0	0								
2036	0	0								
2037	0	0								
2038	0	0								
2039	0	0								
2040	0	0								
2041	0	0								
2042	0	0								
2042 +	0	0								
Other	0	0								
Total	10	5,017,000	\$217,836.45	3.94%	2.39%	2.39%	\$5,472,887.18	\$53,665.42	\$5,563,088.34	



Bond holdings - as of March 04, 2013 (continued)

Details of bond holdings

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
NA NA NA											
Total Bond Portfolio											
Maturing 2013											
UNITED STATES TREAS BILL DUE 03/28/13	NR/NR/NR	700,000		03/28/2013			0.06%	699,918.98	99.996	699,972.00	12.67%
	NR/NR/NR						0.06%	53.02		0.00	
GENL MOTORS ACCEPT 06.750% 041513 DTD041503 FC101503 CALLABLE	B1/BB-/B+	500,000	6.75%	04/15/2013		33,750.00	4.28%	500,000.00	100.267	501,335.00	9.07%
	NR/NR/NR					6.73%	4.28%	1,335.00		13,031.25	
UNITED STATES TREAS BILL DUE 07/18/13	NR/AAA/NR	700,000		07/18/2013			0.10%	699,955.20	99.962	699,734.00	12.66%
	NR/NR/NR						0.10%	-221.20		0.00	
Total 2013		1,900,000	6.75%	05/13/2013		\$33,750.00	1.19%	\$1,899,874.18		\$1,901,041.00	34.40%
						1.78%	1.19%	\$1,166.82		\$13,031.25	
Maturing 2015											
BANK OF AMER INTERNOTES 04.000% 041515 DTD042910 FC101510 NTS B/E	Baa2/A/A-	500,000	4.00%	04/15/2015		20,000.00	1.65%	500,000.00	104.854	524,270.00	9.49%
	NR/NR/NR					3.81%	1.65%	24,270.00		7,722.22	
PRUDENTIAL FINL NOTES 03.751% 111015 DTD111705 FLT VS YOY CPI-U +201BPS	Baa2/NR/A	500,000	3.75%	11/10/2015		18,755.10	NA	500,000.00	102.055	510,275.00	9.23%
	NR/NR/NR					3.68%	NA	10,275.00		0.00	
Total 2015		1,000,000	3.88%	07/27/2015		\$38,755.10	1.65%	\$1,000,000.00		\$1,034,545.00	18.72%
						3.75%	1.65%	\$34,545.00		\$7,722.22	



Bond holdings - as of March 04, 2013 (continued)

	Effective rating/ Underlying rating (Mdy/Fitch/S&P)	Quantity	Coupon	Effective maturity	Call date/ Call price (\$)	Est. annual income (\$)/ Curr. yield (%)	YTM (%)/ YTW (%)	Adjusted cost basis (\$)/ Unreal. g/l (\$)	Market price (\$)	Mkt. value (\$)/ Accr. interest (\$)	% of bond port.
Maturing 2017											
BANK OF AMER INTERNOTES 04.900% 021517 DTD021910 FC081510 NTS B/E	Baa2/A/A- NR/NR/NR	1,000,000	4.90%	02/15/2017		49,000.00 4.59%	3.05% 3.05%	1,000,000.00 68,370.00	106.837	1,068,370.00 2,586.11	19.33%
Total 2017		1,000,000	4.90%	02/15/2017		\$49,000.00 4.59%	3.05% 3.05%	\$1,000,000.00 \$68,370.00		\$1,068,370.00 \$2,586.11	19.33%
Maturing 2020											
FORD HOLDING INC DEB 09.375% 030120 DTD030190 FC090190	Baa3/BBB-/BB+ NR/NR/NR	200,000	9.38%	03/01/2020		18,750.00 7.20%	4.33% 4.33%	195,375.00 64,913.00	130.144	260,288.00 156.25	4.71%
Total 2020		200,000	9.38%	03/01/2020		\$18,750.00 7.20%	4.33% 4.33%	\$195,375.00 \$64,913.00		\$260,288.00 \$156.25	4.71%
Maturing 2022											
ATLANTIC RICHFIELD CO 08.250% 020122 DTD020192 FC080192 DEBS	A2/A/A NR/NR/NR	600,000	8.25%	02/01/2022		49,500.00 6.16%	3.73% 3.73%	587,250.00 216,672.00	133.987	803,922.00 4,537.50	14.55%
AT&T BROADBAND CORP 09.455% 111522 DTD111802 FC051503 GLOBAL B/E	A3/BBB+/A- NR/NR/NR	297,000	9.46%	11/15/2022		28,081.35 6.23%	3.20% 3.20%	293,625.00 157,161.60	151.780	450,786.60 8,502.41	8.16%
Total 2022		897,000	8.68%	05/15/2022		\$77,581.35 6.18%	3.54% 3.54%	\$880,875.00 \$373,833.60		\$1,254,708.60 \$13,039.91	22.70%
Maturing 2033											
ESCROW GENERAL MTRS CORP 6.250% SER C DUE 07/15/33 CALLBL CONV /DE	WR/NR/NR NR/NR/NR	20,000	6.25%	07/15/2033	07/20/2013 25.52		NA NA	496,763.00 -489,163.00	0.380	7,600.00 0.00	0.14%
Total 2033		20,000	6.25%	07/15/2033		\$0.00 0.00%	NA NA	\$496,763.00 -\$489,163.00		\$7,600.00 \$0.00	0.14%
Total Bond Portfolio											
				NA	NA				NA		



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding

these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/ Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cashflows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

Annualized Performance: All performance periods greater than one year are calculated (unless otherwise

stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance: Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Dividends/Interest: Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Change in Accrued Interest: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Beta: A measure of sensitivity of a portfolio of equities in relation to market movements. Beta measures the covariance of a portfolio in relation to the rest of the stock market as measured by a benchmark index. A portfolio with a higher beta would be expected to rise and fall further than the market. A portfolio with a low beta (less than 1) indicates that it would be expected to rise and fall less than the market.

Performance Start Date Changes: The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date. The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Account Performance: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Percentage: Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

Tax lots: This report displays security tax lots as one line item (i.e., lumped tax lots). The total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots plus or minus the total market value of the security.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual

retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

Margin: The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Equity Style: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Equity Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Estimated Annual Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Volatility Bands: Volatility bands provide a quantitative analysis of a stock's historic price fluctuations. Volatility is defined as the standard deviation (a measure of dispersion around an average) of one year of weekly returns, weighted more heavily toward the most recent dates. The stock volatilities are banded into High, Medium and Low categories and are determined from looking at an unweighted basket of Dow Jones Global Index constituents divided into three equal parts. The volatility bands are provided for informational purposes only.

Research Rating: UBS Wealth Management Research is written by UBS Wealth Management Americas and UBS Wealth Management & Swiss Bank, and UBS Investment Research is written by UBS Investment Bank. Both UBS research providers employ their own ratings systems, methodologies and assumptions and may publish research views that are inconsistent with each other. For more information about each research source, please go to UBS Online Services or ask your Financial Advisor.

UBS Wealth Management Research Rating: Under Review The Wealth Management Research Relative Sector Rating for this stock has been placed Under Review by the analyst.

UBS Investment Research Rating: Rating Exception The rating for this stock may have been placed Under Review by the analyst, or may have an exception to the core rating bands. For further information, please refer to the "Research Rating Exceptions" daily report or contact your financial advisor or representative.

UBS Investment Research Rating: Rating Exception Recommendation and price target information temporarily suspended due to restriction or pending review. For further information please refer to the "Research Rating Exceptions" daily report or contact

your financial advisor or representative.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no ratings currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Interest Rate Risk: Bonds are subject to market value fluctuations as interest rates rise and fall. If sold prior to maturity, the price received for an issue may be less than the original purchase price.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Call Provisions: When evaluating the purchase of a corporate bond, one should be aware of any features that may allow the issuer to call the security. This is particularly important when considering an issue that is trading at a premium to its call price, since the return may be negatively impacted if the issue is redeemed. Should an issue be called, investors may be faced with an earlier than anticipated reinvestment decision, and may be unable to reinvest their principal at equally favorable rates.

Effective Maturity: Effective maturity is the expected redemption due to pre-refunding, puts, or maturity and does not reflect any sinking fund activity, optional or extraordinary calls. Securities without a maturity date are left blank and typically include Preferred Securities, Mutual Funds and Fixed Income UITs.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

securities.

Bond Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS FS cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS FS. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager

directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients:

As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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**City of Troy Recommendation
March 2013**

Fixed Income – Convertible Bonds

As the City continues to look for total return through a combination of cash flow and capital gains, turning to convertible bonds may be an appropriate investment in these volatile times. Convertible bonds may be turned into common shares of the issuers if the stock market does well, but if the market falters, the bonds could maintain their value while continuing to pay interest.

Convertibles don't keep pace with stocks but they generally out-perform bonds over the long-term. Overall, convertible bonds add to performance while reducing the volatility of the fixed income portfolio.

A study by the investment firm Raymond James showed that over a 15 year period, devoting just 15% of a fixed income portfolio to convertibles increased average annual returns by an average of three-fourths of a percentage point and reduced volatility by 10%.

Consider an investment in AllianzGI Convertible A – see attached Morningstar Report (4* Morningstar). Current yield of 1.79%. Average 3 year total return 11.67%, average 5 year total return 7.20%, and average 10 year total return 10.55%.

The above suggested fund should be reviewed to ensure adherence to the City of Troy Pension IPS.

Investments of \$1,000,000 or more are purchased at net asset value. Investment must be held 15 months to avoid a surrender charge.

**Rebecca S. Sorensen
John Grant
UBS Financial Services, Inc.
March 2013**

U.S. Top 25 Stock List

March Update

- On 7 February 2013, we raised our 12-month S&P 500 price target to 1600 (from 1540). The combination of accelerating global growth prospects amid low inflation, an improving corporate profit picture, accommodative global central banks, reduced systemic risks and reasonable equity valuations support our positive equity market view.
- As the global growth recovery deepens, we expect the premium embedded in defensive sector valuations to erode. We maintain a clear pro-cyclical sector tilt favoring “cheap” global cyclicals – Tech, Industrials, Materials.
- We are adding **Celanese (CE)** and **KBR (KBR)** in this report. Clorox (CLX) and Potash of Saskatchewan (POT) are being removed.

Cyclical strength to trump “headline” policy risk

We remain bullish on US stocks based on our assessment of market fundamentals – valuation and earnings. Our rolling 12 month S&P 500 target is 1600 which assumes that market gains over the next year are roughly in line with our expectations for mid-to-high single digit S&P 500 EPS growth. Keep in mind that fourth quarter S&P 500 EPS is on track to rise 7.3%, despite elevated policy uncertainty in advance of the fiscal cliff deadline. Additionally, global manufacturing purchasing managers indexes have been steadily improving for the past five months, US initial jobless claims are near five-year lows, and the domestic housing market recovery is more clearly gaining momentum. While “headline risks” regarding domestic fiscal policy pose a near-term risk, we believe that improving global cyclical momentum will ultimately matter most for US equity markets.

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Fig. 1: Performance of Top 25 Stock List

Since inception on 18 January 2006

Period	Top 25	S&P 500	Relative Performance
2006*	15.8%	12.4%	3.4%
2007	20.7%	5.5%	15.2%
2008	-39.8%	-37.0%	-2.8%
2009	29.5%	26.5%	3.0%
2010	9.7%	15.1%	-5.4%
2011	-5.0%	2.1%	-7.2%
2012	7.0%	16.0%	-9.0%
2013 YTD	6.6%	6.6%	0.0%
February 2013	1.5%	1.4%	0.1%
Since inception (cumulative)	29.0%	37.3%	-8.2%

* 2006 data include the total return from the list’s inception on 18 Jan. 2006.

Source: DataStream, UBS WMR, as of 28 February 2013

Fig. 2: UBS WMR U.S. Top 25 Stock List

Apple Inc. (AAPL)	Colgate-Palmolive (CL)	Halliburton (HAL)	Qualcomm (QCOM)	Starwood Hotels (HOT)
Anadarko Petroleum (APC)	Comcast (CMCSA)	Intel (INTC)	SanDisk (SNDK)	TJX Companies (TJX)+
Calpine (CPN)	Danaher (DHR)	JPMorgan Chase (JPM)	Schlumberger (SLB)	United Technologies (UTX)
Celanese (CE)	Express Scripts (ESRX)	KBR (KBR)+	Simon Properties (SPG)	UPS (UPS)
Coca-Cola (KO)	Google (GOOG)	MetLife (MET)	Starbucks (SBUX)	V.F. Corporation (VFC)

Stocks which are only covered by UBS Investment Research (IR) are annotated as such with a “+” sign. These stocks have a 12-month rated Buy or Neutral recommendation. UBS IR is part of UBS Investment Bank (the UBS business group that includes, among others, UBS Securities LLC).

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Adding Celanese (CE)—cyclical and secular upside opportunities

Celanese is a global chemical manufacturer which is leveraged to a pickup up in economic activity and has new management which is focused on restructuring underperforming businesses. The company's base business is generally exposed to end markets such as automobiles, appliances, paints, construction, carpets and solar photovoltaics. Celanese is also attempting to commercialize a new technology that can convert coal or natural gas into ethanol for use as a transportation fuel. While more speculative, this technology could be a blockbuster based on the company's expectation that it can be commercialized at a cost that is substantially lower than the current price of gasoline. Celanese is initially targeting the Chinese and Indonesian markets for this technology (at present in the US, the Renewable Fuels Standard requires refiners to blend corn-based ethanol into gasoline). With the shares trading at a P/E of approximately 10 times normalized earnings for the base business (excluding the ethanol opportunity) we believe risk / reward is compelling.

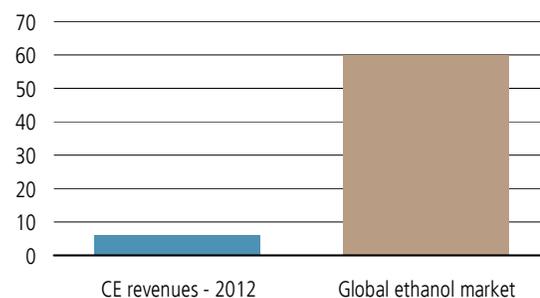
Adding KBR (KBR)—shale gas boom beneficiary

KBR is an engineering and construction company largely leveraged to energy. Its energy and hydrocarbon business (which comprises 75% of income) is well positioned to benefit from the build-out of infrastructure to support booming natural gas production and global demand. Specifically, the company has a strong presence in the construction of Liquefied Natural Gas (LNG) export facilities. On the heels of a January 2013 US Department of Energy study that showed that exports of natural gas from the US would have minimal impact on domestic prices, we expect the federal government to begin to approve additional export terminals. The company should also benefit from LNG export facilities being developed in Africa and Australia. Intentions to reduce reliance on nuclear power in the aftermath of the Fukushima disaster should support growing demand for natural gas from Japan and Europe. China is also turning to natural gas to satisfy its continued thirst for energy, all of which suggests a favorable outlook for LNG demand. With the stock trading at only 11x earnings, we believe the risk / reward for the shares is quite attractive.

We are removing Clorox (CLX) and Potash of Saskatchewan (POT) from our list. Both stocks remain Outperform rated by UBS CIO WMR. Clorox shares have gained 16% in the past four months and have meaningfully outperformed the S&P 500 over that period. With the stock now trading at over 18 times consensus forward 12 month earnings, we find the risk-reward trade-off less compelling compared to KBR and Celanese, the two new additions to our list.

Fig. 3: New Celanese technology offers large potential opportunity in ethanol fuel market

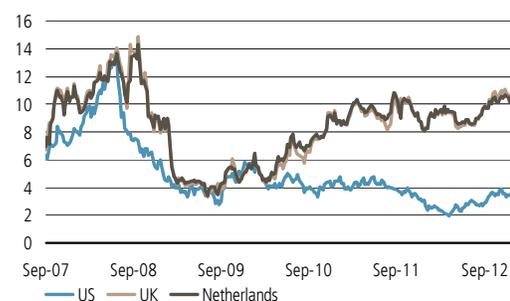
Annual sales, USD billions



Source: Bloomberg, Celanese, UBS WMR, as of 28 February 2013

Fig. 4: Cheap US natural gas bodes well for export demand and LNG infrastructure buildout

Natural gas prices (equivalent units), in USD per MMBtu



Note: UK and The Netherlands are the most actively traded European natural gas markets.

Source: Bloomberg, UBS WMR, as of 28 February 2013

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Potash shares have lagged the S&P 500 over the past two years and while we expect potash fundamentals to improve, we prefer Celanese given its stronger current operating momentum and longer-term opportunities in ethanol fuel markets.

What is working on our list

Consumer stocks – from both the Consumer Discretionary and Consumer Staples sectors – were the top performers on our list in February led by VF Corp. (+9%), Clorox (+7%), and Colgate-Palmolive (+7%). VF Corp., owner of a diverse portfolio of apparel brands including the faster-growth outdoor / action-sports segment, delivered “better than feared” above-consensus 4Q earnings despite warmer than normal weather during the quarter sending the shares higher. Clorox also posted earnings that were well ahead of consensus and raised its 2013 sales outlook. Colgate-Palmolive’s earnings were in line with consensus, but a labor slowdown in Venezuela (which has subsequently been resolved) masked an otherwise strong quarter.

What is not

The Materials sector lagged during February and Potash of Saskatchewan (-7%) underperformed the broad sector benchmark. The company missed 4Q earnings expectations and delivered below consensus guidance range for 2013 of USD 2.75-USD 3.25 (consensus was at USD 3.20). The soft fourth quarter was largely due to weaker demand from China and India and higher costs, as a large proportion of potash production came from higher cost facilities. Shares of Calpine fell nearly 7% as investors appeared to be disappointed in the size of its share buyback intentions. After rising 13% in January, MetLife shares fell 5% last month; persistently low interest rates are a drag on life insurers’ earnings power and the 10-year treasury bond yield fell 13 basis points during the month.

Top 25 News and Views

Comcast (Consumer Discretionary)

In a surprise move, Comcast announced that it would acquire from GE the remaining 49% of NBCUniversal it did not previously own. The purchase is accretive to earnings, enables shareholders to capture potential upside from ongoing improvements at NBC, and gives Comcast full access to approximately USD 8 billion in free cash flow in 2013. For the fourth quarter, the company reported revenue and earnings before interest, taxes, depreciation and amortization (EBITDA) which were modestly higher than expectations. While the company guided to higher programming costs in its cable business in 2013, Comcast's full ownership NBCUniversal provides a partial hedge against rising content costs. Comcast also raised its dividend 20% to USD 0.78 per share and announced a new USD 2 billion buyback for 2013. With continued strong pricing power in the residential broadband business, potential share gains in enterprise telephony/data services, and an ongoing turnaround at NBCUniversal, the outlook for Comcast shares remains favorable.

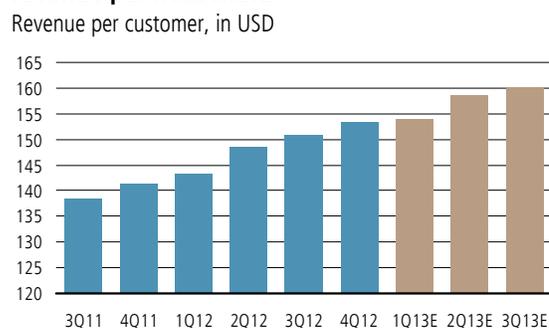
Starwood Hotels (Consumer Discretionary)

Starwood reported 4Q12 EPS of USD 0.70 vs. consensus of USD 0.65. Better than expected residential and timeshare performance drove the beat. Hotel results were in-line, with RevPAR (revenue per available room) growing 3.5% year-over-year, despite decelerating growth in Europe and Asia. As was generally anticipated, management increased the low end of its 2013 RevPAR outlook from 4-7% to 5-7%, and initiated 2013 EBITDA guidance which was slightly above consensus expectations. Management continues to be focused on capital management as it seeks to further reduce its portfolio of owned hotels, increase its percentage of managed hotels, particularly in the lucrative international market while significantly reducing its investment in the timeshare business.

TJX Companies (Consumer Discretionary)

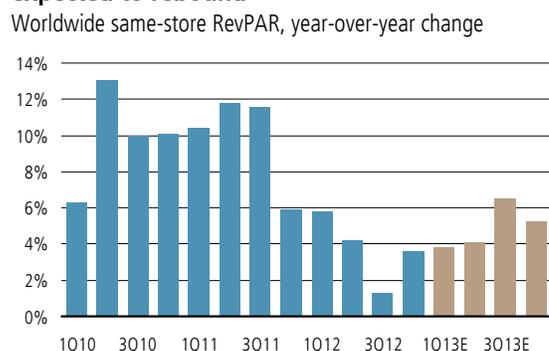
TJX delivered 4Q12 EPS of USD 0.82, slightly beating Street estimates of USD 0.81. Inventories were quite lean, down 6% per store in a quarter with 15% sales growth. After generating USD 1 billion in incremental cash flow from operations in 2012, the company announced USD 1.3-1.4 billion of share repurchases for 2013 and increased its dividend by 26%. The company also offered typically conservative EPS guidance of USD 2.66-2.78 versus consensus of USD 2.80. Though same store sales were soft in February, this seems to have been driven by New England snowstorms, not the macro environment or payroll tax increases, so we expect a bounce-back. TJX remains well-positioned due to its focus on off-price merchandise that appeals to a frugal consumer, significant leverage to an improving housing market (33% of sales are home goods-related), and expansion opportunities in Europe.

Fig. 5: Comcast has consistently increased revenue per household



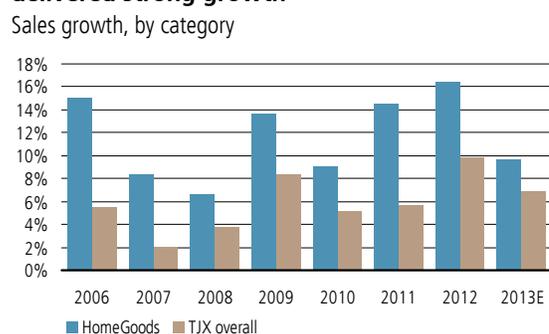
Note: Tan bars indicate UBS forecasts.
Source: UBS Investment Research, UBS WMR, as of 28 February 2013

Fig. 6: Starwood revenue per available room expected to rebound



Note: Tan bars indicate UBS forecasts.
Source: UBS Investment Research, UBS WMR, as of 28 February 2013

Fig. 7: TJX's leverage to US housing has delivered strong growth



Source: UBS Investment Research, UBS WMR, as of 28 February 2013

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VF Corp (Consumer Discretionary)

VF Corp. reported 4Q12 EPS of USD 3.07 (USD 0.04 above consensus) driven by solid cost controls. Inventories fell 7% as colder weather finally arrived in January and early February. VFC remains one of the best international growth stories in apparel. The company expects North Face to grow revenues in Asia over 30% in 2013, with plans to add an additional 200 locations in China. In Europe, despite a still challenging environment, the company expects sales to grow high-single digits as its brands take market share, particularly in its Vans product line. VF issued initial FY13 EPS guidance of USD 10.70, implying 11% EPS growth, which could be conservative especially if next winter reverts to more normal (colder) temperatures. With a solid balance sheet and growing distributions to shareholders, the shares remain well-positioned. VFC is also a member of our Dividend Ruler and Q-GARP stock lists.

Coca-Cola (Consumer Staples)

Coca-Cola beat consensus EPS by a penny in 4Q12, but sales growth of 4% was modestly short of the 4.5% consensus view, and unit case growth of 3% was at the low end of Coke's long-term target. For the full year, Coke gained market share in 2012 and continued to invest to support its brands, which bodes well for future growth prospects. Notably, profits were up solidly in each of its geographic segments. Earnings growth should accelerate in 2013 as a number of headwinds abate, including macro issues in select countries, currency and commodity costs. Coca-Cola reinforced this view at the Consumer Analyst Group of New York (CAGNY) conference in late February by emphasizing that the soft volumes in 4Q12 were not a harbinger for further weakness, and that they expect reacceleration as the global economy rebounds. Finally, cash flow remains robust, which should support Coke's longstanding history of strong dividend increases.

Colgate-Palmolive (Consumer Staples)

On 8 February, Venezuela's Finance Minister said the country will devalue its currency 32%, from 4.3 bolivars to 6.3 bolivars per dollar. The new rate will apply for most transactions (some imports may keep the old rate). Colgate-Palmolive, which derives 5% of total sales from Venezuela, estimates a potential EPS drag of USD 0.05-0.07 per quarter (0.20-0.28 for the full year, or roughly 4-5% of annual earnings) as a result. In addition to the translation effect of the devaluation, Colgate must revalue its Venezuelan net monetary assets at the new rate, which will result in a one-time charge which Colgate estimates at USD 0.25 per share in 1Q13. Colgate's outlook assumes no price control relief. Companies typically raise prices to compensate for a sharp currency mark-down, but if this lever is not available due to government restrictions, Colgate will have to find other means to offset the effect on earnings, such as cost reductions. A devaluation was expected by many

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market observers, but the timing had been uncertain, and we view Colgate's transparency on the issue as positive. Shares rose 7% during February despite the negative currency impact, as investors rightly are focused on the stronger fundamental improvements in the core business.

Anadarko Petroleum (Energy)

Anadarko's 4Q earnings results were USD 0.91 versus consensus of USD 0.72 on stronger than expected production and price realizations. Anadarko's oil and gas production rose by 8% for the full year 2012. The company provided guidance for 5% growth in 2013, though Anadarko often guides conservatively. A ruling is pending on the Tronox litigation, as final arguments were heard in December 2012. Tronox is a chemical company that was spun out of Kerr-McGee, which Anadarko subsequently acquired. Anadarko is the defendant in a USD 15.5 billion lawsuit alleging fraudulent transfer of assets with environmental liabilities into Tronox. Management has indicated that it expects its liability to be between USD 0 and USD 1.4 billion, though we believe USD 2.5-USD 3 billion is embedded into the share price. Resolution of the lawsuit may be a positive catalyst for the shares, in our view, if the payout is in line with management's expectations. Anadarko's high-quality asset portfolio positions it well for future production growth. Recent discoveries should help keep the growth pipeline full beyond 2014.

Halliburton (Energy)

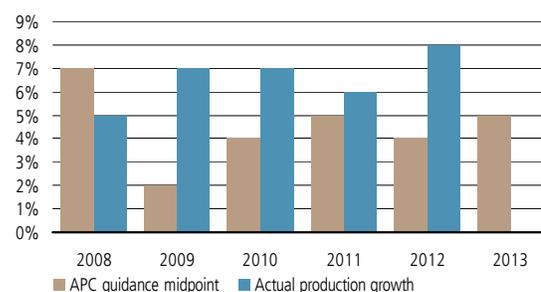
HAL announced a 39% quarterly dividend increase to USD 0.125 per share, along with a commitment to restart systematic share repurchases. Halliburton had not raised its dividend since 2008, and has instead focused its cash usage on investment and capital expenditures to take advantage of long-term growth opportunities. The company now feels comfortable with its scale and market positioning, and has demonstrated that returning capital to shareholders is a priority. Operationally, we project a strong upcycle in the international markets for oilfield services, and we believe Halliburton is among the best-positioned to benefit.

MetLife (Financials)

This month, MET officially de-registered as a bank holding company, which gives the company more flexibility on capital distribution decisions – at least until rules are set around its potential classification as a non-bank SIFI (systemically important financial institution). We expect share repurchases and a possible dividend increase. The company also released earnings, reporting 4Q12 operating EPS of USD 1.25, above consensus of USD 1.18. Strong results in MET's Retail segment helped offset shortfalls in Group and Corporate Benefit Funding. International results were in-line, with Latin America providing a lift to help offset weakness in Asia and EMEA. While underwriting activity was down, MET was able to achieve higher than expected variable investment income to

Fig. 8: APC has a track record of exceeding production guidance

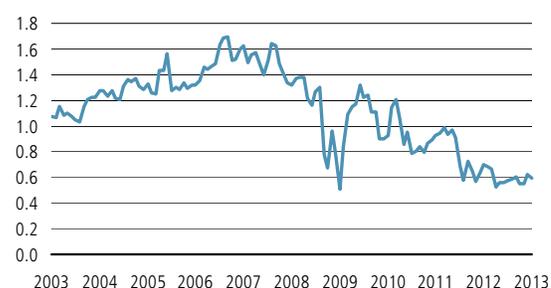
Production growth, guidance vs. actual



Source: Bloomberg, UBS WMR, as of 28 February 2013

Fig. 9: MET valuation still hovering near crisis lows

Price to book



Source: FactSet, UBS WMR, as of 28 February 2013

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make up for the shortfall. As part of its plan to shift out of capital-intensive products, variable annuity sales fell 51% year-over-year and individual life insurance sales were down 7%.

Simon Property Group (Financials)

SPG performed quite strongly in 4Q12, beating consensus FFO (funds from operations) per share estimates by nearly 2%. The core mall and outlet business demonstrated continued strength, with same store NOI (net operating income) growth of 3.3% in 4Q12 and 4.8% in 2012, occupancy up 70bps year-over-year, and re-leasing spreads (a proxy for pricing) up 11%. The company raised its dividend for the sixth consecutive quarter. Dividends have grown by 21% over the past year. Outlet construction and mall redevelopment continues at a strong pace with several promising projects in the pipeline expected to contribute to growth over the next few years.

Express Scripts (Healthcare)

ESRX reported 4Q12 EPS of USD 1.05 vs. consensus of USD 1.04. The slight beat was a result of better than expected gross profit margins, partially offset by higher than expected costs. Given our view that the guidance warning issued by ESRX on its 3Q12 earnings call was overly cautious, we were encouraged by the 4Q12 results and the initial 2013 guidance provided by management. The company's 2013 EPS guidance of USD 4.20-4.30 was above the Street's USD 4.20, and represented a confirmation that pharmacy benefit manager (PBM) trends remain strong. We maintain that its 2012 acquisition of Medco creates a stronger and likely more efficient PBM with the leading mail order drug position, the ability to procure better drug price concessions, the ability to attract the largest commercial accounts, and the best and broadest specialty pharmaceutical capabilities.

United Technologies (Industrials)

CEO Louis Chenevert gave a presentation at Barclays' Industrial Select Conference, expressing optimism about the company's portfolio of businesses and recovering end market demand. The company pointed out that the incremental order improvement they saw in 4Q12 has continued into 1Q13 across commercial and residential end markets. Chenevert also said the integration of its Goodrich and IAE acquisitions was proceeding smoothly, and that the focus on ramping up its Commercial Aerospace group should coincide with a recovery in that market following 2012 weakness. The CEO said that he believes sequestration will occur, and that this could have a negative EPS impact of roughly USD 0.10, or less than 2% of annual earnings.

Calpine (Utilities)

Calpine reported adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of USD 1,749 million, slightly below consensus of USD 1,754 million (investors focus more on EBITDA, rather than EPS). A greater than expected

Fig. 10: UTX should benefit from accelerating capital spending growth

Capital goods new orders ex-aircraft & parts (nondefense, seasonally adjusted), in billions of USD



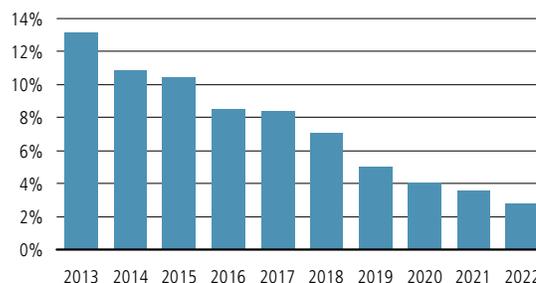
Source: Bloomberg, UBS WMR, as of 28 February 2013

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5% annual decrease in volumes explained the slight miss, though the company also reported better than expected adjusted free cash flow due to higher commodity margins and lower interest expense. As a result of the favorable free cash flow profile, the company announced a USD 400 million share buyback in 2013. While the size of the buyback may have been somewhat below Street expectations, we believe there is scope for the company to increase the size of the program over the course of the year. The company also maintained 2013 adjusted EBITDA guidance in the range of USD 1.76-1.96 billion.

Fig. 11: Excess supplies of power continue to dwindle in Texas, supporting pricing and CPN

Reserve margins, ERCOT forecasts



Note: Reserve margin = power supply minus power demand divided by power demand.

Source: ERCOT, UBS WMR, as of 28 February 2013

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UBS WMR U.S. Top 25 Stock List

Name	Ticker	Reason to Own
Consumer Discretionary		
Comcast	CMCSA	We view the cable stocks as a source of predictable growth and expect Comcast to return capital to shareholders via increased share buybacks and dividends as cash flow is strong and investment needs are relatively low.
Starbucks	SBUX	We believe management's 15-20% long term earnings growth target is achievable through product innovation and international expansion, representing a unique opportunity in the current market environment.
Starwood Hotels	HOT	Starwood should benefit from improving lodging fundamentals—improving demand in business and high end consumer segments (the company's main focus) and limited new hotel supply additions.
TJX Companies	TJX	With US household wealth still lower than pre-recession levels, we believe TJX's low-priced strategy will continue to resonate. Early results indicate the growth opportunity in Europe could be quite substantial.
V.F. Corporation	VFC	Diversified portfolio of leading global lifestyle brands increasingly levered to faster growth outdoor/sports segment. Timberland acquisition in 2011 should meaningfully add to earnings growth over the next several quarters.
Consumer Staples		
Coca-Cola	KO	Innovation in its core products has helped rejuvenate sales growth. With more than 50% of sales derived outside the US, Coke should continue benefiting from exposure to emerging markets.
Colgate-Palmolive	CL	Derives nearly 80% of sales outside North America and over 50% from higher-growth emerging markets. Earnings growth set to accelerate fueled by new products, easing commodity costs, and productivity savings.
Energy		
Anadarko	APC	Anadarko trades at a discount to intrinsic value due to excessive fears over ongoing civil litigation which should be resolved in early 2013. One of the fastest production growth outlooks. Trades at a discount to peers.
Halliburton	HAL	We expect firm oil prices and slowly recovering natural gas prices to support drilling activity.
Schlumberger	SLB	We expect continued growth in oil drilling activity as excess oil supplies are whittled down. Earnings estimates are still well below trend run-rates and have scope for upside.
Financials		
JPMorgan Chase	JPM	Healthiest combination within the large-cap banks of solid earnings power, a strong balance sheet, capital market exposure and low valuation.
MetLife	MET	Sizable excess capital and its outsized exposure to Asia (via its 2010 acquisition of ALICO) sets MetLife apart from peers. Recent rise in interest rates, which we expect over time, should boost sentiment for the group.
Simon Properties	SPG	Strong management team with a best-in-class property portfolio of regional malls and premium outlets. Steady, but moderate growth amid low interest rates is a positive macro backdrop for Simon.
Health Care		
Express Scripts	ESRX	PBMs should benefit from increasing number of drugs "going generic" and synergies from Medco acquisition.
Industrials		
Danaher	DHR	We expect a rebound in global capital spending to benefit DHR. Strong track record of growth through acquisition.
KBR	KBR	Engineering and Construction companies are typically mid-to-late cycle beneficiaries of increased project spending. KBR is leveraged to the energy sector (75% of income) and spending on gas-related projects should be robust.
United Technologies	UTX	Beneficiary of an up-cycle in the commercial aerospace industry (40% of profits) driven by rising wealth in emerging economies and development of more fuel-efficient aircrafts.
UPS	UPS	A direct beneficiary of a recovering global economy, particularly in Asia. Very strong free cash flow generation coupled with rising cash balances should translate into a significant increase in shareholder-friendly activities.
Materials		
Celanese	CE	Should benefit from a cyclical pickup in global end-markets and has significant potential long-term upside from its proprietary process technology that uses hydrocarbons as a feedstock for producing ethanol fuel.
Technology		
Apple	AAPL	Apple's three drivers of growth - Macs, the iPhone and the iPad - remain intact despite recent market share losses in smartphones. Current valuation implies an overly pessimistic view of future earnings growth, in our view.
Google	GOOG	Shift in advertising dollars to the web still lags the shift in eyeballs. Well positioned for mobile computing growth.
Intel	INTC	Intel's new tri-gate technology will be a "game changer" and will open the door for the company in the rapidly expanding mobile market. PC weakness in late 2012 should stabilize in 2013.
Qualcomm	QCOM	The shift from 2G cellular networks in emerging markets to 3G/4G networks should boost chipset prices and increase royalty income for QCOM.
SanDisk	SNDK	NAND flash demand is increasing due to the strong advances in smartphone and tablet markets.
Utilities		
Calpine	CPN	Benefiting from growing power demand and retirement of coal-fired power plants.

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UBS WMR U.S. Top 25 Financial Highlights and Performance

Name	Ticker	Date of addition	Industry / Sub Industry	PE on next 12 mo earnings est	2012 EPS Growth	Consensus 2013E EPS Growth	Total Return - February	Total Return Since Addition
Consumer Discretionary								
Comcast	CMCSA	08/31/11	Cable & Satellite	16.6	22%	23%	4%	90%
Starbucks	SBUX	12/03/12	Restaurants	23.2	18%	21%	-2%	8%
Starwood Hotels	HOT	05/19/11	Hotels Resorts & Cruise Lines	22.2	35%	2%	-2%	5%
TJX Companies	TJX	12/03/12	Apparel Retail	15.6	28%	12%	0%	4%
VF Corp	VFC	09/28/12	Apparel Accessories & Luxury Goods	14.6	18%	12%	9%	1%
Consumer Staples								
Coca Cola	KO	03/31/08	Soft Drinks	17.7	5%	7%	4%	45%
Colgate-Palmolive	CL	06/01/07	Household Products	19.6	7%	8%	7%	96%
Energy								
Anadarko Petroleum	APC	12/03/12	Oil & Gas Exploration & Production	18.7	4%	18%	-1%	8%
Halliburton	HAL	08/01/12	Oil & Gas Equipment & Services	13.0	-11%	1%	2%	27%
Schlumberger	SLB	04/30/10	Oil & Gas Equipment & Services	15.8	14%	15%	0%	14%
Financials								
JPMorgan Chase	JPM	01/31/13	Other Diversified Financial Services	8.9	16%	5%	4%	2%
MetLife	MET	11/30/10	Life & Health Insurance	6.7	5%	0%	-5%	-5%
Simon Property Group	SPG	09/28/12	Retail REITs	44.0	16%	7%	0%	6%
Health Care								
Express Scripts	ESRX	10/31/11	Health Care Services	12.7	26%	14%	7%	29%
Industrials								
Danaher	DHR	12/03/12	Industrial Conglomerates	17.4	12%	9%	3%	16%
KBR (c)	KBR	02/28/13	Construction & Engineering	11.2	-32%	24%	-3%	n/a
United Technologies	UTX	05/31/12	Aerospace & Defense	14.5	-3%	14%	4%	28%
UPS	UPS	01/31/13	Air Freight & Logistics	16.2	7%	11%	5%	4%
Materials								
Celanese (c)	CE	02/28/13	Specialty Chemicals	10.6	-15%	14%	0%	n/a
Technology								
Apple	AAPL	10/01/12	Computer Hardware	9.4	60%	1%	-3%	-23%
Google	GOOG	08/31/11	Internet Software & Services	17.1	10%	15%	6%	50%
Intel	INTC	05/13/11	Semiconductors	10.6	-11%	-8%	0%	-6%
Qualcomm	QCOM	01/10/13	Communications Equipment	14.1	16%	21%	-1%	1%
SanDisk	SNDK	09/30/11	Computer Storage & Peripherals	13.7	-49%	52%	1%	30%
Utilities								
Calpine	CPN	07/13/12	Utilities	28.4	-667%	274%	-7%	7%
WMR Top 25 (a)				16.5	8%	12%	1.5%	29.0%
S&P 500 (b)				14.0	6%	10%	1.4%	37.3%
Relative Performance							0.1%	-8.2%

(a) Valuation and earnings growth data is the average for the stocks currently on the list.

(b) Based on current consensus bottom-up estimates.

(c) Added as of this report.

Source: Bloomberg, FactSet, DataStream, UBS WMR, as of 28 February 2013

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Appendix

Term / Abbreviation	Description / Definition
1H, 2H, etc. or 1H07, 2H07, etc.	First half, second half, etc. or first half 2007, second half 2007, etc.
1Q, 2Q, etc. or 1Q07, 2Q07, etc.	First quarter, second quarter, etc. or first quarter 2007, second quarter 2007, etc.
2007E, 2008E, etc.	2007 estimate, 2008 estimate, etc.
ADR	American depositary receipt
AUM	Assets under management = total value of own and third-party assets managed
bn	Billion (10 ⁹)
bp or bps	Basis point or basis points (100 bps = 1 percentage point)
BVPS	Book value per share = shareholders' equity divided by the number of shares
CAGR	Compound annual growth rate
Capex	Capital expenditures
CFO	1) Cash flow from operations; 2) Chief financial officer
CFPS	Cash flow per share
Cost/Inc Ratio (%)	Costs as a percentage of income
CPI	Consumer price index
CR	Combined ratio = ratio of claims and expenses as a percentage of premiums (for insurance companies)
CY	Calendar year
DCF	Discounted cash flow
DDM	Dividend discount model
Dividend Yield (%)	Dividend per share divided by price per share
DPS	Dividend per share
EBIT	Earnings before interest and taxes
EBIT Margin (%)	EBIT divided by revenues
EBIT(D)A	Earnings before interest, taxes, (depreciation) and amortization
EBITDA Margin (%)	EBITDA divided by revenues
EBITDA/Net Interest	EBITDA divided by net interest expense
EBITDAR	Earnings before interest, taxes, depreciation, amortization and rental expense
EFVR	Estimated fair value range
EmV	Embedded value = net asset value + present value of forecasted future profits (for life insurers)
EPS	Earnings per share
Equity Ratio (%)	Shareholders' equity divided by total assets
EV	Enterprise value = market value of equity, preferred equity, outstanding net debt and minorities
FCF	Free cash flow = cash a company generates above outlays required to maintain/expand its asset base
FCF Yield (%)	Free cash flow divided by market capitalization
FFO	Funds from operations
FY	Fiscal year / financial year
GDP	Gross domestic product
GF	Grandfathered status
Gross Margin (%)	Gross profit divided by revenues
h/h	Half-year over half-year; half on half

U.S. Top 25 Stock List

Appendix

Term / Abbreviation	Description / Definition
Interbank Ratio	Interbank deposits due from banks divided by interbank deposits due to banks
Interest Coverage	Ratio that expresses the number of times interest expenses are covered by earnings
Interest exp	Interest expense
ISIN	International securities identification number
LLP/Net Int Inc (%)	Loan loss provisions divided by net interest income
LLR/Gross Loans (%)	Loan loss reserves divided by gross loans
m/m	Month-over-month; month on month
mn	Million (10 ⁶)
n.a. or NA	Not available or not applicable
NAV	Net asset value
Net Debt	Short- and long-term interest-bearing debt minus cash and cash equivalents
Net Int Margin (%)	Net interest income divided by average interest-bearing assets
Net Margin (%)	Net income divided by revenues
n.m. or NM	Not meaningful
NPL	Non-performing loans
Op Margin (%)	Operating income divided by revenues
p.a.	Per annum (per year)
P/BV	Price to book value
P/CFPS	Price/Cash flow per share
P/E	Price to earnings
P/E Relative	P/E relative to the market
P/EmV	Price to embedded value
PEG Ratio	P/E ratio divided by earnings growth
PPI	Producer price index
Prim Bal/Cur Rev (%)	Primary balance divided by current revenue (total revenue minus capital revenue)
Profit Margin (%)	Net income divided by revenues
q/q	Quarter-over-quarter; quarter on quarter
ROA (%)	Return on assets
ROCE (%)	Return on capital employed = EBIT divided by difference between total assets & current liabilities
ROE (%)	Return on equity
ROAE (%)	Return on average equity
ROIC (%)	Return on invested capital
Solvency Ratio (%)	Ratio of shareholders' equity to net premiums written (for insurance companies)
Tier 1 Ratio (%)	Tier 1 capital divided by risk-weighted assets; describes a bank's capital adequacy
tn	Trillion (10 ¹²)
WACC	Weighted average cost of capital
UBS WMR	UBS Wealth Management Research
y/y	Year-over-year; year on year
YTD	Year-to-date

Appendix

Statement of Risk

Equity markets are difficult to forecast because of fluctuations in the economy, investor psychology, geopolitical conditions, and other important variables.

Description and Methodology

To be added to the WMR U.S. Top 25, stocks must have a market capitalization of at least USD 2 billion and:

1. be listed on either the Sector Outperform or Sector Marketperform List from Wealth Management Research (WMR), or
2. where WMR does not include the stock on either its Sector Outperform or Sector Marketperform List, a 12-month rated Buy or Neutral recommendation by UBS Investment Research. UBS Investment Research is part of UBS Investment Bank (the UBS business group that includes, among others, UBS Securities LLC). Stocks which are only covered by UBS Investment Research are annotated as such with a "+" sign.

Stocks will remain eligible for continued inclusion on the list if:

1. it is included on either the Sector Outperform or Sector Marketperform List from Wealth Management Research (WMR), or
2. only where WMR does not include the stock on either its Sector Outperform or Sector Marketperform List, a 12-month rated Buy or Neutral recommendation by UBS Investment Research.

The list of 25 stocks represents our top absolute return ideas from a risk/reward perspective over the next 12 months. Stocks are chosen for inclusion on the list combining top-down analysis of anticipated investment themes and bottom-up company analysis emphasizing valuation relative to estimated secular earnings growth. Changes to the list will occur when other stocks are judged to offer more attractive risk/reward tradeoffs.

The indicated performance is based on capital appreciation plus dividends of an equal weight portfolio, but does not include transaction costs, such as commissions, fees, margin interest, and interest charges. Actual transactions adjusted for such transaction costs will result in reduced total returns. Prices of stocks in this performance reflect closing prices one trading day after the addition or deletion to ensure that changes to the list are announced in a manner that allows clients to match the list's performance.

A complete record of all the recommendations upon which the report is based is available from UBS Financial Services Inc. upon written request. Past performance is not an indication of future results. Since its inception, the list has included 171 stocks, of which 102 advanced and 69 declined while on the list.

Treatment of Top 25 Stocks on the Firm's Restricted List

Where securities are included on the Firm's Restricted List (explained in more detail below) the securities are annotated as such with an asterisk, but have been left in the Top 25 list for performance tracking purposes only. At the time the security was added to the Top 25 list, and until the time it was added to the Restricted List, it met the WMR criteria for inclusion described above. However, while it is on the Restricted List the firm and authors of this publication, are prohibited from expressing their ongoing view of the security. As a matter of course this should neither be necessarily construed positively or negatively, or as a recommendation to buy, hold or sell the security.

The security remains on the Top 25 list until such time as the security is removed from the Restricted List at which time the analyst will either re-affirm his/her ongoing inclusion on the Top 25 list or remove it in accordance with the normal rules for changes to the list outlined above when other stocks are judged to offer more attractive risk/reward tradeoffs.

The Firm's Restricted List

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U.S. Top 25 Stock List

Appendix

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Analyst Certification

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UBS WMR U.S. Top 25 Stock List

Company	Ticker	Sector	Price (2/28/13)
Anadarko Petroleum	APC	Information Technology	\$79.58
Apple	AAPL	Information Technology	\$441.40
Calpine	CPN	Utilities	\$18.40
Celanese	CE	Materials	\$46.85
Clorox	CLX	Consumer Staples	\$84.01
Coca Cola	KO	Consumer Staples	\$38.72
Colgate-Palmolive	CL	Consumer Staples	\$114.43
Comcast	CMCSA	Consumer Discretionary	\$39.79
Danaher	DHR	Industrials	\$61.60
Express Scripts	ESRX	Health Care	\$56.93
Google	GOOG	Information Technology	\$801.20
Halliburton	HAL	Energy	\$41.51
Intel	INTC	Information Technology	\$20.88
JPMorgan Chase	JPM	Financials	\$48.92
KBR	KBR	Industrials	\$30.39
MetLife	MET	Financials	\$35.44
Potash Corp of Saskatchewan	POT	Materials	\$40.09
Qualcomm	QCOM	Information Technology	\$65.64
SanDisk	SNDK	Information Technology	\$50.41
Schlumberger	SLB	Energy	\$77.85
Simon Properties	SPG	Financials	\$158.86
Starbucks	SBUX	Consumer Discretionary	\$54.85
Starwood Hotels	HOT	Consumer Discretionary	\$60.33
TJX Companies	TJX	Consumer Discretionary	\$44.97
United Technologies	UTX	Industrials	\$90.55
UPS	UPS	Industrials	\$82.65
VF Corp	VFC	Consumer Discretionary	\$161.26

Source: Bloomberg, as of 28 February 2013

Appendix

Stock Recommendation System

Wealth Management Research

Analysts provide a relative rating, which is based on the stock's total return potential against the total estimated return of the appropriate sector benchmark over the next 12 months.

Industry Sector Relative Stock View

Outperform (OUT)	Expected to outperform the sector benchmark over the next 12 months.
Marketperform (MKT)	Expected to perform in line with the sector benchmark over the next 12 months.
Underperform (UND)	Expected to underperform the sector benchmark over the next 12 months.

Under review

Upon special events that require further analysis, the stock rating may be flagged as "Under review" by the analyst.

Restricted

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UBS Investment Research Stock Recommendation System

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Global Equity Rating Definitions

UBS 12-Month Rating

	Definition
Buy	FSR is > 6% above the MRA.
Neutral	FSR is between -6% and 6% of the MRA.
Sell	FSR is > 6% below the MRA.

Key Definitions

Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

Market Return Assumption (MRA) is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

Under Review (UR) Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.

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Appendix

Appendix

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Portfolio

Value	Name	Ticker Symbol	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
	Large Cap Stocks			*		80,879,777.40	*	*		
	3M COMPANY X	MMM	5,000	*	104.66	523,300.00	*	*	81.98-104.81	16.75
	ABBOTT LABORATORIES X	ABT	23,000	*	34.27	788,210.00	*	*	31.64-72.47	8.36
	ABBVIE INC COM USD0.01 X	ABBV	1,000	0.00	37.74	37,740.00	37,740.00	0.00	32.51-39.13	
	ADT CORP COM	ADT	625	0.00	48.35	30,218.75	30,218.75	0.00	34.68-49.66	28.95
	AFLAC INCORPORATED X	AFL	25,000	*	51.10	1,277,500.00	*	*	38.13-54.93	8.47
	ALCOA INC X	AA	10,000	78,154.53*	8.57 e	85,700.00	*	*	7.97-10.75	47.61
	AMERICAN TOWER CORP REIT ...	AMT	5,000	318,090.87	77.50	387,500.00	69,409.13	21.82	61.27-79.98	43.79
	AMGEN INC X	AMGN	3,100	*	93.27	289,137.00	*	*	65.37-93.76	16.72
	APPLE INC X	AAPL	6,750	1,939,414.26	425.662	2,873,218.50	933,804.24	48.15	419.00-705.07	9.64
	AT&T INC X	T	20,000	*	36.29	725,800.00	*	*	29.95-38.58	47.75
	AUTOMATIC DATA PROCESSING I...	ADP	3,000	*	62.30 e	186,900.00	*	*	50.89-62.70	22.01
	BANK OF AMER CORP X	BAC	10,000	168,536.26	11.92	119,200.00	-49,336.26	-29.27	6.72-12.42	31.37
	BARD C R INC X	BCR	5,000	*	99.32	496,600.00	*	*	91.92-108.31	16.75
	BED BATH & BEYOND INC	BBBY	2,500	134,595.33	58.81	147,025.00	12,429.67	9.23	54.33-75.84	13.49
	BOEING CO X	BA	5,000	*	79.08	395,400.00	*	*	66.82-78.85	13.92
	C S X CORP X	CSX	26,000	*	23.20	603,200.00	*	*	18.88-23.72	12.96
	CATAMARAN CORP COM X	CTRX	6,606	*	56.25 e	371,587.50	*	*	34.83-57.35	
	CATERPILLAR INC	CAT	5,000	359,277.67	89.64	448,200.00	88,922.33	24.75	78.25-114.25	9.18
	CELGENE CORP X	CELG	3,000	169,309.82	110.03	330,090.00	160,780.18	94.96	58.53-108.51	30.56
	CHESAPEAKE ENERGY CORP ...	CHK	12,000	64,336.59*	19.74 e	236,880.00	*	*	13.32-26.09	N/E
	CHEVRON CORP X	CVX	16,900	932,470.68	118.47	2,002,143.00	1,069,672.32	114.71	95.73-118.53	9.71
	CHEVRON CORP NEW X	CVX	8,000	*	118.47	947,760.00	*	*	95.73-118.53	9.71
	CISCO SYS INC X	CSCO	20,000	*	21.715	434,300.00	*	*	14.96-21.67	14.01
	CIT GROUP INC X	CIT	9,162	435,487.64	42.91	393,141.42	-42,346.22	-9.72	32.29-43.90	N/E
	CIT GROUP INC NEW COM NEW ...	CIT	3,047	*	42.91	130,746.77	*	*	32.29-43.90	N/E
	CLIFFS NAT RESOURCES INC	CLF	12,000	406,067.53	24.55	294,600.00	-111,467.53	-27.45	23.56-73.63	3.83
	COCA COLA CO X	KO	24,000	*	39.02	936,480.00	*	*	34.25-40.66	20.43
	COLGATE-PALMOLIVE CO X	CL	10,000	*	115.35	1,153,500.00	*	*	92.50-116.17	22.62
	CORNING INC X	GLW	10,000	87,127.85*	12.56	125,600.00	*	*	10.62-14.58	9.97
	COSTCO WHOLESALE CORP	COST	5,000	422,060.72	102.56	512,800.00	90,739.28	21.50	81.98-105.97	24.89
	CUMMINS INC X	CMI	2,000	194,811.59	116.87 e	233,740.00	38,928.41	19.98	82.20-129.51	12.21
	DANAHER CORP	DHR	12,000	101,654.36*	61.77	741,240.00	*	*	49.18-62.43	19.86
	DIRECTV X	DTV	4,920	0.00	49	241,080.00	241,080.00	0.00	42.87-55.17	12.07
	DIRECTV COM USD0.01 X	DTV	10,080	0.00	49	493,920.00	493,920.00	0.00	42.87-55.17	12.07
	DISCOVERY COMMUNICATIONS ...	DISCK	520	*	66.48 e	34,569.60	*	*	43.17-68.14	
	DISCOVERY COMMUNICATIONS 2...	DISCA	520	*	75.35 e	39,182.00	*	*	46.21-76.62	27.40
	DOMINION RES SR-A 8375 *64JN15	DRU	10,000	*	27.6999 e	276,999.00	*	*	26.57-29.64	

Portfolio

Value	Name	Ticker Symbol	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	Page 2 P/E ratio
	DOVER CORP X	DOV	9,000	*	73.28	659,520.00	*	*	50.27-73.99	16.04
	DOW CHEMICAL CO X	DOW	15,000	*	32.71 e	490,650.00	*	*	27.45-36.08	25.16
	DUKE ENERGY CORP NEW	DUK	19,007	834,989.36*	69.88	1,328,209.16	*	*	59.63-71.13	22.18
	E M C CORP MASS X	EMC	2,000	*	24.30	48,600.00	*	*	22.75-30.00	19.92
	EBAY INC X	EBAY	5,000	*	53.57 e	267,850.00	*	*	35.23-57.27	26.92
	EMC CORP MASS X	EMC	17,000	209,532.02	24.30	413,100.00	203,567.98	97.15	22.75-30.00	19.92
	EMERSON ELECTRIC CO	EMR	4,000	*	56.36	225,440.00	*	*	43.59-58.66	21.11
	EXPRESS SCRIPTS HLDG CO CO...	ESRX	4,050	*	58.17	235,588.50	*	*	49.79-66.06	31.79
	EXXON MOBIL CORP X	XOM	4,000	*	89.56	358,240.00	*	*	77.13-93.67	9.46
	FACEBOOK INC CL-A X	FB	150	5,700.00	27.4525 e	4,117.88	-1,582.12	-27.76	17.55-45.00	63.84
	FACTSET RESEARCH SYSTEMS INC	FDS	1,500	*	99.20	148,800.00	*	*	85.81-109.20	23.34
	FACTSET RESH SYSTEMS INC	FDS	2,000	62,713.03	99.20	198,400.00	135,686.97	216.36	85.81-109.20	23.34
	FASTENAL CO	FAST	8,000	*	51.335	410,680.00	*	*	37.61-55.05	36.93
	FIDELITY NATIONAL INFORMATIO...	FIS	1,000	*	38.41	38,410.00	*	*	30.46-38.28	21.95
	FISERV INC X	FISV	8,000	193,816.02*	83.96	671,680.00	*	*	64.48-84.60	19.85
	FLUOR CORP NEW X	FLR	5,000	*	62.75	313,750.00	*	*	44.99-66.67	17.38
	FORD MTR CO DEL COM X	F	10,000	*	12.89	128,900.00	*	*	8.82-14.30	2.97
	FRANKLIN RES INC	BEN	3,000	*	146.20	438,600.00	*	*	100.91-146.13	16.34
	FREEPORT-MCMORAN COPPER ...	FCX	20,000	344,809.31	32.84	656,800.00	311,990.69	90.48	30.54-43.65	10.66
	GENERAL DYNAMICS CRP X	GD	4,000	*	67.68	270,720.00	*	*	61.09-74.54	10.07
	GENERAL ELECTRIC CO X	GE	16,000	*	23.67	378,720.00	*	*	18.02-23.75	18.21
	GENERAL MOTORS CO X	GM	2,037	228,544.97	27.91	56,852.67	-171,692.30	-75.12	18.72-30.68	10.45
	GENERAL MTRS CO X	GM	6,997	*	27.91	195,286.27	*	*	18.72-30.68	10.45
	GENL ELECTRIC CO X	GE	10,000	357,402.80	23.67	236,700.00	-120,702.80	-33.77	18.02-23.75	18.21
	GENL MILLS INC X	GIS	5,000	190,632.65	46.43	232,150.00	41,517.35	21.78	36.75-46.69	17.13
	GENUINE PARTS CO	GPC	5,000	316,434.00	72.62	363,100.00	46,666.00	14.75	55.58-73.02	18.25
	GILEAD SCIENCE X	GILD	20,000	*	45.40 e	908,000.00	*	*	22.40-45.58	14.10
	GOLDMAN SACHS 6125 *60NV01	GSF	10,000	*	26.72 e	267,200.00	*	*	24.60-27.02	
	GOOGLE INC CL A X	GOOG	3,000	479,740.99*	831.38	2,494,140.00	*	*	556.52-840.15	26.04
	GREEN MTN COFFEE ROA...	GMCR	13,000	262,632.08	49.18	639,340.00	376,707.92	143.44	17.11-66.98	21.57
	HALLIBURTON CO HOLDING CO F...	HAL	10,000	*	40.80	408,000.00	*	*	26.28-43.96	13.08
	HARTFORD FIN SERS GRP INC ...	HIG	5,000	*	24.26	121,300.00	*	*	15.65-25.37	20.22
	HARTFORD FINCL SERVICES ...	HIG	5,000	337,662.20	24.26	121,300.00	-216,362.20	-64.08	15.65-25.37	20.22
	HARTFORD FINL SVC 7875 *42AP15	HGH	5,000	125,000.00	29.68 e	148,400.00	23,400.00	18.72	25.67-29.93	
	HEALTH CARE REIT INC	HCN	7,000	*	65.50 e	458,500.00	*	*	52.40-65.71	121.30
	HESS CORP X	HES	2,000	112,204.73	69.49	138,980.00	26,775.27	23.86	39.67-70.77	15.58
	HONEYWELL INTL INC X	HON	12,172	54,956.25*	71.27	867,498.44	*	*	52.21-71.43	23.76
	IDEX CORP X	IEX	10,500	215,255.25	51.22	537,810.00	322,554.75	149.85	34.06-51.71	20.99

Portfolio

Value	Name	Ticker Symbol	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
	IDEX CORPORATION DELAWARE ...	IEX	2,250	*	51.22	115,245.00	*	*	34.06-51.71	20.99
	INTEL CORP X	INTC	8,000	*	21.75	174,000.00	*	*	19.23-29.27	9.50
	INTERNATIONAL GAME TECH ...	IGT	20,000	*	16.84 e	336,800.00	*	*	10.92-17.37	19.58
	INTUITIVE SURGICAL INC	ISRG	5,000	*	519.78 e	2,598,900.00	*	*	467.26-594.89	33.58
	JOHNSON CTLS INC X	JCI	6,000	*	32.63	195,780.00	*	*	23.37-33.26	18.33
	JPMORGAN CHASE & CO X	JPM	5,000	*	50.03	250,150.00	*	*	30.83-50.11	10.36
	KRAFT FOODS GROUP INC COM ...	KRFT	1,666	*	49.19 e	81,950.54	*	*	42.00-49.50	N/E
	LIBERTY MEDIA CORP	LMCA	183	0.00	110.84 e	20,283.72	20,283.72	0.00	101.00-113.56	
	LKQ CORP	LKQ	6,000	*	20.17	121,020.00	*	*	14.63-23.99	23.45
	MC DONALDS CORP X	MCD	13,000	*	96.81	1,258,530.00	*	*	83.31-100.44	18.23
	MCDONALDS CORP X	MCD	8,100	387,373.85	96.81	784,161.00	396,787.15	102.43	83.31-100.44	18.23
	MCKESSON CORP X	MCK	5,000	393,168.79	108.32	541,600.00	148,431.21	37.75	81.76-108.78	16.59
	MEDNAX INC	MD	5,000	361,070.85	86 e	430,000.00	68,929.15	19.09	59.24-88.41	18.26
	MERCK & CO INC NEW COM ...	MRK	16,147	*	43.68	705,300.96	*	*	36.91-48.00	19.95
	METTLER-TOLEDO INTL	MTD	5,000	*	215.21	1,076,050.00	*	*	143.60-222.48	24.65
	MICROSOFT CORP X	MSFT	22,546	*	28.09 e	633,317.14	*	*	26.26-32.95	15.10
	MONDELEZ INTL INC COM X	MDLZ	5,000	*	28.52 e	142,600.00	*	*	24.04-28.67	15.25
	MORGAN STANLEY	MS	8,340	*	22.91	191,069.40	*	*	12.26-24.47	N/E
	NORFOLK SOUTHERN CORP	NSC	8,000	203,511.40*	74.40 e	595,200.00	*	*	56.05-75.56	13.55
	O REILLY AUTOMOTIVE INC NEW ...	ORLY	4,000	*	103.44	413,760.00	*	*	75.61-107.13	22.68
	OMNICOM GROUP X	OMC	2,000	*	57.77	115,540.00	*	*	45.11-58.29	16.79
	OMNICOM GROUP INC X	OMC	8,000	274,205.25	57.77	462,160.00	187,954.75	68.55	45.11-58.29	16.79
	ONEOK INC NEW X	OKE	28,000	228,448.05	45.36	1,270,080.00	1,041,631.95	455.96	39.32-49.79	27.49
	ORACLE CORP X	ORCL	10,000	131,772.17	35.86	358,600.00	226,827.83	172.14	25.32-36.31	17.00
	ORACLE CORPORATION X	ORCL	15,000	*	35.86	537,900.00	*	*	25.32-36.31	17.00
	PANERA BREAD COMPANY CL A	PNRA	10,000	371,426.14*	164.01 e	1,640,100.00	*	*	135.40-175.26	30.09
	PEABODY ENERGY CORP	BTU	5,000	*	21.53	107,650.00	*	*	18.78-33.78	7.37
	PENTAIR LTD COM USD0.16 3/4	PNR	299	0.00	51.92	15,524.08	15,524.08	0.00	36.31-53.84	108.17
	PEPSICO INC X	PEP	30,000	776,106.79*	76.80	2,304,000.00	*	*	62.15-77.07	20.48
	PEPSICO INCORPORATED X	PEP	5,000	*	76.80	384,000.00	*	*	62.15-77.07	20.48
	PERRIGO CO	PRGO	8,000	*	116.69	933,520.00	*	*	96.52-120.78	25.65
	PERRIGO COMPANY	PRGO	5,000	497,217.21	116.69	583,450.00	86,232.79	17.34	96.52-120.78	25.65
	PFIZER INC X	PFE	7,000	63,480.04	28.12	196,840.00	133,359.96	210.08	21.19-28.20	22.14
	PRAXAIR INC	PX	6,000	249,987.48	112.90	677,400.00	427,412.52	170.97	100.00-116.93	20.12
	PROCTER & GAMBLE CO X	PG	22,625	224,489.81*	77.20	1,746,650.00	*	*	59.07-77.77	24.98
	PVH CORPORATION COM USD1.0...	PVH	5,000	*	122.72	613,600.00	*	*	72.47-125.44	21.12
	RAYMOND JAMES FIN 6900 *42MH...	RJD	1,200	30,000.00	27.68 e	33,216.00	3,216.00	10.72	25.20-28.28	
	REINSURANCE GROUP OF AMERI...	RGA	5,000	*	58.97 e	294,850.00	*	*	48.36-61.86	7.68

Portfolio

Value	Name	Ticker Symbol	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	Page 4 P/E ratio
	REPUBLIC SERVICES INC CL A	RSG	5,000	*	31.04	155,200.00	*	*	25.15-32.40	18.15
	RESMED INC	RMD	5,000	*	45.01 e	225,050.00	*	*	28.94-48.47	23.94
	ROPER IND INC	ROP	14,000	*	124.98	1,749,720.00	*	*	91.67-126.67	26.94
	SCANA CORP NEW	SCG	5,000	174,228.40	49.64	248,200.00	73,971.60	42.46	43.32-50.34	16.01
	SCHLUMBERGER LTD	SLB	24,000	*	77.16	1,851,840.00	*	*	59.12-82.00	
	SIGMA ALDRICH CORP X	SIAL	8,000	46,954.88	78.21	625,680.00	578,725.12	1,232.51	66.52-78.84	21.14
	SMUCKER J M CO NEW	SJM	4,000	241,085.93	96.72	386,880.00	145,794.07	60.47	73.20-97.52	22.34
	SPECTRA ENERGY CORP X	SE	5,200	104,737.84	28.91	150,332.00	45,594.16	43.53	26.55-32.27	18.77
	SPECTRA ENERGY CORP COM ...	SE	13,800	*	28.91	398,958.00	*	*	26.55-32.27	18.77
	ST JUDE MEDICAL INC	STJ	5,000	*	41.65	208,250.00	*	*	30.25-44.80	17.35
	STAPLES INC X	SPLS	5,000	*	12.34	61,700.00	*	*	10.57-16.93	1,234.00
	STARBUCKS CORP X	SBUX	5,000	278,067.04	57.10	285,500.00	7,432.96	2.67	43.04-62.00	31.90
	STRYKER CORP	SYK	17,000	*	65.96 e	1,121,320.00	*	*	49.43-66.37	17.73
	SYSCO CORP	SY	20,000	*	32.83	656,600.00	*	*	27.05-33.00	17.46
	T ROWE PRICE GROUP INC	TROW	5,000	*	74.22 e	371,100.00	*	*	54.47-74.44	23.19
	TAIWAN SEMICONDUCTOR MANU...	TSM	5,000	*	18.12	90,600.00	*	*	12.14-19.25	
	TARGET CORP X	TGT	5,000	*	66.12	330,600.00	*	*	54.68-66.92	14.69
	TEVA PHARMACEUTICALS ADR ...	TEVA	2,000	*	39.63	79,260.00	*	*	36.63-46.38	14.26
	TEVA PHARMACEUTICALS IND ...	TEVA	9,000	275,754.65	39.63	356,670.00	80,915.35	29.34	36.63-46.38	14.26
	TEXTRON INC X	TXT	8,000	*	29.82 e	238,560.00	*	*	21.97-29.75	20.85
	TOTAL S A SPON ADR	TOT	5,000	*	51.08 e	255,400.00	*	*	41.75-56.16	
	TRACTOR SUPPLY COMPANY	TSCO	4,000	40,687.65	104.23	416,920.00	376,232.35	924.68	75.46-105.37	28.56
	TRANSOCEAN LTD	RIG	20,050	*	53.45 e	1,071,672.50	*	*	39.32-59.50	
	UNION PACIFIC CORP	UNP	5,000	*	138.96	694,800.00	*	*	104.08-139.76	17.24
	UNITED PARCEL SERVICE INC CL-...	UPS	10,000	345,017.28*	84.43 e	844,300.00	*	*	69.56-84.87	24.33
	UNITED TECHNOLOGIES CORP ...	UTX	17,000	*	91.07	1,548,190.00	*	*	70.71-91.51	16.20
	URBAN OUTFITTERS INC X	URBN	5,000	*	40.74	203,700.00	*	*	25.43-44.15	30.63
	VARIAN MEDICAL SYS INC X	VAR	5,000	*	72.01 e	360,050.00	*	*	52.90-75.78	19.15
	VERIZON COMMUNICATIONS ...	VZ	15,420	*	47.28 e	729,057.60	*	*	36.80-48.77	43.78
	VISA INC CL A X	V	8,000	282,770.29*	161.06	1,288,480.00	*	*	111.94-162.77	72.55
	WALGREEN CO X	WAG	15,000	196,513.07*	39.96	599,400.00	*	*	28.53-42.00	18.00
	WALMART STORES INC X	WMT	10,000	*	73.38	733,800.00	*	*	57.18-77.60	15.10
	WALT DISNEY CO HLDG CO ...	DIS	10,000	*	56.36 e	563,600.00	*	*	40.88-56.58	18.01
	WASTE MANAGEMENT INC X	WM	10,000	*	37.23	372,300.00	*	*	30.82-37.98	20.02
	WATERS CORP X	WAT	10,000	383,988.78*	94.62 e	946,200.00	*	*	74.12-95.41	20.13
	WATSCO INC	WSO	5,000	306,014.09	78.93	394,650.00	88,635.91	28.96	64.13-80.34	26.58
	WEATHERFORD INTERNATIONAL ...	WFT	5,000	*	11.51	57,550.00	*	*	8.84-17.75	
	WELLS FARGO & CO NEW X	WFC	5,000	54,576.32	36.05	180,250.00	125,673.68	230.27	29.80-36.60	10.73

Portfolio

Value	Name	Ticker Symbol	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	Page 5 P/E ratio
	YUM! BRANDS INC	X YUM	27,800	555,471.42	66.91	1,860,098.00	1,304,626.58	234.87	59.68-74.75	19.68
	Small Cap Stocks					6,564,222.21				
	ALMOST FAMILY INC	AFAM	5,000	*	20.73	103,650.00	*	*	17.87-26.87	10.26
	AMERICAN SCIENCE & ENG...	ASEI	3,000	259,595.93	61.37	184,110.00	-75,485.93	-29.08	46.30-72.50	27.52
	ARES CAPITAL CORP COM STK U...	ARCC	5,000	*	18.54	92,700.00	*	*	14.60-18.64	8.96
	BIO-REFERENCE LABS INC NEW	BRLI	5,000	*	27.84 e	139,200.00	*	*	18.29-32.86	18.44
	BRADY CL A	BRC	4,000	*	34.13	136,520.00	*	*	24.72-36.45	N/E
	BRUKER CORP	X BRKR	5,000	78,022.84	18.64	93,200.00	15,177.16	19.45	9.91-18.68	30.06
	CLEAN ENERGY FUELS CORP	CLNE	5,000	101,643.37	13.04	65,200.00	-36,443.37	-35.85	10.90-24.75	N/E
	COGNEX CORP	CGNX	5,000	169,104.43	41.64 e	208,200.00	39,095.57	23.12	29.24-44.41	25.55
	COPANO ENERGY LLC COM	... CPNO	10,000	298,179.02	37.65	376,500.00	78,320.98	26.27	24.24-39.37	N/E
	DARLING INTL INC	DAR	10,000	66,595.12	16.84	168,400.00	101,804.88	152.87	13.71-18.82	15.17
	DECKERS OUTDOOR CORP	... DECK	12,000	206,692.10	48.70	584,400.00	377,707.90	182.74	28.53-75.21	12.08
	DIAMOND FOODS INC	DMND	5,000	391,490.70	17.53 e	87,650.00	-303,840.70	-77.61	12.85-28.29	N/E
	DIEBOLD INC	X DBD	5,000	*	27.91 e	139,550.00	*	*	27.59-42.93	10.61
	FLOWERS FOODS INC	FLO	7,500	85,243.66	28.59	214,425.00	129,181.34	151.54	18.46-29.55	32.49
	GAMESTOP CORP CL A NEW	... GME	5,000	*	24.41	122,050.00	*	*	15.32-28.35	N/E
	GAMESTOP CORP NEW	(H... GME	1,000	24,452.66	24.41	24,410.00	-42.66	-0.17	15.32-28.35	N/E
	GFI GROUP INC	GFIG	5,000	*	3.36	16,800.00	*	*	2.20-4.03	N/E
	GLOBAL PAYMENTS INC	X GPN	8,000	154,667.78*	47.50 e	380,000.00	*	*	39.37-53.93	20.83
	HILLENBRAND INC	HI	5,000	97,745.28	24.36	121,800.00	24,054.72	24.61	16.75-25.02	14.50
	JOS A BANK CLOTHIERS INC	JOSB	10,000	107,474.47*	41.60	416,000.00	*	*	37.31-54.99	11.95
	LENDER PROCESSING SVCS INC ...	LPS	500	*	24.36	12,180.00	*	*	21.14-30.88	25.91
	LENNOX INTL INC	LII	5,000	210,437.94	61.21	306,050.00	95,612.06	45.43	36.77-61.73	27.70
	MANITOWOC INC	MTW	10,000	*	19.06	190,600.00	*	*	9.60-19.90	30.74
	NEUSTAR INC CL A	NSR	5,000	*	44.47	222,350.00	*	*	30.08-47.24	22.12
	PENGROWTH ENERGY CORP COM	PGH	10,000	*	4.75 e	47,500.00	*	*	3.82-10.21	
	PERKINELMER INC	X PKI	5,000	*	34.88	174,400.00	*	*	23.73-35.84	1,162.67
	PORTFOLIO RECOVERY ASSOC ...	PRAA	4,000	192,314.39	122.31	489,240.00	296,925.61	154.40	64.90-122.00	17.88
	QUALITY SYST	QSII	5,000	*	18.15 e	90,750.00	*	*	15.04-44.69	16.06
	SODASTREAM INTERNATIONAL LTD	SODA	5,000	359,589.59	48.87 e	244,350.00	-115,239.59	-32.05	28.28-53.99	
	SOUTH JERSEY IND INC	SJI	5,000	187,934.87	55.54	277,700.00	89,765.13	47.76	45.81-56.21	16.15
	STARZ	X STRZA	183	0.00	19.87 e	3,636.21	3,636.21	0.00	14.00-124.34	1.36
	SYNNEX CORP	X SNX	5,000	*	38.69	193,450.00	*	*	30.70-44.25	9.70
	SYNTEL INC	SYNT	5,000	*	63.06	315,300.00	*	*	51.35-65.19	14.67
	TESORO LOGISTICS LP	TLLP	100	2,100.00	52.51 e	5,251.00	3,151.00	150.05	29.25-52.60	31.07
	THORATEC CORP NEW	THOR	5,000	148,140.05	35.70	178,500.00	30,359.95	20.49	29.39-39.86	24.79

Portfolio

Value	Name	Ticker Symbol	Shares	Cost Basis	Quote/Price	Market Value	Gain/Loss	Gain/Los...	52-Week Ra...	P/E ratio
	TRUE RELIGION APPAREL INC	TRLG	5,000	*	27.64	138,200.00	*	*	20.22-30.66	14.78
	International Stocks			*		2,308,207.50	*	*		
	BAIDU INC SPONS ADS REPR 0.10...	BIDU	5,000	*	89.93	449,650.00	*	*	85.96-154.15	90.84
	BANK OF NOVA SCOTIA CA...	BNS	5,000	267,163.70	59.23	296,150.00	28,986.30	10.85	48.45-60.23	16.92
	BP PLC ADS	BP	5,000	*	40.71 e	203,550.00	*	*	36.25-47.39	6.07
	DIAGEO PLC NEW GB SPON A...	DEO	2,000	128,034.73	120.51	241,020.00	112,985.27	88.25	92.55-121.55	
	GENPACT LTD	G	5,000	*	18.03 e	90,150.00	*	*	14.85-19.52	
	RIO TINTO PLC SPON ADR	RIO	10,000	107,399.60	51.39	513,900.00	406,500.40	378.49	41.59-60.45	
	SHIRE PLC ADR X	SHPG	5,000	*	94.70 e	473,500.00	*	*	80.09-106.22	N/E
	TYCO INTERNATIONAL LTD(SWIT...	TYC	1,250	*	32.23	40,287.50	*	*	26.17-58.12	14.26
	Cash			-3,457,375.48		-3,457,375.48	0.00	0.0		
	Other			*		777,206.24	*	*		
	Unclassified			*		18,054,782.99	*	*		
	Asset Mixture			*		30,469,005.22	*	*		
	ALLIANCE BERNSTEIN HIGH IN...	AGDAX	164,454.243	1,533,493.67	9.62	1,582,049.82	48,556.15	3.17	8.74-9.65	
	AMER FUNDS CAPITAL WO...	CWGIX	20,206.595	712,748.60	39.15	791,088.19	78,339.59	10.99	31.88-39.15	
	BLACKROCK ALL CP ENERGY RE...	BACAX	47,921.441	*	13.32 e	638,313.59	*	*	10.92-14.67	
	BLACKROCK HIGH YIELD BO...	BHYAX	193,766.846	1,529,655.26	8.20	1,588,888.14	59,232.88	3.87	7.53-8.22	
	CLEARBRIDGE ENERGY MLP OPP...	EMO	10,721.266	213,603.04*	22.66 e	242,943.89	*	*	17.93-23.93	
	COLUMBIA SELIGMAN CO...	SLMCX	61,686.772	1,882,693.49	43.62	2,690,776.99	808,083.50	42.92	40.34-50.45	
	EATON VANCE FLOATING R...	EVBLX	115,241.984	1,082,279.52	9.48	1,092,494.01	10,214.49	0.94	9.21-9.49	
	INVESCO EUROPEAN GRO...	AEDAX	26,721.72	1,010,920.29	34.70	927,243.68	-83,676.61	-8.28	27.93-34.89	
	LEGG MASON WA INST CSH INST O	CARXX	5,321,631.94	2,924,797.71*	1 e	5,321,631.94	*	*	1.00-1.00	
	LORD ABBETT FLOATING RA...	LFRAX	566,355.911	5,331,926.41	9.49	5,374,717.60	42,791.19	0.80	9.11-9.50	
	MAINSTAY CONVERTIBLE CLASS A	MCOAX	84,024.507	66,781.18*	15.32	1,287,255.45	*	*	14.02-15.51	
	MFS DIVERSIFIED INCOME FU...	DIFAX	145,822.878	1,586,541.84	11.91	1,736,750.48	150,208.64	9.47	10.75-11.92	
	PIMCO TOTAL RETURN FUND ...	PTTAX	211,112.953	2,273,920.85	11.23	2,370,798.46	96,877.61	4.26	11.00-11.65	
	PIMCO UNCONSTRAINED BOND ...	PUBAX	189,061.411	2,107,268.56	11.56	2,185,549.91	78,281.35	3.71	10.99-11.73	
	TEMPLETON GLOBAL TOTAL ...	TGTRX	114,879.637	1,554,411.67	13.82	1,587,636.58	33,224.91	2.14	12.13-13.88	
	THORNBURG INTERNATIONAL ...	TGVAX	37,225.168	1,020,446.78	28.23	1,050,866.49	30,419.71	2.98	23.24-28.95	
	Totals:		A=avg cost	48,008,885....		135,595,826.08	87,586,940....	182.44*		

OMC 

OLD MISSION INVESTMENT COMPANY
OLD MISSION TRUST COMPANY

866.587.4100 or 231.929.4100
web: www.omico.net

March 6, 2013

Thomas Darling, CPA
Director of Financial Services
City of Troy Retirement Plan Board
500 W Big Beaver Rd
Troy, MI 48084

Dear Tom,

We are currently recommending two purchases:

<u>Purchase</u>	<u>Price</u>	<u>Dividend</u>	<u>Yield</u>
Expeditors International of Washington (EXPD)	\$38.33	\$.56	1.46%
Huntington Bancshares Inc. (HBAN)	\$7.18	\$.16	2.30%

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)



March 4, 2013

Investment Recommendation

Purchase

Expeditors International of Washington, Inc. (EXPD)

Price \$38.33

Annual Dividend \$.56

Yield 1.46%

Expeditors International is a global logistics company headquartered in Seattle, Washington. They employ over 13,000 people in a worldwide network of over 250 locations across six continents. The company strives to satisfy the increasingly sophisticated needs of international trade through customized solutions and seamless integrated information systems. Services include air and ocean freight consolidation and forwarding, vendor consolidation, customs clearance, cargo insurance, distribution and other value added logistics services.

As a non-asset based organization, the company has considerable flexibility when managing customers' supply chains. Relationships with local suppliers and global air and ocean partners can provide customers with the best routing and pricing options.

The company recently reported earnings for 2012 of \$1.57 per share, down 12% from \$1.79 in 2011. Revenues for 2012 were \$5.98 billion, down 3% from 2011. Starting with the third quarter of 2011, year over year quarterly revenues were lower for five quarters, reflecting slowing growth in the global economy. This has caused investors to shy away from the stock which has dropped 31% from a 2010 peak of \$56.

However, evidence of a recovery is starting to show. Revenue in the fourth quarter showed the first year over year increase in the last six quarters. Growth was strongest in the Asia Pacific region, which represented 51% of Expeditors' 2012 revenue. Also, there were signs of increased airfreight traffic reported in January. The Hong Kong Air Cargo Terminal Limited reported strong growth in January, up 20% year over year. North American traffic was up 17% while intra-Asia was up 25-30%.

Expeditors' finances are strong, with no long term debt and over \$1.2 billion in cash. While sluggish economic growth in the US and recessionary conditions in Europe have been pressuring freight flows, we think the long term trends are positive. We see industry trends toward global supply sourcing among manufacturers continuing to make supply chain management more complex and important, resulting in increased opportunity for third party logistics providers. Consensus analysts' earnings estimates for 2013 and 2014 are currently \$1.80 and \$2.06 respectively. We recommend purchasing Expeditors International in anticipation of improved global economic growth.

Expeditors International of Washington Inc

S&P Recommendation BUY ★ ★ ★ ★

Price
\$38.82 (as of Mar 1, 2013)

12-Mo. Target Price
\$50.00

Investment Style
Large-Cap Growth

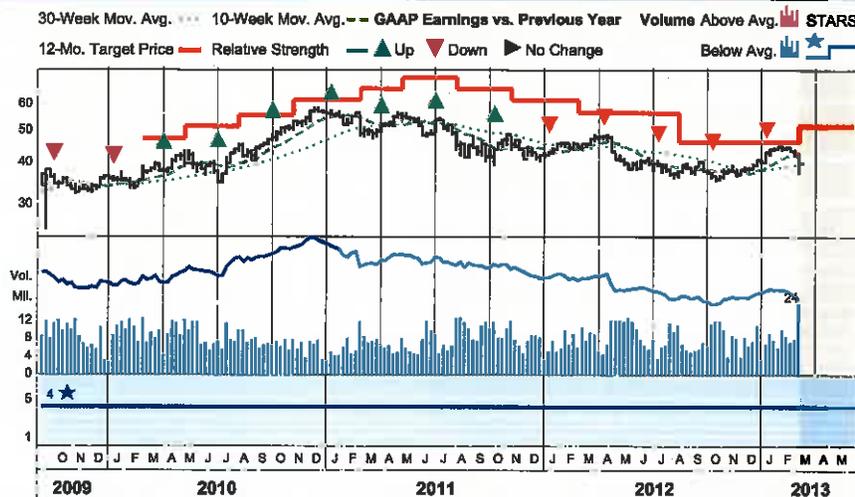
GICS Sector Industrials
Sub-Industry Air Freight & Logistics

Summary This company is a global air and ocean freight forwarder and customs broker.

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

52-Wk Range	\$47.48–34.20	S&P Oper. EPS 2013 E	1.75	Market Capitalization(B)	\$8.113	Beta	0.86
Trailing 12-Month EPS	\$1.57	S&P Oper. EPS 2014 E	NA	Yield (%)	1.44	S&P 3-Yr. Proj. EPS CAGR(%)	18
Trailing 12-Month P/E	24.7	P/E on S&P Oper. EPS 2013 E	22.2	Dividend Rate/Share	\$0.56	S&P Credit Rating	NA
\$10K Invested 5 Yrs Ago	\$10,426	Common Shares Outstg. (M)	209.0	Institutional Ownership (%)	87		

Price Performance



Qualitative Risk Assessment

LOW	MEDIUM	HIGH
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While EXPD operates in a highly cyclical industry and is exposed to currency and global economic risk, we think its strong balance sheet and relatively large cash position provide protection against cyclical demand and currency swings. In addition, we see the company as having a more diversified stream of air, ocean and customs business than most peers.

Quantitative Evaluations

S&P Quality Ranking A

D	C	B-	B	B+	A-	A	A+
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Relative Strength Rank WEAK

19	
LOWEST = 1	HIGHEST = 99

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2012	1,411	1,505	1,532	1,533	5,981
2011	1,461	1,581	1,606	1,502	6,151
2010	1,201	1,517	1,668	1,582	5,968
2009	912.7	895.4	1,037	1,247	4,092
2008	1,307	1,454	1,565	1,307	5,634
2007	1,119	1,259	1,411	1,447	5,235

Earnings Per Share (\$)	1Q	2Q	3Q	4Q	Year
2012	0.36	0.39	0.42	0.40	1.57
2011	0.42	0.44	0.50	0.43	1.79
2010	0.28	0.42	0.44	0.45	1.59
2009	0.27	0.25	0.27	0.32	1.11
2008	0.30	0.32	0.39	0.36	1.37
2007	0.27	0.30	0.34	0.32	1.21

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/dd Payment Date: mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.280	05/03	05/30	06/01	06/15/12
0.280	11/06	11/29	12/03	12/17/12

Dividends have been paid since 1993. Source: Company reports.

Analysis prepared by Equity Analyst **Jim Corridore** on Feb 28, 2013, when the stock traded at **\$38.92**. Options: ASE, CBOE, P, Ph

Highlights

- After a 3% drop in 2012, we expect gross revenues to rise 5% in 2013. We look for some strengthening in air and ocean volumes with yield expansion in 2013, strengthening as we move through the year amid improving global economic conditions. Ocean and air freight demand slowed in 2011, a trend that continued through the first nine months of 2012. However, air and ocean freight tonnage started to improve in the fourth quarter.
- We see operating margins being aided by growth in volumes, partly offset by higher ocean and air transportation costs, reflecting tight air capacity and efforts to raise rates by ocean freight providers. Over the longer term, we expect ocean freight rates to decline as new capacity continues to come on line. We think costs in the areas of salaries and benefits, rent and selling and promotion are likely to be well controlled. We see operating margins improving to 10.2% in 2013 from 8.9% in 2012 and 10.0% in 2011.
- We forecast 2013 EPS of \$1.75, up 11.5% from 2012 EPS of \$1.57, but slightly below 2011 EPS of \$1.79.

Investment Rationale/Risk

- While the overall logistics sector is likely to see a recovery in volumes from strengthening the U.S. and global economies in 2013, we believe EXPD's diversified revenue base, geographical reach and shipping mode will allow it to outperform peers. A debt-free balance sheet and what we view as strong long-term earnings and cash flow growth potential are additional positives. We also expect improved investor sentiment for EXPD and other logistics stocks on good economic news that points to improvement in the U.S. economy.
- Risks to our recommendation and target price include any worsening of the global economy. We also see management's communication style, answering questions mainly through 8-K filings, as a risk, in that it may not allow investors to react quickly enough to potentially important news. Also, the company could be hit with a large judgment related to the current Department of Justice investigation into anti-competitive practices.
- Our 12-month target price of \$50 values the stock at 28.6X our 2013 EPS estimate of \$1.75, within the five-year historical P/E range of 17.6X-45.0X.

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

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Expeditors International of Washington Inc

Business Summary February 28, 2013

CORPORATE OVERVIEW. With an international network supporting the movement and strategic positioning of goods, Expeditors International of Washington is engaged in the business of providing global logistics services to customers diversified in terms of industry specialization and geographic location. In each of its U.S. offices, and in many international offices, the company acts as a customs broker, and also provides additional services, including distribution management, vendor consolidation, cargo insurance, purchase order management, and customized logistics information. EXPD does not compete for domestic freight, overnight courier, or small parcel business, and does not own aircraft or steamships. The company has historically pursued a strategy emphasizing organic growth supplemented by strategic acquisitions. As of February 2013, EXPD had a network of 188 full-service offices, about 64 satellite locations, and two international service centers located on six continents.

Shipments of computer components, other electronic equipment, housewares, sporting goods, machine parts and toys comprise a significant percentage of the company's business. Import customers include computer retailers and distributors of consumer electronics, department store chains, clothing and shoe wholesalers. Historically, no single customer has accounted for over 5% of revenues.

Air freight services accounted for 44% of total revenues in 2012. EXPD typically acts either as a freight consolidator (purchasing cargo space on airlines and reselling it to customers at lower rates than the airline would charge customers directly), or as an agent for the airlines (receiving shipments from suppliers, and consolidating and forwarding them to the airlines). Shipments are usually characterized by a high value-to-weight ratio, a need for rapid delivery, or both. The company estimates that its average air freight consolidation weighs 3,500 lbs. to 4,500 lbs. Because shipping by air is relatively expensive compared with ocean transportation, air shipments are generally categorized by a high value-to-weight ratio, the need for rapid delivery, or both.

The company's strategy to not own aircraft is based on its view that the ownership of aircraft would subject EXPD to undue business risks, including large capital outlays, increased fixed operating costs, problems of fully utilizing aircraft and competition with airlines. EXPD relies on commercial aircraft to transport its shipments.

EXPD's ocean freight services revenues (33%) are derived from commissions paid by carriers and fees charged customers for added services, including preparing documentation, procuring insurance, arranging packing and crating, and providing consultation. The company also supplies ocean freight consolidation from the Far East to the U.S., as well as service on a smaller scale to and from any location in which it has an office or agent.

The company's customs brokerage and import services (23%) assist importers in clearing shipments through customs by preparing documentation, calculating and providing payment of duties, and arranging government inspections. Other services at destination also include temporary warehousing, inland transportation, inventory management, and cargo insurance and distribution. The company provides customs clearance services in connection with many of the shipments it handles as a freight forwarder. However, substantial customs brokerage revenues are derived from customers that elect to use a competing forwarder. Conversely, shipments handled by the company as a forwarder may be processed by another customs broker selected by the customer.

The geographic breakdown of 2012 net revenues was as follows: U.S. 26%, Asia 51%, Europe and Africa 14%, other North America 3%, Middle East and India 5%, and Latin America 1%.

COMPETITIVE LANDSCAPE. The global logistics services industry is intensely competitive. There are a large number of companies competing in one or more segments of the industry, but the number of firms with a global network that offer a full complement of logistics services is more limited. Depending on the location of the shipper and the importer, the company must compete against both the niche players and larger entities.

Historically, the primary competitive factors in the global logistics services industry have been price and quality of service, including reliability, responsiveness, expertise, convenience, and scope of operations. EXPD emphasizes quality service and believes that its prices are competitive with those of others in the industry. Larger customers utilize more sophisticated and efficient procedures for the management of their logistics supply chains by embracing strategies such as just-in-time inventory management. Accordingly, computerized customer service capabilities are a significant factor in attracting and retaining customers.

FINANCIAL TRENDS. In the 10 years through 2012, revenues increased at a compound annual growth rate (CAGR) of 14.6%, operating income at a CAGR of 10.4%, and net income at a CAGR of 10.6%. The company has remained debt free, and returns on assets and equity have been relatively stable over the past 10 years. Return on assets ranged from a high of 14.9% in 2005 to a low of 11.3% in 2012. Return on equity ranged from a high of 25.4% in 2005 to a low of 16.4% in 2012.

Corporate Information

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Officers

Chmn & CEO

P.J. Rose

Pres & COO

R. Gates

EVP & CIO

J.S. Musser

SVP, CFO & Chief

Acctg Officer

B.S. Powell

SVP, Secy & General

Counsel

A.J. Tangeman

Board Members

M. A. Emmert

D. P. Kourkoumelis

J. W. Meisenbach

L. Wang

T. Yoshitani

R. Gates

M. J. Malone

P. J. Rose

R. R. Wright

Domicile

Washington

Founded

1979

Employees

13,700

Stockholders

1,184

Expeditors International of Washington Inc

Quantitative Evaluations

S&P Fair Value Rank	2+	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	\$36.00	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that EXPD is slightly overvalued by \$2.82 or 7.3%.
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Investability Quotient Percentile	99
	LOWEST = 1 HIGHEST = 100
	EXPD scored higher than 99% of all companies for which an S&P Report is available.

Volatility	LOW	AVERAGE	HIGH
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Technical Evaluation	NEUTRAL	Since February, 2013, the technical indicators for EXPD have been NEUTRAL.
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Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE
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Expanded Ratio Analysis

	2011	2010	2009	2008
Price/Sales	1.43	1.98	1.84	1.29
Price/EBITDA	13.44	20.23	17.65	14.17
Price/Pretax Income	13.80	20.95	18.69	14.60
P/E Ratio	22.84	34.33	31.34	24.22
Avg. Diluted Shares Outstg (M)	215.0	216.4	216.5	219.2

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	3.07	6.61	4.37	10.78
Net Income	12.05	11.66	8.91	13.99

Ratio Analysis (Annual Avg.)	6.27	5.97	5.68	5.38
Net Margin (%)	6.27	5.97	5.68	5.38
Return on Equity (%)	20.60	19.32	20.92	21.77

Company Financials Fiscal Year Ended Dec 31

Per Share Data (\$)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tangible Book Value	NA	9.40	8.16	7.26	6.38	5.69	4.95	4.21	3.70	2.98
Cash Flow	NA	1.97	1.76	1.30	1.56	1.39	1.27	1.12	0.82	0.67
Earnings	1.57	1.79	1.59	1.11	1.37	1.21	1.06	0.98	0.71	0.56
S&P Core Earnings	1.57	1.79	1.59	1.11	1.37	1.21	1.06	0.85	0.59	0.46
Dividends	0.56	0.50	0.40	0.38	0.32	0.28	0.22	0.15	0.11	0.08
Payout Ratio	36%	28%	25%	34%	23%	23%	21%	15%	16%	14%
Prices:High	47.48	56.19	57.15	38.10	49.92	54.46	58.32	36.37	29.20	20.42
Prices:Low	34.20	38.25	32.36	23.86	24.05	38.31	32.83	23.59	17.85	14.81
P/E Ratio:High	30	31	36	34	36	45	55	37	41	36
P/E Ratio:Low	22	21	20	21	18	32	31	24	25	26

Income Statement Analysis (Million \$)

	NA	6,151	5,968	4,092	5,634	5,235	4,626	3,902	3,318	2,625
Revenue	NA	6,151	5,968	4,092	5,634	5,235	4,626	3,902	3,318	2,625
Operating Income	NA	655	584	427	515	463	411	337	268	211
Depreciation	NA	37.9	36.9	40.0	41.6	40.0	35.4	32.3	26.7	24.4
Interest Expense	NA	0.97	0.58	0.50	0.18	Nil	0.20	0.31	0.04	0.19
Pretax Income	NA	638	564	403	500	450	396	320	250	196
Effective Tax Rate	NA	39.5%	39.0%	40.3%	39.4%	40.0%	40.6%	29.6%	35.4%	36.4%
Net Income	NA	386	344	240	301	269	235	219	158	122
S&P Core Earnings	333	386	344	240	301	269	235	187	130	98.4

Balance Sheet & Other Financial Data (Million \$)

	NA	1,295	1,085	927	742	575	511	464	409	296
Cash	NA	1,295	1,085	927	742	575	511	464	409	296
Current Assets	NA	2,287	2,140	1,788	1,573	1,535	1,342	1,202	1,046	762
Total Assets	NA	2,867	2,679	2,324	2,101	2,069	1,822	1,566	1,364	1,041
Current Liabilities	NA	796	862	708	670	770	709	613	524	392
Long Term Debt	NA	NA	NA	NA	Nil	Nil	Nil	Nil	Nil	Nil
Common Equity	NA	2,004	1,741	1,553	1,366	1,227	1,070	914	807	646
Total Capital	NA	2,010	1,755	1,561	1,430	1,299	1,113	954	840	649
Capital Expenditures	NA	78.1	42.4	34.7	59.7	82.8	141	90.8	66.2	20.7
Cash Flow	NA	424	381	282	343	309	271	251	183	146
Current Ratio	NA	2.9	2.5	2.5	2.4	2.0	1.9	2.0	2.0	1.9
% Long Term Debt of Capitalization	NA	Nil								
% Net Income of Revenue	NA	6.3	5.8	5.9	5.3	5.1	5.1	5.6	4.7	4.6
% Return on Assets	NA	13.9	13.8	10.9	14.4	13.8	13.9	14.9	13.0	12.7
% Return on Equity	NA	20.6	20.9	16.5	23.2	23.4	23.6	25.4	21.5	20.9

Data as orig reptd.; bef. results of disc opers/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.

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Expeditors International of Washington Inc

Sub-Industry Outlook

We have a positive fundamental outlook for the air freight and logistics industry for the next 12 months. We believe fundamentals in domestic shipping are likely to strengthen over the next year and think the valuations of many logistics companies are likely to expand on improved investor sentiment should signs emerge that the U.S. and global economy is improving. Although customers are currently using lower-priced delivery methods, we see improving volume and yield trends on expanding shipping demand and improved pricing over the next year. We expect demand for international shipping over the next several years to be driven by export activity out of Asia and developing economies throughout the world.

We believe the volume of activity coming out of Asia, and particularly China, should act as a natural support to air freight volumes over the next couple of years. Air Freight companies United Parcel Service (UPS 82, Buy) and FedEx Corp. (FDX 107, Strong Buy) are both increasing their presence in these markets by adding facilities and flights to and from Asia. We think the current expansion in these markets could continue for longer than many investors think. In addition, most carriers have been successful in pushing through price increases and recouping rising fuel costs through fuel surcharges.

According to data from the U.S. Board of Transport Statistics, total cargo (measured in revenue ton-miles) fell 3.9% in 2012 through October, with international down 6.1% and domestic up 1.9%. In 2011, cargo fell 0.8%, to 64.7 billion, with international down 0.74% and domestic down 3.2%. Total cargo rose 18.8% in 2010, to 58.6 billion, with international up 24.4% and domestic up 5.7%.

We believe the strongest performers in the industry will be those companies offering total logistics and

information services to their customers. We think they are best positioned to capitalize on the strengthening demand we foresee, and we believe these companies would be able to offset higher fuel costs with rate increases and/or fuel surcharges.

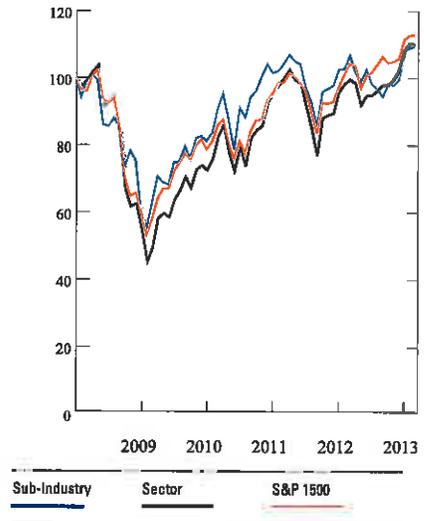
Year to date through February 1, the S&P Air Freight and Logistics Index rose 9.2%, versus a 6.3% rise for the S&P 1500. In 2012, the S&P Air Freight and Logistics Index rose 1.9%, underperforming the 13.7% rise in the 1500. In 2011, the S&P Air Freight and Logistics Index fell 6.1%, versus a 0.3% decrease in the 1500.

--Jim Corridore

Stock Performance

GICS Sector: Industrials
Sub-Industry: Air Freight & Logistics

Based on S&P 1500 Indexes
Month-end Price Performance as of 02/28/13



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

Sub-Industry : Air Freight & Logistics Peer Group*: Air Freight & Couriers

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 (%)
Expeditors Intl, Wash	EXPD	8,113	38.82	47.48/34.20	0.86	1.4	25	36.00	A	99	6.3	NA
Air T	AIRT	23	9.50	9.77/7.76	0.60	2.6	18	NA	B	78	1.5	NA
Air Transport Services Group	ATSG	355	5.52	5.88/3.38	NM	Nil	9	NA	B-	14	3.3	54.1
Atlas Air Worldwide Holdings	AAWW	1,227	46.40	57.00/39.30	2.37	Nil	9	55.40	NR	7	7.9	44.3
C.H. Robinson Worldwide	CHRW	9,321	57.06	67.93/50.81	0.70	2.5	21	60.90	A+	99	4.2	NA
FedEx Corp	FDX	33,138	105.38	107.50/83.80	1.24	0.5	17	116.50	B+	98	4.8	7.6
Forward Air	FWRD	1,104	37.30	38.67/29.65	1.09	1.1	21	35.40	B+	96	9.0	NA
Hub Group 'A'	HUBG	1,419	38.25	38.61/27.26	1.04	Nil	21	40.10	B+	87	2.1	NA
Pacer International	PACR	149	4.25	7.04/3.00	2.04	Nil	35	5.00	B-	35	0.3	NA
PostNL NV ADS	PNLYY	1,034	2.35	5.69/2.34	1.87	Nil	1	6.60	NR	13	NA	77.8
United Parcel 'B'	UPS	59,963	82.87	84.87/69.56	0.89	3.0	NM	84.00	B	97	7.2	60.0

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.

Expeditors International of Washington Inc**S&P Analyst Research Notes and other Company News****February 26, 2013**

DOWN 2.93 to 37.06... EXPD posts \$0.40 vs. \$0.43 Q4 EPS on 4% revenue decline. S&P Capital IQ maintains buy. ...

February 26, 2013

09:53 am ET ... S&P MAINTAINS BUY OPINION ON SHARES OF EXPEDITORS INTERNATIONAL (EXPD 38.60****): We keep our '13 EPS estimate at \$1.75, but raise our 12-month target price by \$5 to \$50, 28.6X our '13 estimate, in the middle of the company's historical P/E range. Q4 EPS of \$0.40, vs. \$0.43, beat our \$0.37 estimate but missed the Capital IQ consensus of \$0.43. While results in the quarter were pressured by higher transportation expenses, we were encouraged by improving air and ocean freight revenue trends. We expect EXPD to be able to adjust its rates over time. With no debt, strong cash balances and a diversified geographic revenue base, we find the shares attractive. /J. Corridore

November 6, 2012

03:07 pm ET ... S&P MAINTAINS BUY OPINION ON SHARES OF EXPEDITORS INTERNATIONAL (EXPD 38.19****): We keep our '12 and '13 EPS estimates at \$1.55 and \$1.75. Our 12 month target price remains \$45, 26X our '13 EPS estimate, towards the lower end of EXPD's historical P/E range, reflecting the current difficult air and ocean freight forwarding market. Q3 EPS of \$0.42, vs. \$0.50, misses our \$0.43 estimate and the Capital IQ consensus of \$0.44. EXPD categorizes the business environment as challenging, but we think we may be near a trough in demand for air freight. We like the company's debt free position, and its ability to remain solidly profitable in a tough environment. /J. Corridore

August 10, 2012

The board of directors of Expeditors International of Washington Inc. announced that Mr. Tay Yoshitani was elected as an independent Director, effective August 6, 2012, bringing the total board membership to nine individuals. Mr. Yoshitani was also appointed to the audit committee, the compensation committee and the nominating and corporate governance committee. Mr. Yoshitani has been the CEO of the Port of Seattle since March of 2007. He currently serves on the National Center for APEC Board and on the boards of a number of local Seattle civic and trade-related organizations.

August 7, 2012

10:38 am ET ... S&P REITERATES BUY OPINION ON SHARES OF EXPEDITORS INTERNATIONAL (EXPD 35.34****): We have cut our '12 and '13 EPS estimates to \$1.55 and \$1.75 from \$1.92 and \$2.25, respectively and our 12-month target price by \$10 to \$45, 26X our '13 EPS estimate, in the middle of EXPD's historical range. Q2 EPS of \$0.39, vs. \$0.44, missed our \$0.45 estimate and the Capital IQ consensus of \$0.43. Trends in ocean and airfreight remain weak and margins were impacted by yield compression. However, we think the company is well positioned for when an economic recovery occurs. Well managed, in our view, and with no debt, we are still positive on the shares. /J. Corridore

May 3, 2012

08:48 am ET ... S&P REITERATES BUY OPINION ON SHARES OF EXPEDITORS INTERNATIONAL (EXPD 40.74****): Q1 EPS is \$0.36, vs. \$0.42, a penny below our estimate, but in line with reduced guidance. EXPD saw a drop in airfreight tonnage, although total airfreight shipments increased. We expect EXPD to grow revenues and EPS faster than logistics peers once airfreight demand improves, which we think is likely in the second half of '12. We believe EXPD will have success in its goal to grow with new and existing customers. We cut our '12 EPS forecast to \$1.92 from \$1.98, but keep our 12-month target price at \$55, 28.6X our '12 estimate, the middle of EXPD's historical range. /J. Corridore

April 20, 2012

EXPD sees Q1 EPS in the range of \$0.35-\$0.37, vs. consensus of \$0.43. Says its preliminary data seems to reveal a trend where existing customers, particularly airfreight customers, are shipping at lower volumes than co. experienced during Q1 2011.

April 20, 2012

09:14 am ET ... S&P REITERATES BUY OPINION ON SHARES OF EXPEDITORS INTERNATIONAL (EXPD 45.74****): EXPD guides to Q1 EPS of \$0.35-\$0.37, below the street consensus of \$0.43, but in line with our \$0.37 estimate and the Capital IQ Consensus of \$0.36. EXPD says airfreight volumes remain weak. It intends to

combat this with cost controls and efforts to expand its customer base and further penetrate its existing base. We were already modeling for a drop in Q1 airfreight revenues. We keep our '12 EPS estimate at \$1.98 and our 12-month target price at \$55, 28X our '12 estimate, the middle of EXPD's historical range. We expect improving airfreight in the second half of '12. /J. Corridore

February 21, 2012

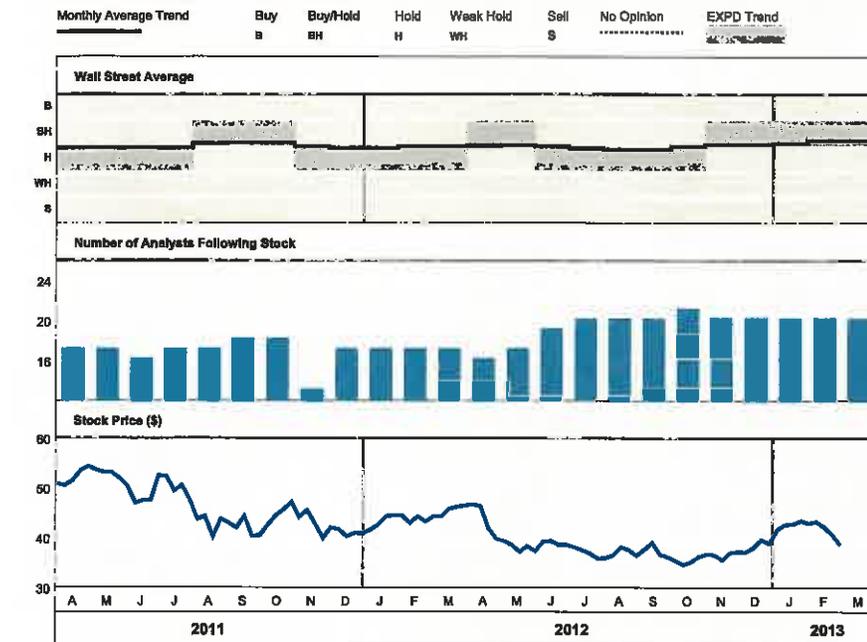
11:32 am ET ... S&P REITERATES BUY OPINION ON SHARES OF EXPEDITORS INTERNATIONAL (EXPD 44.01****): Q4 EPS of \$0.43, vs. \$0.45, misses our \$0.44 estimate. Gross revenues were lower than we were expecting, but EXPD did a good job improving gross margins and managing other costs. We have made adjustments to our model for slower assumed revenue growth in the first half of this year, with improved net revenue margins. We keep our '12 EPS forecast at \$1.98. However, with the revenue picture clouded by a weak air and ocean freight environment, we cut our 12-month target price by \$5 to \$55, 28X our '12 EPS estimate, the middle of EXPD's historical range. /J. Corridore

November 1, 2011

10:28 am ET ... S&P REITERATES BUY OPINION ON SHARES OF EXPEDITORS INTERNATIONAL (EXPD 44.38****): Q3 EPS is \$0.50, vs. \$0.44, \$0.01 ahead of our estimate and Capital IQ consensus. However, \$0.03 of EPS came from higher non operating income. Gross revenues were disappointing, but net revenue growth improved on better airfreight margins. We think EXPD did a good job in a difficult operating environment, and believe it remains well positioned for an eventual improvement in shipping demand. We cut our '11 and '12 EPS forecasts to \$1.80 and \$1.98 from \$1.89 and \$2.28. We cut our target price to \$60 from \$65, 30X our '12 estimate, in the middle of EXPD's historical range. /J. Corridore

Expeditors International of Washington Inc

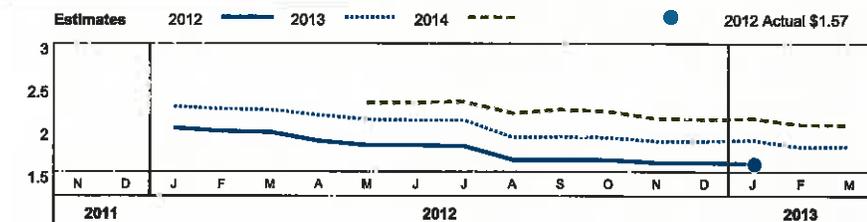
Analysts' Recommendations



Of the total 27 companies following EXPD, 20 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	6	30	6	5
Buy/Hold	4	20	4	3
Hold	9	45	9	11
Weak Hold	0	0	0	0
Sell	1	5	1	1
No Opinion	0	0	0	0
Total	20	100	20	20

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2014	2.06	2.30	1.90	15	18.8
2013	1.80	1.97	1.70	14	21.6
2014 vs. 2013	▲ 14%	▲ 17%	▲ 12%	▲ 7%	▼ -13%
Q1'14	0.46	0.47	0.43	5	84.4
Q1'13	0.40	0.45	0.38	14	97.0
Q1'14 vs. Q1'13	▲ 15%	▲ 4%	▲ 13%	▼ -64%	▼ -13%

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

- Avondale Partners, LLC
- BB&T Capital Markets
- Citigroup Inc
- Credit Suisse
- FBR Capital Markets & Co.
- Goldman Sachs
- JP Morgan
- Jefferies & Company, Inc.
- Jesup & Lamont Securities Corporation
- Lazard Capital Markets
- McAdams Wright Ragen
- Morgan Keegan & Company
- Morgan Stanley
- Morningstar Inc.
- Piper Jaffray Companies
- RBC Capital Markets
- Raymond James & Associates
- Robert W. Baird & Co.
- S&P Equity Research
- Stephens, Inc.
- Sterne Agee & Leach Inc.
- Stifel, Nicolaus & Co., Inc.
- SunTrust Robinson Humphrey, Inc.
- Susquehanna Financial Group, LLLP
- UBS Investment Bank
- William Blair & Company L.L.C.
- Wolfe Trahan & Co.

Wall Street Consensus vs. Performance

For fiscal year 2013, analysts estimate that EXPD will earn \$1.80. For fiscal year 2014, analysts estimate that EXPD's earnings per share will grow by 14% to \$2.06.

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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 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: Expeditors Intl,Wash

	Raw Score	Max Value
Proprietary S&P Measures	35	115
Technical Indicators	24	40
Liquidity/Volatility Measures	17	20
Quantitative Measures	73	75
IQ Total	149	250

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; DX - 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

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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; **FFD**- 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 Depositary Receipts (ADRs) and American Depositary 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 December 31, 2012, research analysts at Standard & Poor's Equity Research Services North America recommended 35.2% of issuers with buy recommendations, 58.5% with hold recommendations and 6.3% with sell recommendations.

In Europe: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services Europe recommended 28.2% of issuers with buy recommendations, 51.8% with hold recommendations and 20.0% with sell recommendations.

In Asia: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services Asia recommended 34.7% of issuers with buy recommendations, 51.8% with hold recommendations and 13.7% with sell recommendations.

Globally: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services globally recommended 34.0% of issuers with buy recommendations, 56.8% with hold recommendations and 9.2% 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 North America: As of December 31, 2012, Standard & Poor's Quantitative Services North America recommended 40.0% of issuers with buy recommendations, 20.0% with hold recommendations and 40.0% with sell recommendations.

In Europe: As of December 31, 2012, Standard & Poor's Quantitative Services Europe recommended 42.3% of issuers with buy recommendations, 21.5% with hold recommendations and 36.2% with sell recommendations.

In Asia: As of December 31, 2012, Standard & Poor's Quantitative Services Asia recommended 49.7% of issuers with buy recommendations, 20.1% with hold recommendations and 30.2% with sell recommendations.

Globally: As of December 31, 2012, Standard & Poor's Quantitative Services globally recommended 44.8% of issuers with buy recommendations, 20.5% with hold recommendations and 34.7% with sell recommendations.

Additional information is available upon request.

Other Disclosures

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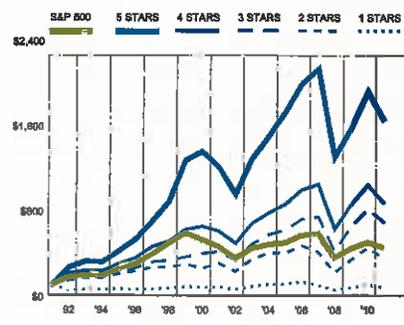
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U.S. STARS Cumulative Model Performance Hypothetical Growth Due to Price Appreciation of \$100 For the Period 12/31/1986 through 02/28/2013



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 \$1,500), 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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Any express or implied opinion contained in this report is

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March 6, 2013

Investment Recommendation

Purchase

Huntington Bancshares Inc. (HBAN)

Price \$ 7.18

Annual Dividend \$ 0.16

Yield 2.30%

Huntington Bancshares Incorporated (Huntington) is a multi-state diversified regional bank holding company. Huntington National Bank is engaged in providing full-service commercial, small business, consumer banking services, mortgage banking services, automobile financing, equipment leasing, investment management, trust services, brokerage services, customized insurance programs, and other financial products and services. The company operates approximately 700 branches in Ohio, Michigan, Indiana, Pennsylvania, West Virginia and Kentucky.

After the 2008 financial crisis, we are encouraged by the steps Huntington's management has taken and the substantial progress that has been made improving the health of the bank. In 2010 Huntington repaid all of its Troubled Asset Relief Program (TARP) obligation to the government. Since exiting the TARP program the company has increased capital ratios beyond federal requirements, made ample provisions for loan losses, increased the dividend and increased year over year earnings.

It is our view that the worst is behind the banking sector. For the fiscal year 2012 nonperforming loans accounted for just 1% of the total loan portfolio. Net charge offs and loan loss provisions have declined 20% and 15% respectively from 2011 to 2012. Encouragingly, C.E.O. Steven Steinour has reported increased customer demand across the portfolio especially in the automobile and mortgage segment.

Huntington reported earnings for 2012 of \$0.71 per share, a 20% increase over 2011. We have a positive view on the banking sector as a whole. Although slow, we believe the recovery will continue to gradually gain momentum as jobs increase and consumers execute on delayed purchases. Analyst's consensus earnings estimates for 2013 and 2014 are \$0.73 and \$0.76 respectively. It is our view that Huntington has a tailwind at its back with improving net income, increased credit quality, decreased charge offs and loan loss provisions, gradually rising interest rates and a strong balance sheet. Trading a just 10x earnings, we also see an opportunity for multiple expansion as investor confidence in the sector increases. We recommend the shares for purchase.

Huntington Bancshares Inc

S&P Recommendation **STRONG BUY** ★★☆☆

Price
\$7.07 (as of Mar 1, 2013)

12-Mo. Target Price
\$8.00

Investment Style
Large-Cap Blend

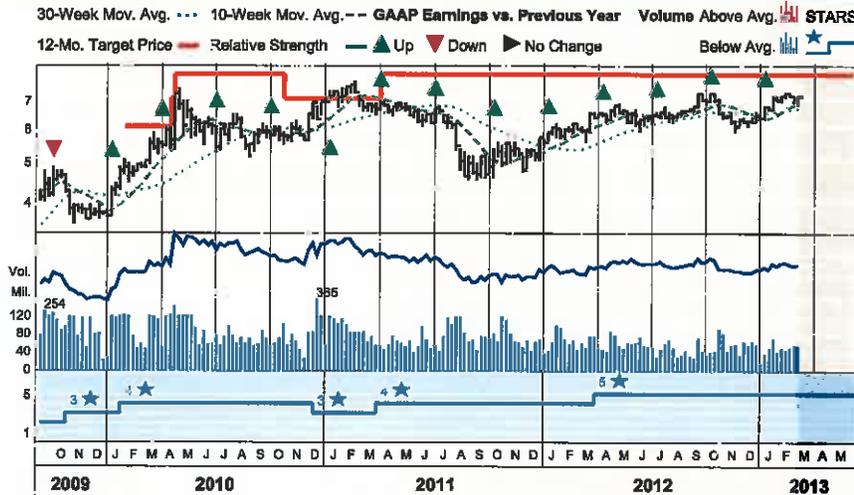
GICS Sector Financials
Sub-Industry Regional Banks

Summary This regional bank holding company has 704 banking offices in Ohio, Michigan, Pennsylvania, Indiana, West Virginia, Kentucky, and Florida.

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

52-Wk Range	\$7.25–5.49	S&P Oper. EPS 2013E	0.70	Market Capitalization(B)	\$5.953	Beta	1.63
Trailing 12-Month EPS	\$0.71	S&P Oper. EPS 2014E	0.75	Yield (%)	2.26	S&P 3-Yr. Proj. EPS CAGR(%)	2
Trailing 12-Month P/E	10.0	P/E on S&P Oper. EPS 2013E	10.1	Dividend Rate/Share	\$0.16	S&P Credit Rating	BBB
\$10K Invested 5 Yrs Ago	\$6,656	Common Shares Outstg. (M)	842.0	Institutional Ownership (%)	71		

Price Performance



Options: CB0E, Ph

Analysis prepared by Equity Analyst **Erik Oja** on Feb 15, 2013, when the stock traded at **\$7.10**.

Highlights

- ▶ Net revenues rose 7.6% in 2012, faster than peers, driven by 4.6% loan growth, a stable net interest margin, and 12.0% noninterest income growth. For 2013, we see revenue growth moderating to 2.4%, still above peers, all of which may see slower growth due to lower net interest margins. For 2013, we forecast 2.8% net interest income growth, driven by 4.6% loan growth, and a lower net interest margin. We also see a 1.7% increase in fee income in 2013, following 12.0% growth in 2012, which was driven by mortgage banking. For 2014, we see revenue growth increasing to 4.4%, also above our expectations for peers, driven by 5.5% net interest income growth, and 2.8% growth of noninterest income.
- ▶ Year end nonperforming loans were 1.00% of loans, well below peers, down from 1.39% at year end 2011. Fourth quarter net chargeoffs fell to \$70.1 million, from \$105.1 million in the third quarter. New nonperforming loans were \$32.7 million, down from a trailing average of \$60 million. We see 2013 net chargeoffs of \$240 million, down from 2012's \$343 million, but provisions of \$188 million, up from \$147 million.
- ▶ We see EPS of \$0.70 in 2013 and \$0.75 in 2014.

Investment Rationale/Risk

- ▶ HBAN's fourth quarter results were better than at many regional banking peers, in our view. Loans grew 1.1% from the third quarter, 4.6% from a year ago, and the net interest margin increased by 0.09 of a percentage point from the third quarter and from a year ago. Also, net revenues grew 5.8% from the third quarter, and 13.6% from a year ago, and Tier 1 capital rose to 12.01%. Additionally, nonperforming loans fell 9.5% from the third quarter, and 28.0% from a year ago. In our view, the only significant blemish to fourth quarter results was quality of earnings, as reserve releases and gains totaled about \$0.08 of fourth quarter EPS of \$0.19. For 2013, we look for loan growth of 4.6%, above peers, higher quality earnings, and operating leverage driven by revenue growth in excess of noninterest expense growth.
- ▶ Risks to our recommendation and target price include worsening economic conditions, and greater-than-expected loan losses.
- ▶ Our 12-month target price of \$8.00 is based on above-peers multiples of 1.4X year end tangible book value per share of \$5.78, and 11.4X our 2013 EPS estimate of \$0.70.

Qualitative Risk Assessment

LOW	MEDIUM	HIGH
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Our risk assessment reflects HBAN's Midwestern lending exposure, offset by our view of its recently strengthened capital position, and prospects for improving credit metrics.

Quantitative Evaluations

S&P Quality Ranking **B-**

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

67	LOWEST = 1	HIGHEST = 99
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Revenue/Earnings Data

	1Q	2Q	3Q	4Q	Year
2012	765.3	741.4	744.9	746.6	3,028
2011	738.8	747.9	749.6	714.6	2,951
2010	787.6	805.3	801.8	761.2	3,200
2009	809.1	829.0	809.9	795.9	3,244
2008	971.2	933.1	853.6	729.6	3,505
2007	689.1	698.7	1,056	985.0	3,420

	1Q	2Q	3Q	4Q	Year
2012	0.17	0.17	0.19	0.19	0.71
2011	0.14	0.16	0.16	0.14	0.59
2010	0.01	0.03	0.10	0.05	0.19
2009	-6.79	-0.40	-0.33	-0.56	-6.14
2008	0.35	0.25	0.17	-1.20	-0.44
2007	0.40	0.34	0.38	-0.65	0.25

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 (Date, mm/dd Payment Date, mm/dd/yy)

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.040	04/18	06/14	06/18	07/02/12
0.040	07/19	09/13	09/17	10/01/12
0.040	10/18	12/14	12/18	01/02/13
0.040	01/17	03/14	03/18	04/01/13

Dividends have been paid since 1912. Source: Company reports.

Huntington Bancshares Inc

Business Summary February 15, 2013

CORPORATE OVERVIEW. Huntington Bancshares Inc. (HBAN) is a multi-state diversified regional bank holding company headquartered in Columbus, Ohio. HBAN provides full-service commercial, small business, consumer banking services, mortgage banking services, automobile financing, equipment leasing, investment management, trust services, brokerage services, customized insurance programs, and other financial products and services.

As of June 30, 2012, which is the latest available FDIC branch level data, HBAN had 704 branches and \$45.9 billion in deposits. In Ohio, HBAN had 414 branches, nearly \$30.0 billion in deposits, and an 11.3% deposit market share, ranking second. In Michigan, HBAN had 135 branches, \$7.8 billion in deposits, and a deposit market share of 3.8%, ranking seventh. In Pennsylvania, HBAN had 59 branches, \$3.1 billion in deposits, and a deposit market share of 0.9%, ranking 20th. In Indiana, HBAN had 50 branches, \$2.7 billion in deposits, and a deposit market share of 2.2%, ranking 10th. In West Virginia, HBAN had 31 offices, \$1.82 billion in deposits, and a deposit market share of 5.5%, ranking fifth. In Kentucky, HBAN had 13 offices, \$450 million in deposits, and a deposit market share of 0.6%, ranking 33rd. In addition, HBAN had two offices in Florida.

IMPACT OF MAJOR DEVELOPMENTS. In December 2010, HBAN announced an offering of \$920 million of common stock and \$300 million of subordinated debt, with proceeds intended to repay its \$1.4 billion TARP preferred obligation. HBAN priced the common offering at \$6.30 per share, totaling 146.0 million shares, a 20% increase in shares outstanding.

In 2009, HBAN completed several transactions to increase equity capital. In the third quarter of 2009, HBAN completed an offering of 109.5 million shares of its common stock, or \$460.1 million in aggregate gross proceeds. In the second quarter of 2009, HBAN completed an offering of 103.5 million shares of its common stock, or \$372.6 million in aggregate gross proceeds. Also, during 2009, HBAN completed three separate discretionary equity issuance programs, issuing a total of 92.7 million new shares of common stock worth a total of \$345.8 million.

In 2008, HBAN completed the public offering of 569,000 shares of 8.50% Series A Non-Cumulative Perpetual Convertible Preferred Stock. Each share of this Series A Preferred Stock is non-voting and may be converted at any time, at the option of the holder, into 83.668 shares of common stock of HBAN. Also in 2008, HBAN received \$1.4 billion of equity capital from the U.S. Treasury as part of the TARP program, in exchange for preferred stock totaling the same amount, as well as a 10-year warrant to purchase up to 23.6 million shares of HBAN's common stock at an exercise price of \$8.90 per share.

In July 2007, HBAN acquired Sky Financial Group for \$3.1 billion. One of Sky Financial's major loan customers was Franklin Credit Management, and through HBAN's acquisition of Sky Financial, this lending relationship continued with HBAN. Franklin was a specialty consumer finance company primarily engaged in the servicing and resolution of residential mortgage loans. In addition, Franklin originated nonprime loans through its wholly owned subsidiary, Tribeca Lending Corp. As of December 31, 2010, total nonperforming Franklin assets were down to \$9.5 million, from \$338.5 million at the end of 2009 and \$650.2 million at the end of 2008.

FINANCIAL TRENDS. Fourth-quarter 2012 net income was \$167.3 million, or \$159.3 million after preferred dividends, equal to \$0.19 per share, up from fourth quarter 2011 earnings of \$126.9 million, or \$119.2 million after preferred dividends, equal to \$0.14 per share. The improved results were driven by a 13.6% increase in net revenues, while noninterest expenses grew slower at 9.4%. Earnings were also boosted by a 12.9% decrease of the loan loss provision. Net interest income rose 4.6%, on loan growth at the same rate, helped by a stable net interest margin. Noninterest income grew nearly 30%, year over year, driven by mortgage banking revenues of \$61.7 million, up from \$24.1 million.

Nonperforming loans of \$407.6 million at year end 2012 were 1.00% of total loans, a better than peers level of credit quality. At year end 2011, nonperforming loans of \$541.1 million were 1.39% of total loans. Net chargeoffs of \$342.5 million in 2012 were down 21.6% from 2011's \$437.1 million. Loan loss provisions were \$147.4 million, down 15.3% from 2011's \$174.1 million. Provisions were only 43% of net chargeoffs in 2012, and were only 38% of net chargeoffs in 2011, providing a powerful boost to earnings.

Full year 2012 net income was \$641.0 million, or \$609.1 million after preferred dividends, equal to \$0.71 per share, up 18.1% from 2011 earnings of \$542.6 million, or \$511.8 million after preferred dividends, equal to \$0.59 per share. The improved results were driven by a 7.6% increase in net revenues, while noninterest expenses grew more slowly, at 6.2%. Earnings were also boosted by a 15.3% decrease of the loan loss provision. Net interest income rose 5.0%, on 4.6% loan growth and a stable net interest margin. Noninterest income grew 12.0%, driven by mortgage banking, which more than doubled in 2012, to \$191 million.

Corporate Information

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Officers

Chmn, Pres & CEO
S.D. Steinour

**EVP, Chief Acctg
Officer & Cntrl**
D.S. Anderson

COO & CTO
P.G. Heller

**EVP, Secy & General
Counsel**
R.A. Cheap

EVP & CFO
D.R. Kimble

Board Members

D. M. Casto, III
S. G. Elliott
J. B. Gerlach, Jr.
D. P. Lauer
R. W. Neu
K. H. Ransier

A. B. Crane
M. J. Endres
P. J. Kight
J. A. Levy
D. L. Porteous
S. D. Steinour

Domicile
Maryland

Founded
1966

Employees
11,806

Stockholders
37,109

Huntington Bancshares Inc

Quantitative Evaluations

S&P Fair Value Rank	3+	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	\$6.70	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that HBAN is slightly overvalued by \$0.37 or 5.2%.
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Investability Quotient Percentile	82
	LOWEST = 1 HIGHEST = 100

HBAN scored higher than 82% of all companies for which an S&P Report is available.

Volatility	LOW	AVERAGE	HIGH
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Technical Evaluation	BULLISH	Since December, 2012, the technical indicators for HBAN have been BULLISH.
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Insider Activity	NA	UNFAVORABLE	NEUTRAL	FAVORABLE
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Expanded Ratio Analysis

	2012	2011	2010	2009
Price/Sales	1.82	1.61	1.57	0.60
Price/Pretax Income	6.69	6.74	14.23	NM
P/E Ratio	8.61	8.78	16.05	NM
Avg. Diluted Shares Outstg (M)	863.4	867.6	729.5	532.8

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Net Income	18.14	NM	NM	-61.33

Ratio Analysis (Annual Avg.)	2012	2011	2010	2009
Net Interest Margin (%)	3.41	3.41	3.32	3.32
Return on Assets (%)	1.16	0.92	NA	NA
Loan Losses Reserve (%)	1.88	2.55	2.77	1.86
Return on Equity (%)	11.67	10.16	NA	NA

Company Financials Fiscal Year Ended Dec 31

Per Share Data (\$)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tangible Book Value	5.73	5.10	4.57	4.07	6.27	7.14	10.12	11.41	10.02	8.99
Earnings	0.71	0.59	0.19	-6.14	-0.44	0.25	1.92	1.77	1.71	1.67
S&P Core Earnings	0.73	0.58	0.20	-1.25	-0.52	0.32	1.95	1.73	1.66	1.56
Dividends	0.16	0.07	0.04	0.04	0.04	1.06	1.00	0.85	0.75	0.67
Payout Ratio	23%	12%	21%	NM	NM	NM	52%	48%	44%	40%
Prices:High	7.25	7.70	7.40	8.00	14.87	24.14	24.97	25.41	25.38	22.55
Prices:Low	5.49	4.46	3.65	1.00	4.37	13.50	22.56	20.97	20.89	17.78
P/E Ratio:High	10	13	39	NM	NM	97	13	14	15	14
P/E Ratio:Low	8	8	19	NM	NM	54	12	12	12	11

Income Statement Analysis (Million \$)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Interest Income	NA	1,629	1,619	1,424	1,532	1,302	1,019	962	911	849
Tax Equivalent Adjustment	NA	15.0	11.1	11.5	20.2	19.3	16.0	13.4	NA	9.68
Non Interest Income	1,091	981	1,042	1,006	707	706	634	640	803	1,064
Loan Loss Provision	NA	174	635	2,075	1,057	644	65.2	81.3	55.1	164
% Expense/Operating Revenue	NA	66.2%	62.9%	166.0%	57.0%	62.5%	60.0%	60.5%	65.5%	64.3%
Pretax Income	825	707	352	-3,678	-296	22.6	514	544	553	524
Effective Tax Rate	22.3%	23.3%	11.3%	NM	NM	NM	10.3%	24.2%	27.8%	26.4%
Net Income	641	543	312	-3,094	-114	75.2	461	412	399	386
% Net Interest Margin	3.41	3.38	3.44	3.11	3.25	3.36	3.29	3.33	3.33	3.49
S&P Core Earnings	625	507	144	-662	-190	96.8	467	405	388	360

Balance Sheet & Other Financial Data (Million \$)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Money Market Assets	NA	136,842	320	403	419	1,965	551	105	960	138
Investment Securities	NA	8,719	9,895	8,588	4,384	4,500	4,363	4,527	4,239	4,929
Commercial Loans	16,971	20,525	19,715	20,577	23,639	22,308	12,354	10,845	10,303	9,486
Other Loans	NA	18,399	17,142	14,731	16,553	17,746	13,799	13,627	13,257	11,590
Total Assets	56,153	54,451	53,820	51,555	54,312	54,697	35,329	32,765	32,565	30,484
Demand Deposits	18,818	16,880	12,686	12,797	9,560	5,372	3,616	3,390	3,392	2,987
Time Deposits	NA	26,400	29,168	27,697	32,466	32,371	21,432	19,020	17,376	15,500
Long Term Debt	NA	3,098	3,814	3,803	6,871	6,955	4,513	4,597	6,227	6,808
Common Equity	5,404	5,032	4,618	3,648	5,349	5,949	3,014	2,594	2,538	2,275
% Return on Assets	1.2	1.0	0.6	NM	NM	0.2	1.4	1.3	1.3	1.3
% Return on Equity	11.7	11.3	7.6	NM	NM	1.7	16.6	16.0	16.6	17.3
% Loan Loss Reserve	1.9	2.5	3.3	4.0	2.2	1.4	1.0	-0.7	1.1	1.6
% Loans/Deposits	88.4	89.9	91.1	90.9	108.3	105.4	105.5	171.3	114.5	115.2
% Equity to Assets	NA	8.9	7.8	8.5	10.4	10.0	8.2	7.8	7.6	7.7

Data as orig reptd.; bef. results of disc opers/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.

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Huntington Bancshares Inc



Sub-Industry Outlook

Our fundamental outlook for the regional banks sub-industry for the next 12 months is positive, despite the many challenges facing the industry. Fourth quarter results benefited from home refinancings, gains on sales of loans and securities, and reserve releases. Fourth quarter profits for the 25 regional banks we cover, a group that includes all of the largest U.S. regional banks by assets, increased to a post-crisis high of \$4.3 billion, up 90% from a year ago. Excluding \$700 million of gains at one bank, quarterly profits for the group rose to \$3.6 billion, up 60%. For the group, net revenues increased 8.6% from a year ago, driven by a nearly 20% increase in noninterest income (40% of revenues), aided by a 2.2% increase in net interest income (60% of revenues). Net interest income was helped by faster loan growth. Loans increased 1.9% from the third quarter, up from the 1.5% average sequential growth rates seen in the previous several quarters, as corporate customers acted ahead of U.S. tax increases. Fourth quarter net interest margins fell to an average of 3.58%, from 3.63% in the third quarter and 3.70% a year ago. The Federal Reserve QE3 mortgage bond buying program has hurt yields on mortgage-backed securities, pushing down net interest margins at banks owning them.

The next 12 months for these banks will depend on the debt ceiling negotiations, growth of the U.S. economy, housing prices, length of the low interest rate environment, and regulatory costs. For these banks in 2013, we expect an 8% increase in net income on flat net revenues, reflecting our expectations of a 2.0% increase in net interest income, partly offset by a 3.5% decrease in noninterest income. These banks are well capitalized, with an average Tier 1 capital to risk-weighted assets ratio of 12.5% at year end.

Year to date through January 31, the S&P Regional

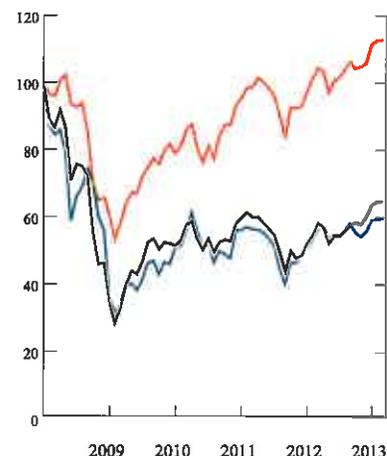
Banks Index rose 5.8%, matching a 5.8% rise in S&P 1500 Financials and exceeding a 5.2% rise for the S&P 1500 Index.

-- Erik Oja

Stock Performance

GICS Sector: Financials
Sub-Industry: Regional Banks

Based on S&P 1500 Indexes
Month-end Price Performance as of 02/28/13



Sub-Industry Sector S&P 1500

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

Sub-Industry : Regional Banks Peer Group*: Midwest/West Major Regional Banks

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 (%)
Huntington Bancshares	HBAN	5,953	7.07	7.25/5.49	1.63	2.3	10	6.70	B-	82	21.2	12.0
Fifth Third Bancorp	FITB	13,960	15.83	16.77/12.04	2.17	2.5	10	16.90	B	84	22.2	11.9
KeyCorp	KEY	8,711	9.33	9.84/6.80	0.91	2.1	10	9.50	B-	82	20.8	13.0

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.

Huntington Bancshares Inc**S&P Analyst Research Notes and other Company News****February 1, 2013**

In a move designed to strengthen the ongoing commitment to Michigan by Huntington Bancshares Incorporated, longtime local executive John Irwin has been named as West Michigan president. Irwin is taking over leadership of the region from Huntington's Regional and Commercial Banking Director Jim Dunlap, who will continue to lead the bank's statewide strategy and engagement. Irwin is a 32-year banking veteran who has been a part of Huntington's West Michigan commercial banking business for nearly 11 years, most recently as corporate banking regional manager. In his new role, Irwin will lead the commercial business segment and orchestrate business development and service activities among all of Huntington's businesses in the West Michigan region, while deepening the bank's community relationships. Irwin is a board member of the Gerald R. Ford Council, St. Cecilia Music Center and the Women's Resource Center, and is also a Steering Committee member of the Huntington Colleagues' Good Government Fund (HBI-PAC).

January 18, 2013

12:03 pm ET ... S&P KEEPS STRONG BUY RECOMMENDATION ON SHARES OF HUNTINGTON BANCSHARES (HBAN 6.96****): We keep our \$8.00 target price based on a slight premium to peers 11.4X our '13 EPS estimate of \$0.70. Q4 EPS of \$0.19, vs. \$0.14, beats our \$0.17 forecast, while full year EPS of \$0.70, vs. \$0.59, matches our view. Following a disappointing Q3, loan growth rebounded in Q4, loan credit quality improved, net interest income grew from Q3, the net interest margin rose, and the efficiency ratio (noninterest expenses to revenues) rose. We see HBAN's Q4 as better than peers' results and view it as well-positioned to grow loans, net interest income, and total revenues in '13. /Erik Oja

December 5, 2012

Huntington Bancshares Incorporated has named Barbara Benham director of corporate communications and government relations. She has served as interim director for the past year, reporting to Steve Steinour, Huntington's chairman, president and CEO. Benham has led the bank's government relations department for the past 10 years and has extensive experience in building partnerships in the communities the bank serves. Barbara will continue to oversee public relations, internal communications, and government relations. During her year in the position, she has helped to raise awareness in the community about Huntington, increase communications with Huntington colleagues and build strong innovative partnerships with elected officials, civic organizations and community groups. Based in Columbus, Benham currently serves on the Board of Directors for The Community Shelter Board, The Women's Fund of Central Ohio, Just Think, Inc, The Capital Square Foundation, and is Chair of the Government Affairs Steering Committee for the Greater Columbus Chamber of Commerce.

November 29, 2012

Huntington Bancshares Incorporated announced that it appointed Peter Arendt as Managing Director, food and agribusiness banking. Arendt will lead the development and expansion of Huntington's commercial banking initiative serving businesses engaged in the production, processing and distribution of food and agricultural products across Huntington's markets and beyond. Arendt joins Huntington from Bank of Oklahoma where he successfully built a broad-based food, agriculture and related commodities business for BOK Financial. Prior to Bank of Oklahoma, Arendt managed development of Wells Fargo's food and agribusiness in the Eastern U.S.

November 21, 2012

Huntington Bancshares Incorporated appointed Stephen Hoffman managing director, energy banking. Hoffman will lead the expansion of Huntington's commercial banking services for the oil, gas, coal, shale and other natural gas production industries across Huntington's markets.

November 19, 2012

Huntington Bancshares Incorporated appointed Sheila Spradlin Reich as managing director, international banking. Spradlin will expand Huntington's international banking services into a unified team of trade services, foreign-owned subsidiaries and U.S. Export-Import Bank lending that operates seamlessly with Huntington's extensive commercial banking treasury management and capital markets divisions. Spradlin joins Huntington from Fifth Third Bank where she led a team of 125 international banking professionals and most recently served as managing director, government & institutional banking.

November 7, 2012

Huntington Bancshares Incorporated has named Susan (Susie) Baker Shipley president of its Western Pennsylvania and Ohio Valley region. Shipley joins Huntington from The Royal Bank of Scotland/Citizens Bank where she was head of global trade finance for North America. In her new role, Shipley will lead the commercial business segment, and orchestrate business development and service activities among all of Huntington's businesses in the region, while deepening the bank's community relationships. She will report to Jim Dunlap, Huntington's regional and commercial banking director. Shipley will succeed David Hammer, who has chosen to leave Huntington to pursue other interests.

November 2, 2012

Huntington Bancshares Incorporated announced that William Hinga has been named managing director for Community Development Investments. In his new role, Hinga will serve as the principal business development officer for Huntington and will manage the development of new investment opportunities in the areas of affordable housing and small business development. Prior to coming to Huntington, Hinga worked at Red Capital Group, LLC from 2002-2012 as senior managing director, where he drove new business development in a five-state region, including generating mortgage, mezzanine and equity investments for multifamily and seniors housing.

October 23, 2012

Huntington Bancshares Incorporated has named Paul G. Heller as chief technology and operations officer. Heller is one of the digital technology executives in the United States, with an extensive background in operations. He is a 16-year veteran of Chase where he most recently was responsible for driving the strategy and successful execution of all digital banking and payments. He will report directly to Huntington's chairman, president and CEO, Steve Steinour. Heller began his career at Chase in 1995 as a vice president in operations for credit services. He rose steadily through the company and held a series of posts including chief technology officer (CTO) for the retail bank, CTO for the corporate internet group and CTO for the consumer bank. Prior to joining Chase, Heller worked for Andersen Consulting.

October 18, 2012

03:43 pm ET ... S&P KEEPS STRONG BUY RECOMMENDATION ON SHARES OF HUNTINGTON BANCSHARES INC. (HBAN 6.57****): On Q3 results, we raise our '12 EPS estimate to \$0.70 from \$0.68. Q3 EPS of \$0.19, vs. \$0.16, beats our \$0.17 estimate, on a one-time tax benefit. The quarter had no major positive or negative surprises on net interest margin, loan growth, noninterest income growth, or guidance, and HBAN appears to be successfully executing despite customer cautiousness in the face of economic uncertainty. We keep our \$8.00 target price, 11.4X our '13 EPS estimate of \$0.70, above the median of peers, on our view that HBAN is well positioned for a rebound in loan growth. /Erik Oja

Huntington Bancshares Inc

Analysts' Recommendations

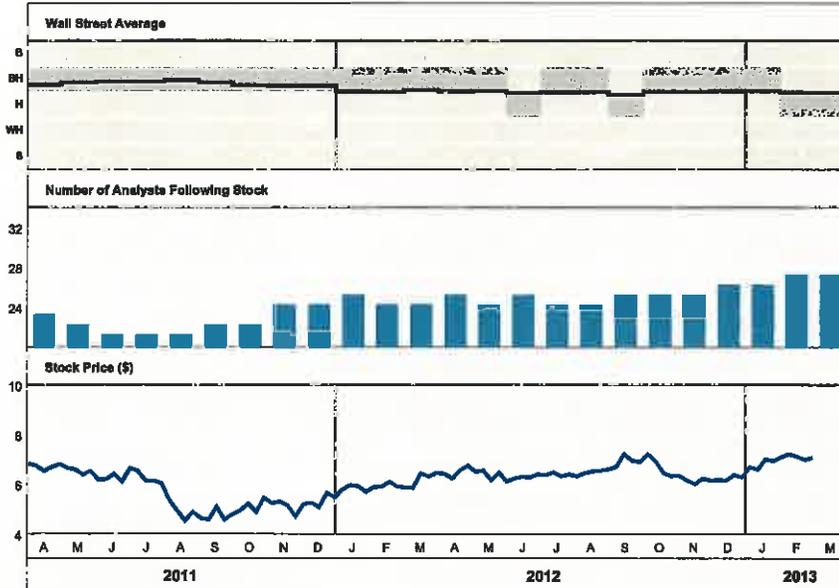
Wall Street Consensus Opinion

HOLD

Companies Offering Coverage

Barclays
 BofA Merrill Lynch
 Citigroup Inc
 Deutsche Bank
 Evercore Partners Inc.
 FBR Capital Markets & Co.
 Goldman Sachs
 Guggenheim Securities, LLC
 Hilliard Lyons
 Jefferies & Company, Inc.
 Keefe, Bruyette, & Woods, Inc.
 Macquarie Research
 Miller Tabak & Co., LLC
 Morgan Keegan & Company
 Morgan Stanley
 Morningstar Inc.
 Nomura Securities Co. Ltd.
 Oppenheimer & Co. Inc.
 RBC Capital Markets
 Raymond James & Associates
 Robert W. Baird & Co.
 S&P Equity Research
 Sanford C. Bernstein & Co., Inc.
 Stifel, Nicolaus & Co., Inc.
 SunTrust Robinson Humphrey, Inc.
 Susquehanna Financial Group, LLLP
 UBS Investment Bank

Monthly Average Trend Buy Buy/Hold Hold Weak Hold Sell No Opinion HBAN Trend



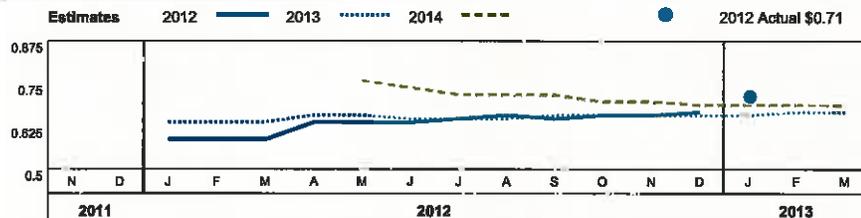
Of the total 27 companies following HBAN, 27 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	6	22	6	7
Buy/Hold	2	7	2	2
Hold	18	67	18	15
Weak Hold	1	4	1	2
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	27	100	27	26

Wall Street Consensus Estimates

Wall Street Consensus vs Performance

For fiscal year 2013, analysts estimate that HBAN will earn \$0.67. For fiscal year 2014, analysts estimate that HBAN's earnings per share will grow by 3% to \$0.69.



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2014	0.69	0.76	0.60	23	10.2
2013	0.67	0.72	0.60	23	10.6
2014 vs. 2013	▲ 3%	▲ 6%	0%	0%	▼ -4%
Q1 '14	0.16	0.18	0.14	7	44.2
Q1 '13	0.16	0.18	0.14	20	44.2
Q1 '14 vs. Q1 '13	0%	0%	0%	▼ -65%	0%

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.

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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 discussed 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 capitalize 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:

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	Raw Score	Max Value
Proprietary S&P Measures	23	115
Technical Indicators	21	40
Liquidity/Volatility Measures	13	20
Quantitative Measures	48	75
IQ Total	105	250

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

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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 December 31, 2012, research analysts at Standard & Poor's Equity Research Services North America recommended 35.2% of issuers with buy recommendations, 58.5% with hold recommendations and 6.3% with sell recommendations.

In Europe: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services Europe recommended 28.2% of issuers with buy recommendations, 51.8% with hold recommendations and 20.0% with sell recommendations.

In Asia: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services Asia recommended 34.7% of issuers with buy recommendations, 51.6% with hold recommendations and 13.7% with sell recommendations.

Globally: As of December 31, 2012, research analysts at Standard & Poor's Equity Research Services globally recommended 34.0% of issuers with buy recommendations, 56.8% with hold recommendations and 9.2% 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.

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In Europe: As of December 31, 2012, Standard & Poor's Quantitative Services Europe recommended 42.3% of issuers with buy recommendations, 21.5% with hold recommendations and 36.2% with sell recommendations.

In Asia: As of December 31, 2012, Standard & Poor's Quantitative Services Asia recommended 49.7% of issuers with buy recommendations, 20.1% with hold recommendations and 30.2% with sell recommendations.

Globally: As of December 31, 2012, Standard & Poor's Quantitative Services globally recommended 44.8% of issuers with buy recommendations, 20.5% with hold recommendations and 34.7% with sell recommendations.

Additional information is available upon request.

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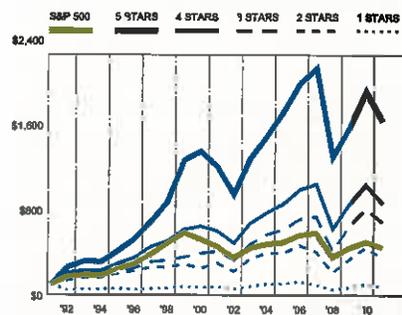
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U.S. STARS Cumulative Model Performance Hypothetical Growth Due to Price Appreciation of \$100 For the Period 12/31/1986 through 02/28/2013



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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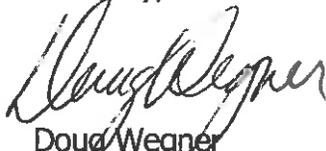
MARCH 2013

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

<u>Celgene Corp</u>	(CELG...\$108.37)*
Industry:	<i>Biotechnology</i>
Economic Sector:	<i>Healthcare</i>
Exchange:	<i>NASDAQ</i>
P/E = 32.84*	Yield = n/a*
Ratings:	
WF Securities	Outperform
S&P	Strong Buy
ValueEngine	Strong Buy

We appreciate your continued support and consideration.

Sincerely,


Doug Wegner
Financial Consultant

Enclosures

* as of March 5, 2013

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March 6, 2013

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RECOMMENDATION	
STRONG BUY	
BUY	
HOLD	
SELL	
STRONG SELL	
1-Yr Target Price	\$125.03
1-Yr Forecast Rtn	18.44%
Last Trade	\$105.56
Trade Date	03/04/13

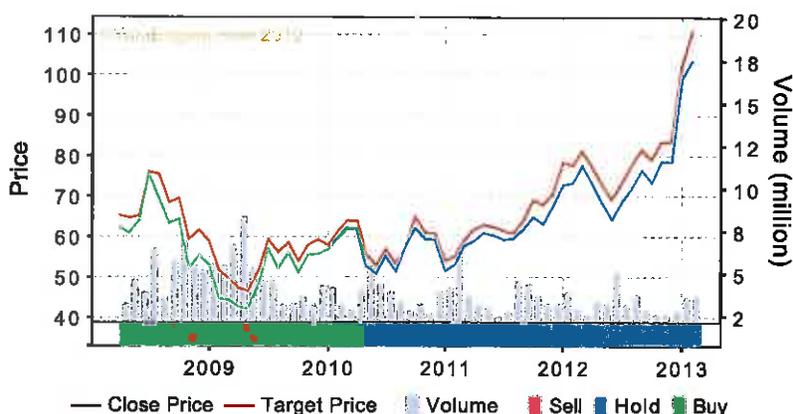
BASIC INFORMATION	
Last 1-Yr Rtn	44.46%
1-Yr Forecast Rtn Rank	top 1%
Market Cap(billion)	\$44.6508
Trailing 4 Qtrs P/E	22.67
Forward 4 Qtrs P/E	18.86
PEG Ratio	1.12
P/S Ratio	8.11
Est 5-Yr EPS Growth	21.80%
Annual Dividend	n/a
Dividend Yield	n/a
LT Debt/Equity	5.03
Beta	0.65
5-Yr Avg Annual Rtn	10.88%

Sector Medical
 Industry Medical-biomed/genetics

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VALUENGINE RECOMMENDATION

ValuEngine has issued a **STRONG BUY** recommendation for CELGENE CORP on Mar. 05, 2013. Based on the information we have gathered and our resulting research, we feel that CELGENE CORP has the probability to **OUTPERFORM** average market performance for the next year. The company exhibits **ATTRACTIVE** Company Size and Momentum.

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](#).

CELGENE CORP(CELG)

ANNUAL/QUARTERLY FINANCIALS - BALANCE SHEET (millions)

	201112	201012	3Q2012	2Q2012	1Q2012	4Q2011
ASSETS						
Cash	1859.46	1351.12	2715.53	1862.47	1861.06	1859.46
Marketable Securities	788.69	1250.17	1117.4	699.06	408.3	788.69
Receivables	945.53	706.42	957.45	884.9	1035.47	945.53
Inventory	189.57	260.13	235.86	223.19	215.63	189.57
Raw Materials	50.53	37.45	67.76	63.95	55.47	50.53
Work in Progress	115.17	95.82	105.68	105.43	129.26	115.17
Finished Goods	23.87	126.85	62.41	53.8	30.89	23.87
Notes Receivable	0	0	0	0	0	0
Other Current Assets	686.71	927.11	494.33	543.21	647.89	686.71
Total Current Assets	4353.22	4343.19	5385.66	4078.81	4034.87	4353.22
Property, Plant & Equipment	766.44	697.62	—	—	—	766.44
Accumulated Depreciation	260.4	187.7	—	—	—	260.4
Net Property, Plant & Equipment	506.04	509.91	547.39	526.82	519.12	506.04
Investment & Advances	26.59	23.07	0	0	28.52	26.59
Other non-current Assets	0	0	0	0	0	0
Deferred Charges	0	0	0	0	0	0
Intangibles	4731.91	5144.84	5231.14	5306.73	5371.1	4731.91
Deposits & Other Assets	388.12	156.12	444.62	468.83	393.9	388.12
TOTAL ASSETS	10005.91	10177.16	11608.83	10381.21	10347.54	10005.91
LIABILITIES & SHAREHOLDER'S EQUITY						
Notes Payable	0	0	0	0	0	0
Accounts Payable	121.52	94.46	110.39	109.04	100.41	121.52
Current Portion of Long-term Debt	526.68	0	324.89	390.43	150.52	526.68
Current Portion of Capital Leases	0	0	0	0	0	0
Accrued Expenses	701.7	592.33	744.06	623.83	601.92	701.7
Income Taxes Payable	30.04	11.42	2	89.16	30.82	30.04
Other Current Liabilities	160.01	372.15	169.94	180.45	204.22	160.01
Total Current Liabilities	1539.97	1070.38	1351.3	1392.92	1087.91	1539.97
Mortgages	0	0	0	0	0	0
Deferred Charges (taxes/income)	787.64	895.65	1098.58	1144.97	824.96	787.64
Convertible Debt	0	0	0	0	0	0
Long Term Debt	1275.58	1247.58	2769.31	1272.11	1273.85	1275.58
Non-Current Capital Leases	0	0	0	0	0	0
Other Long-Term Liabilities	889.98	968.06	660.91	613.16	1083.08	889.98
Minority Interest (liabilities)	0	0	0	0	0	0
Total Liabilities	4493.18	4181.69	5880.11	4423.17	4269.82	4493.18
Preferred Stock	0	0	0	0	0	0
Common Stock, Net	4.87	4.82	4.95	4.93	4.92	4.87
Capital Surplus	6764.47	6350.24	7283.5	7148.25	7058.12	6764.47
Retained Earnings	1566.41	248.26	2759.48	2335.32	1967.95	1566.41
Treasury Stock	2760.7	545.58	4241.42	3497.56	2931.39	2760.7
Other Equity	-62.33	-62.26	-77.8	-32.91	-21.88	-62.33
Total Shareholders' Equity	5512.72	5995.47	5728.71	5958.02	6077.71	5512.72
Total Liabilities & Shareholders Equity	10005.91	10177.16	11608.83	10381.21	10347.54	10005.91

CELGENE CORP(CELG)

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 CELGENE CORP is currently: 422.24

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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WELLS
FARGO

ADVISORS

March 06, 2013

Portfolio Report

Prepared for:
CITY OF TROY

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This report is not complete unless all pages, as noted, are included. Please read the information in 'Disclosures' found within this report for an explanation of the terms and concepts presented in this report.

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Understanding Your Portfolio

General Information

Investing involves risk, including the possible loss of principal. This report is intended to provide you with a descriptive overview of your current portfolio. The report may encompass one account or multiple accounts as specified in the report. The material has been prepared or is distributed solely for information purposes and does not supersede the proper use of your Wells Fargo Advisors client statements and/or trade confirmations, which are considered to be the official and accurate records of your account activity. Any market prices are only indications of market values, are subject to change, and may not reflect the value at which the securities could be sold. Reported prices should not be considered actual bids. For these reports, in certain groupings, Corporate Bonds Includes Certificates of Deposit. Additionally, the report is prepared as of trade date, rather than settlement date, and may be prepared on a different date than your statement. The information contained in this report may not reflect all holdings or transactions, their costs, or proceeds in your account.

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Asset Class Descriptions

The asset class descriptions below are included solely to provide insight into how individual securities are tied to specific asset classes. We use our best efforts to correctly classify investments. However, no warranty of accuracy is made.

Equity Investments: Equity investments refer to buying stocks of United States companies. The investment return to the owner of stock (shareholder) is in the form of dividends and/or capital appreciation. The market capitalization of companies is used to group large, medium (Mid), and small companies. Shareholders share in both the upside potential and the downside risk.

Capitalization: Market capitalization definitions differ but one example of capitalization methodology is that of Morningstar, which defines "large-capitalization" stocks as those stocks that form the top 70% of the market capitalization of the stocks eligible to be included in the Morningstar US Market Index (a diversified broad market index that represents approximately 97% of the market capitalization of publicly traded U.S. Stocks). The Morningstar Index methodology defines "mid-capitalization" stocks as those stocks that form the 20% of market capitalization between the 70th and 90th percentile of the market capitalization and "small-capitalization" stocks as those stocks that form the 7% of market capitalization between the 90th and 97th percentile of the market capitalization of the stocks eligible to be included in the Morningstar US Market Index.

Style: Blend (sometimes referred to as Core) Investing is generally characterized as a strategy that seeks to balance the portfolio of stocks between the Growth and Value styles as market conditions fluctuate. Stocks in the underlying index are designated as "growth" as they are issued by companies that typically have higher than average historical and forecasted earnings, sales, equity and cash flow growth. Stocks in the underlying index are weighted according to the total number of shares that are publicly owned and available for trading. Stocks in the underlying index are designated as "value" as they are issued by companies that typically have relatively low valuations based on price-to-earnings, price-to-book value, price-to-sales, price-to-cash flow and dividend yields. The stocks in the underlying index are weighted according to the total number of shares that are publicly owned and available for trading.

Cash Alternatives: Cash Alternatives include liquid, short term and interest bearing investments. Examples are money market funds, Treasury bills and commercial paper. It is possible to lose money by investing in cash alternatives.

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Fact Sheet Disclosures

Product Profiles

Portfolio Composition data is based on information obtained from the investment company and is updated as of the date shown in the section's title. This data will vary over time. There is no guarantee that the underlying Fund, which this subaccount invests in, will continue to hold any one particular security or stay invested in any one particular country. The composition of the underlying fund's holdings are subject to change.

The Price History Graph shown on this report illustrates the past 5 years of historical performance of the particular security. The volume bars below the graph are of month end totals.

First Call Earnings Estimate provides First Call's proprietary analyst consensus ranking on a five point scale (1=buy, 3=hold, 5=sell), calculated using the arithmetic mean of all contributing analysts' quarterly and annual estimated earnings.

The Performance section shows the performance of YTD, 1 Year, 3 Year and 5 Year total return figures and lists, if applicable, the last stock split the company has completed.

Profitability Ratios, Operating Ratios and Total Ratios comprise a set of ratios showing the day-to-day performance of the particular company.

Income Statement is a financial statement showing a firm's revenue and expenses during a specified period. Areas covered are Revenue, Expenses and Net Income.

The Balance Sheet shows the firm's financial condition at a specified point in time. Categories included in the Balance Sheet section are Total Assets (\$MM), Current Assets, Inventories, Non-Current Assets, Total Liabilities, Current Liability, Long Term Debt, and Total Equity.

The Cash Flow Statement (Annual) is a statement of the amount of cash inflows and outflows for the particular company. The cash flow statement section includes Cash Flow from Operations, Depreciation and Amortization, Deferred Taxes, Income Sources, Capital Spending and Free Cash Flows.

The Liquidity Ratios are used to identify company performance and potential investment opportunities. Current Ratio, Quick Ratio, Debt/Equity, Leverage Ratio and Int Coverage from Cont Ops (International Coverage from Continuing Operations).

Return on Equity - The adjusted profit of a company divided by its equity. For instance, if the adjusted profit of a company is \$10M and Equity is \$100M, the Return on Equity is 10%.

Return on Assets - Indicator of profitability. Determined by dividing net income for the past 12 months by total assets. Result is shown as a percentage.

Return on Invested Capital - The overall profit (or loss) on an investment expressed as a percentage of the total invested. For example: The company invests \$5,000 in the shares of another company and sometime later has received \$100 in dividends with the value of the shares now \$5,200. The return on investment is: $[\$100 + \$5,200 - \$5,000] / \$5,000 \times 100 = 6\%$.

Free Cash Flows - The amount of money that a business has at its disposal at any given time after paying out operating costs, interest payments on bank loans and bonds, salaries, research and development and other fixed costs.

Current Ratio - A test of liquidity showing the difference between current assets and current liabilities. Calculated as: (current assets) divided by (current liabilities).

Quick Ratio - Ratio of liquid assets to current liabilities, taken as a measure of liquidity.

Leverage Ratio - The ratio of a company's long term debt, typically bonds and preferred stock, to its equity in its capital structure. The greater the long term debt, the greater the leverage.

Split Ratio - The proportion of new number of shares (post-split) divided by old number of shares (pre-split). For example, a split ratio of 2.00 is a two-for-one split giving each shareholder an additional share for each share held.

Payout Ratio - The proportion of earnings paid out in dividends to shareholders, that is, dividend payment divided by earnings.

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Top Holdings, Composition, Geographic Breakdown and Sector Weightings data is based on portfolio information obtained from the investment company, is updated as of the date shown in the section's title, and will vary over time. Geographic Breakdown and Sector Weightings are calculated solely from the portfolio equity holdings.

Government Funds

The U.S. Government guarantee applies only to the underlying securities of the fund's portfolio and not to the value of the fund's shares.

Municipal Bond Funds

Certain investors' income may be subject to the federal Alternative Minimum Tax (AMT), and state and local taxes may also apply.

Insured Municipal Bond Funds

Insurance pertains to the timely payment of principal and interest by the issuer of the underlying securities, and not to the value of the fund's shares. Certain investors' income may be subject to the federal Alternative Minimum Tax (AMT), and state and local taxes may also apply.

High-Yield Funds

High-yield bonds, commonly known as junk bonds, are subject to greater loss of principal and interest, including default risk, than higher-rated bonds. This may result in greater share price volatility.

Global or International Funds

Investing in foreign securities presents certain unique risks not associated with domestic investments, such as currency fluctuation and political and economic changes. This may result in greater share price volatility.

Geographic Concentration Funds

The fund may focus its investments in certain geographical regions, thereby increasing its vulnerability to developments in that region. This may result in greater share price volatility.

Real Estate Funds

The fund involves additional risk due to its narrow focus. There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuations and the impact of varied economic conditions.

Sector Funds

The fund may focus its investments on certain economic sectors, thereby increasing its vulnerability to any single economic, political or regulatory development. This may result in greater share price volatility.

Non-Diversified (Concentrated) Funds

This fund is not diversified. Investing in a non-diversified fund involves greater risk than a diversified investment, because a loss resulting from a particular security's poor performance will have a greater impact on the fund's overall return.

The Rank shows the security's rank against all securities within its investment category (shown at the top of the page) based on total return and DOES NOT include the effects of sales charges. Each rank is expressed as a number where 1 = best and 2 = second best, etc. Rankings are generated by Thomson Reuters.

The Growth of \$10,000 graph shown on this report illustrates the growth of a \$10,000 investment in the security over a period of 11 years or the security's lifetime in relation to its benchmark index, whichever is shorter. The effects of any applicable sales charges and fees are included.

MPT Statistics

The Modern Portfolio Theory (MPT) Statistics section shows the Standard Deviation, Alpha, Beta, R-squared, Sharpe and Treynor statistics for the Item. Definitions of these statistics are included at the end of the disclosures.

Standard deviation is a measure of a security's volatility, or variability in expected return. As such, it is a measure of risk since risk can be defined as the uncertainty of the expected return. Higher numbers indicate higher historical volatility. Standard deviation is most often used as a measure of risk relative to other securities or indexes. Standard Deviation does not measure all aspects of investment risks.

The Beta coefficient is a measure of a security's volatility relative to the market. An index relevant to the security's stated investment category is used as the proxy for the market, and is considered to have a 1.00 Beta. Therefore, if a security has a Beta of 1.50, it has been historically 50% more volatile than the market for the period of years shown.

The Alpha coefficient is a measure of risk-adjusted return. This number represents the difference between the security's actual performance and the performance anticipated in light of the security's risk posture and the market's behavior. A positive Alpha indicates that the manager has been successful at security selection and/or market timing, and has produced a rate of return which is more than commensurate with the security's risk posture.

R-squared is a measure of diversification relative to the market, as represented by an index relevant to the security's stated investment category. It tells us, in precise percentage terms, just how closely a security's performance variation paralleled the market over the time period shown.

The Sharpe and Treynor Ratios are measures of risk-adjusted performance. Higher values are desirable and indicate greater return per unit of risk. The Sharpe and Treynor Ratios measure risk by standard deviation and beta, respectively.

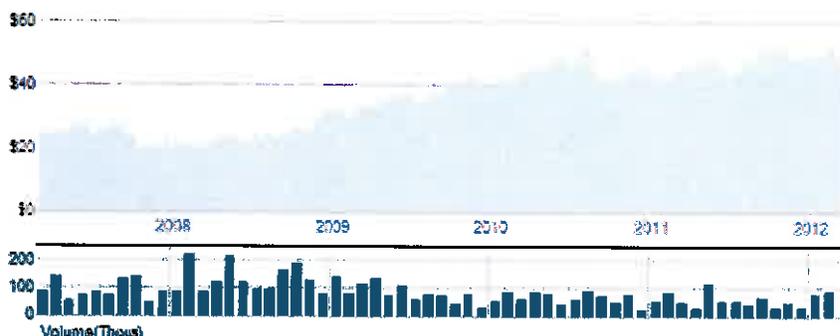
Directv Cl A DTV (NASDAQ)

Latest Price : \$ 48.94 (03/05/2013)

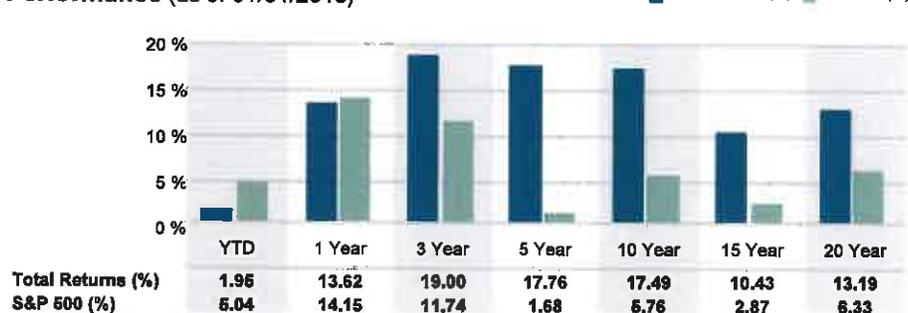
Shares Outstanding (Mil) : 573 (03/01/2013)

Profile Report

Price Graph (up to 60 months)

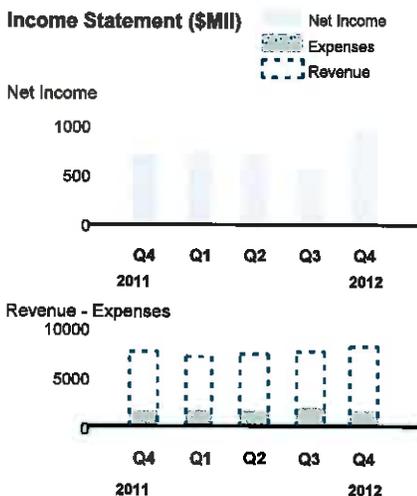


Performance (as of 01/31/2013)



*Benchmark: S&P 500 Composite Index

Financial Statement (as of 12/31/2012)



Balance Sheet (as of 12/31/2012)

Total Assets (\$Mil)	20,439
Current Assets	5,554
Cash	1,908
Inventories	412
Non-Current Assets	14,885
Total Liabilities	25,470
Current Liabilities	5,541
Long Term Debt	17,698
Total Equity	-

Cash Flow Statement (Annual)

Cash Flow From Oper	5,261
Depr & Amor	2,437
Deffered Taxes	-102
Other Income	2,926
Capital Spending	3,349
Free Cash Flows	1,912

Profitability Ratios (as of 12/31/2012)

Return on Equity (ROE)	161.8
Return on Assets (ROA)	18.1
Return on Invested Capital	29.6
Pre-Tax Profit Margin (%)	14.5
Post-Tax Profit Margin (%)	9.9
Net Profit Margin (%)	9.9

Dividends (as of 12/31/2012)

Current Div/Share	0.00
Dividend Yield %	0.00
5 Year Growth %	0.00
Payout Ratio %	0
Split Ratio	3.00
Last Split	07/03/2000

Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$4.58	\$18.96
Dividend Yield %	0.00	2.10
Net Profit Margin	\$9.92	\$8.03
Market Cap (Mil)	\$27,825	\$27,493
52 Week High	\$55.17	\$50.97
52 Week Low	\$42.87	\$36.51
P/E Current	10.60	-
Price/Book	-5.25	0.20
Price/Sales	1.09	0.11
Price/Cash Flow	5.94	1.72

First Call Consensus

	BUY	HOLD	HOLD/SELL	SELL
1	24	3	4	1
Current Mean	2.4			
High	4			
Low	1			
Number of Analysts	22			

Company Overview

Sector: Consumer Discretionary
 Industry: Media
 Address: 2230 East Imperial Highway, EL SEGUNDO, CA 90245
 Investor Relations: +1 310 964-5000

DIRECTV is a provider of digital television entertainment in the United States and Latin America. The Company operates two direct-to-home (DTH), operating segments: DIRECTV U.S. and DIRECTV Latin America, which are engaged in acquiring, promoting, selling and/or distributing digital entertainment programming primarily via satellite to residential and commercial subscribers. It also owns and operates three regional sports networks (RSNs) and owns a 60% interest in Game Show Network, LLC (GSN), a cable television network for game-related programming and Internet interactive game playing. DIRECTV Holdings LLC and its subsidiaries (referred to as DIRECTV U.S.) is the provider of DTH digital television services and a provider in the multi-channel video programming distribution (MVPD), industry in the United States. As of December 31, 2011, DIRECTV U.S. had approximately 19.9 million subscribers.

Liquidity Ratios (as of 12/31/2012)

Current Ratio	1.00
Quick Ratio	0.83
Debt/Equity	-3.32
Leverage Ratio	-32.59
Interest Coverage from Cont.Operations	5.95

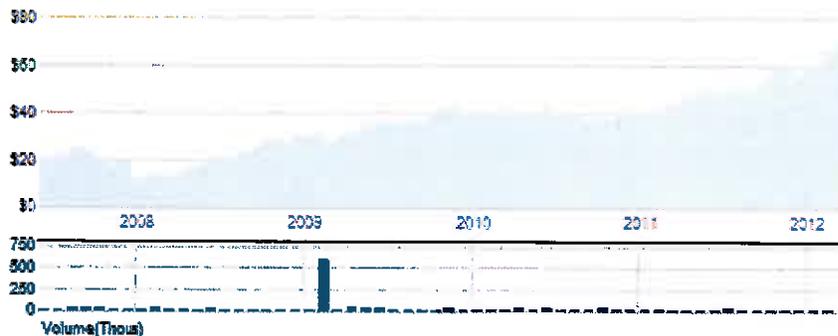
Discovery Communications Inco-Disca DISCA (NASDAQ)

Latest Price : \$ 76.6 (03/05/2013)

Shares Outstanding (Mil) : 145 (03/01/2013)

Profile Report

Price Graph (up to 60 months)



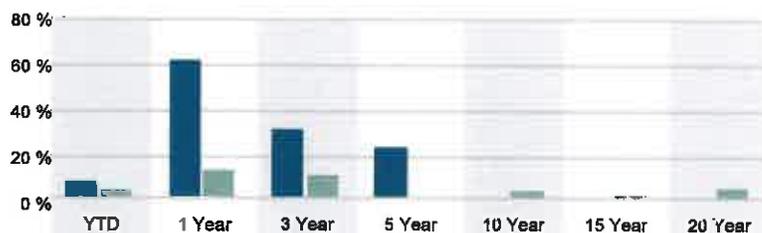
Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$2.73	\$18.96
Dividend Yield %	0.00	2.10
Net Profit Margin	\$26.73	\$8.03
Market Cap (Mil)	\$10,855	\$27,493
52 Week High	\$74.99	\$50.97
52 Week Low	\$46.21	\$36.51
P/E Current	27.43	-
Price/Book	2.85	0.20
Price/Sales	3.92	0.11
Price/Cash Flow	13.68	1.72

First Call Consensus

	BUY	HOLD	HOLD/SELL	SELL	
	1	27	3	4	
				5	
Current Mean					2.7
High					5
Low					1
Number of Analysts					26

Performance (as of 01/31/2013)



	YTD	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year
Total Returns (%)	9.29	61.80	32.75	24.47	-	-	-
S&P 500 (%)	5.04	14.15	11.74	1.68	5.76	2.87	6.33

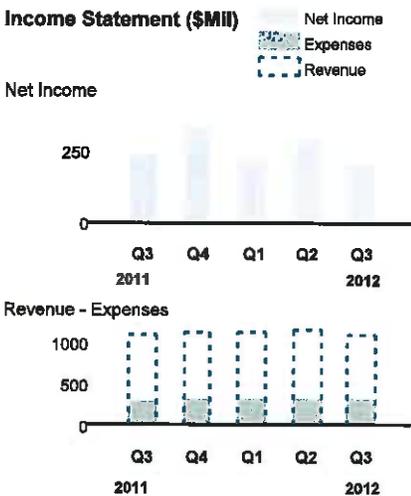
*Benchmark: S&P 500 Composite Index

Company Overview

Sector **Consumer Discretionary**
 Industry **Media**
 Address **One Discovery Place, SILVER SPRING, MD 80112**
 Investor Relations **+1 240 662-2000**

Discovery Communications, Inc. (Discovery) is a global nonfiction media and entertainment company that provide programming across multiple distribution platforms worldwide. It also has a diversified portfolio of Websites and other digital media services, develops and sells curriculum-based education products and services, and provides postproduction audio services. Discovery operates in three segments: U.S. Networks, International Networks and Education and Other. The Company's U.S. Networks, consists principally of domestic cable and satellite television networks, Websites and other digital media services. Its International Networks consists of international cable and satellite television networks and Websites. Education and Other consists of curriculum-based education product and service offerings and postproduction audio services. On November 2, 2011, it acquired a non-fiction entertainment production company. On December 29, 2011, i.

Financial Statement (as of 12/31/2011)



Balance Sheet (as of 12/31/2011)

Total Assets (\$Mil)	11,913
Current Assets	2,431
Cash	1,048
Inventories	0
Non-Current Assets	9,482
Total Liabilities	5,394
Current Liabilities	746
Long Term Debt	4,219
Total Equity	6,515

Cash Flow Statement (Annual)

Cash Flow From Oper	2,242
Depr & Amor	119
Deferred Taxes	0
Other Income	2,123
Capital Spending	58
Free Cash Flows	2,184

Liquidity Ratios (as of 12/31/2011)

Current Ratio	3.26
Quick Ratio	2.86
Debt/Equity	0.65
Leverage Ratio	6.48
Interest Coverage from Cont.Operations	8.66

Profitability Ratios (as of 12/31/2011)

Return on Equity (ROE)	17.8
Return on Assets (ROA)	11.1
Return on Invested Capital	12.3
Pre-Tax Profit Margin (%)	37.6
Post-Tax Profit Margin (%)	26.7
Net Profit Margin (%)	26.7

Dividends (as of 12/31/2011)

Current Div/Share	0.00
Dividend Yield %	0.00
5 Year Growth %	0.00
Payout Ratio %	0
Split Ratio	0.00
Last Split	-

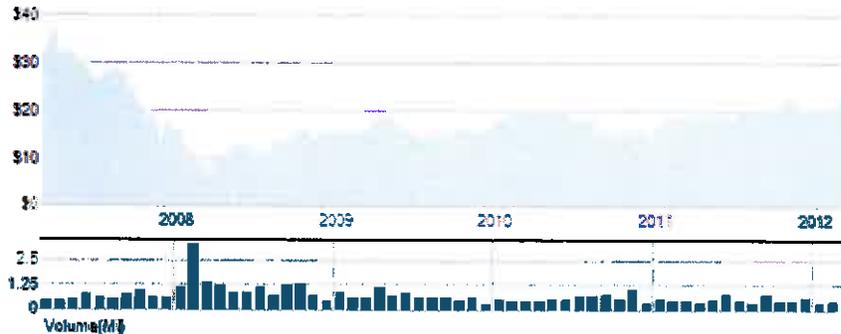
General Electric Co. GE (NYSE)

Latest Price : \$ 23.59 (03/05/2013)

Shares Outstanding (Mil) : 10,398 (03/01/2013)

Profile Report

Price Graph (up to 60 months)



Performance (as of 01/31/2013)



*Benchmark: S&P 500 Composite Index

Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$1.29	\$18.96
Dividend Yield %	3.28	2.10
Net Profit Margin	\$9.42	\$8.03
Market Cap (Mil)	\$241,136	\$27,493
52 Week High	\$23.75	\$50.97
52 Week Low	\$18.02	\$36.51
P/E Current	17.96	-
Price/Book	1.98	0.20
Price/Sales	1.53	0.11
Price/Cash Flow	6.88	1.72

First Call Consensus

	BUY	HOLD	HOLD/SELL	SELL
Current Mean	2	3	4	5
High	3	4	5	
Low	1	2	3	4
Number of Analysts	16			

Company Overview

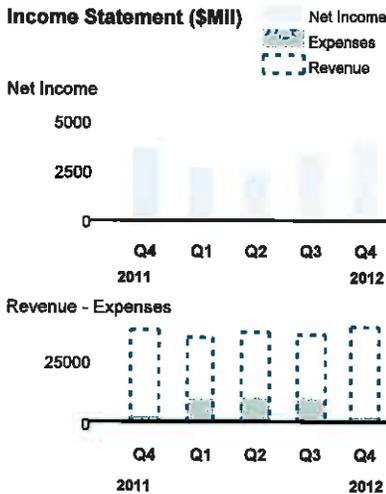
Sector Industrials
Industry Industrial Conglomerates
Address 3135 Easton Turnpike, FAIRFIELD, CT 06828-0001
Investor Relations +1 203 373-2211

General Electric Company (GE) is a diversified technology and financial services company. The products and services of the Company range from aircraft engines, power generation, water processing, and household appliances to medical imaging, business and consumer financing and industrial products. It serves customers in more than 100 countries. Its segments include Energy Infrastructure, Aviation, Healthcare, Transportation, Home & Business Solutions and GE Capital. Effective January 1, 2011, it reorganized the Technology Infrastructure segment into three segments: Aviation, Healthcare and Transportation. In April 2012, GE Healthcare acquired SeqWright, Inc. In December 2012, the Company acquired 19% interest in Morpho Detection Inc. In February 2013, it announced the sale of its remaining 49% interest in its joint venture with Comcast, which includes NBCUniversal (NBCU), as well as the NBCU floors in 30 Rockefeller Center.

Liquidity Ratios (as of 12/31/2012)

Current Ratio	0.91
Quick Ratio	0.84
Debt/Equity	3.37
Leverage Ratio	33.67
Interest Coverage from Cont.Operations	2.12

Financial Statement (as of 12/31/2012)



Balance Sheet (as of 12/31/2012)

Total Assets (\$Mil)	685,300
Current Assets	420,600
Cash	125,700
Inventories	13,792
Non-Current Assets	264,700
Total Liabilities	556,900
Current Liabilities	181,006
Long Term Debt	414,100
Total Equity	123,000

Cash Flow Statement (Annual)

Cash Flow From Oper	35,152
Depr & Amor	9,185
Deferred Taxes	-203
Other Income	26,170
Capital Spending	12,650
Free Cash Flows	16,044

Profitability Ratios (as of 12/31/2012)

Return on Equity (ROE)	11.4
Return on Assets (ROA)	1.9
Return on Invested Capital	4.0
Pre-Tax Profit Margin (%)	12.0
Post-Tax Profit Margin (%)	9.4
Net Profit Margin (%)	9.4

Dividends (as of 12/31/2012)

Current Div/Share	0.76
Dividend Yield %	3.28
5 Year Growth %	-9.45
Payout Ratio %	49
Split Ratio	3.00
Last Split	05/08/2000

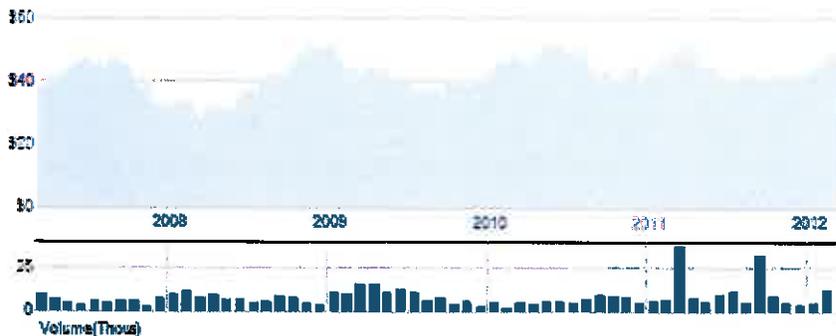
Global Payments Inc. GPN (NYSE)

Latest Price : \$ 48.37 (03/05/2013)

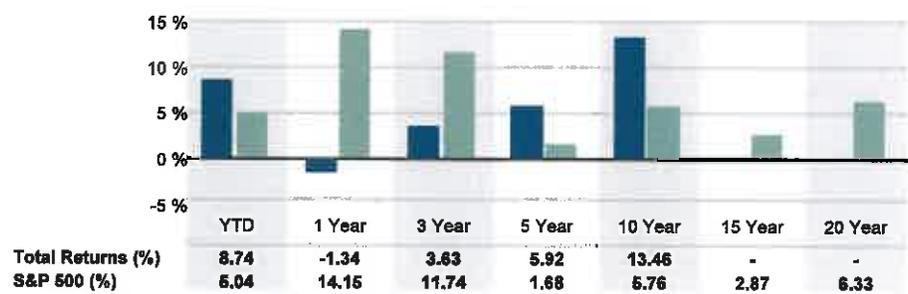
Shares Outstanding (Mil) : 79 (03/01/2013)

Profile Report

Price Graph (up to 60 months)



Performance (as of 01/31/2013)



*Benchmark: S&P 500 Composite Index

Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$2.28	\$18.96
Dividend Yield %	0.17	2.10
Net Profit Margin	8.54	\$8.03
Market Cap (Mil)	\$3,781	\$27,493
52 Week High	\$53.93	\$50.97
52 Week Low	\$39.37	\$36.51
P/E Current	21.07	-
Price/Book	3.06	0.20
Price/Sales	1.63	0.11
Price/Cash Flow	10.90	1.72

First Call Consensus

	BUY	HOLD	HOLD/SELL	SELL
	1	23	3	5
Current Mean	2.3			
High	3			
Low	1			
Number of Analysts	29			

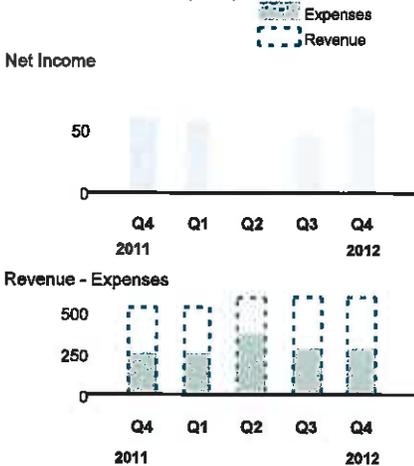
Company Overview

Sector Information Technology
 Industry IT Services
 Address North Tower 10 Glenlake Parkway NE, ATLANTA, GA 30328
 Investor Relations +1 770 829-8000

Global Payments Inc. (Global Payments) is a provider of electronic payments transaction processing services for consumers, merchants, independent sales organizations (ISOs), financial institutions, government agencies and multi-national corporations located throughout the United States, Canada, the United Kingdom, Spain, the Asia-Pacific region, the Czech Republic, and the Russian Federation. The Company serves as an intermediary to facilitate electronic payment transactions and operates in two business segments: North America Merchant Services and International Merchant Services. On December 5, 2011, the Company acquired the merchant acquiring business of Alfa-Bank. On December 30, 2011, the Company acquired a merchant acquiring business in Malta from HSBC Malta. On January 31, 2012, it acquired the United States merchant portfolio of CyberSource from Visa.

Financial Statement (as of 05/31/2012)

Income Statement (\$Mil)



Balance Sheet (as of 05/31/2012)

Total Assets (\$Mil)	2,591
Current Assets	1,249
Cash	781
Inventories	10
Non-Current Assets	1,342
Total Liabilities	1,146
Current Liabilities	837
Long Term Debt	237
Total Equity	1,172

Cash Flow Statement (Annual)

Cash Flow From Oper	333
Depr & Amor	99
Deferred Taxes	-19
Other Income	254
Capital Spending	110
Free Cash Flows	217

Profitability Ratios (as of 05/31/2012)

Return on Equity (ROE)	20.5
Return on Assets (ROA)	8.5
Return on Invested Capital	12.4
Pre-Tax Profit Margin (%)	13.6
Post-Tax Profit Margin (%)	8.5
Net Profit Margin (%)	8.5

Dividends (as of 05/31/2012)

Current Div/Share	0.08
Dividend Yield %	0.17
5 Year Growth %	0.00
Payout Ratio %	3
Split Ratio	2.00
Last Split	10/31/2005

Liquidity Ratios (as of 05/31/2012)

Current Ratio	1.49
Quick Ratio	1.41
Debt/Equity	0.45
Leverage Ratio	2.02
Interest Coverage from Cont.Operations	18.83

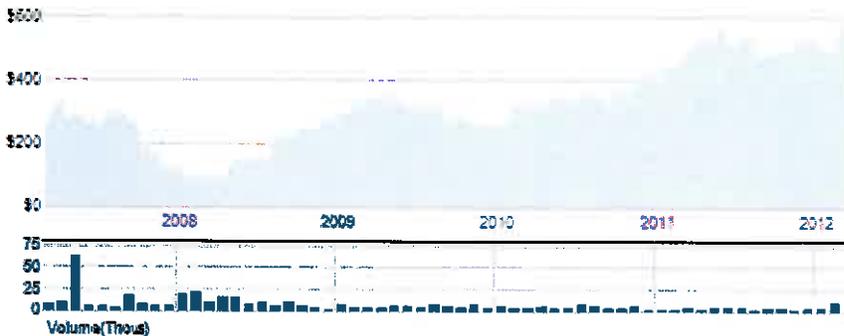
Intuitive Surgical Inc. ISRG (NASDAQ)

Latest Price : \$ 525.72 (03/05/2013)

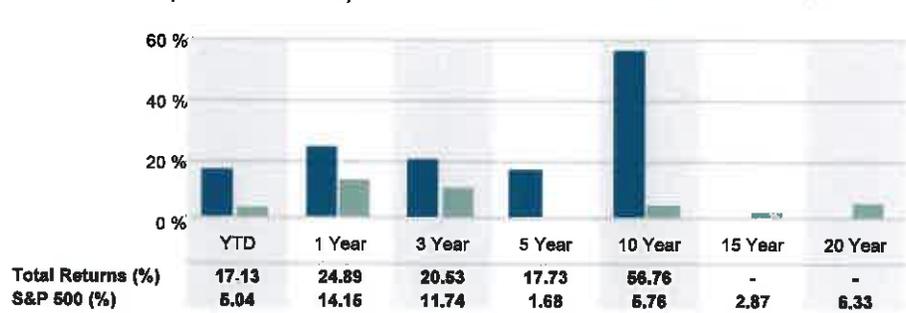
Shares Outstanding (Mil) : 40 (03/01/2013)

Profile Report

Price Graph (up to 60 months)



Performance (as of 01/31/2013)



*Benchmark: S&P 500 Composite Index

Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$15.98	\$18.96
Dividend Yield %	0.00	2.10
Net Profit Margin	\$30.14	\$8.03
Market Cap (Mil)	\$22,206	\$27,493
52 Week High	\$594.89	\$50.97
52 Week Low	\$467.26	\$36.51
P/E Current	34.63	-
Price/Book	6.21	0.20
Price/Sales	9.25	0.11
Price/Cash Flow	25.86	1.72

First Call Consensus

BUY	HOLD	HOLD/SELL	SELL
1	21	3	5
Current Mean	2.1		
High	3		
Low	1		
Number of Analysts	16		

Company Overview

Sector Health Care
Industry Health Care Equipment & Supplies
Address Building 101 1266 Kifer Road, SUNNYVALE, CA 94086-5304
Investor Relations +1 408 523-2100

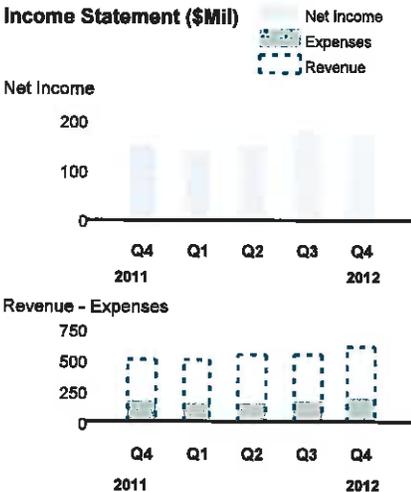
Intuitive Surgical, Inc. (Intuitive) designs, manufactures and markets da Vinci Surgical Systems and related instruments and accessories. A da Vinci Surgical System consists of a surgeon's console, a patient-side cart and a high performance vision system. The da Vinci Surgical System translates a surgeon's natural hand movements, which are performed on instrument controls at a console, into corresponding micro-movements of instruments positioned inside the patient through small incisions, or ports. The da Vinci Surgical System is designed to provide its operating surgeon with intuitive control, range of motion, fine tissue manipulation capability and three dimensional (3-D), high-definition (HD) vision while simultaneously allowing the surgeon to work through the small ports of MIS. On January 11, 2012, the Company acquired its Korean distributor.

Liquidity Ratios (as of 12/31/2012)

Current Ratio	4.71
Quick Ratio	4.22
Debt/Equity	0.00
Leverage Ratio	0.00
Interest Coverage from Cont.Operations	4,342.59

Financial Statement (as of 12/31/2012)

Income Statement (\$Mil)



Balance Sheet (as of 12/31/2012)

Total Assets (\$Mil)	3,972
Current Assets	1,893
Cash	1,324
Inventories	122
Non-Current Assets	2,079
Total Liabilities	392
Current Liabilities	402
Long Term Debt	0
Total Equity	3,580

Cash Flow Statement (Annual)

Cash Flow From Oper	880
Depr & Amor	58
Deferred Taxes	-21
Other Income	843
Capital Spending	142
Free Cash Flows	738

Profitability Ratios (as of 12/31/2012)

Return on Equity (ROE)	21.1
Return on Assets (ROA)	18.9
Return on Invested Capital	21.1
Pre-Tax Profit Margin (%)	41.0
Post-Tax Profit Margin (%)	30.1
Net Profit Margin (%)	30.1

Dividends (as of 12/31/2012)

Current Div/Share	0.00
Dividend Yield %	0.00
5 Year Growth %	0.00
Payout Ratio %	0
Split Ratio	0.00
Last Split	-

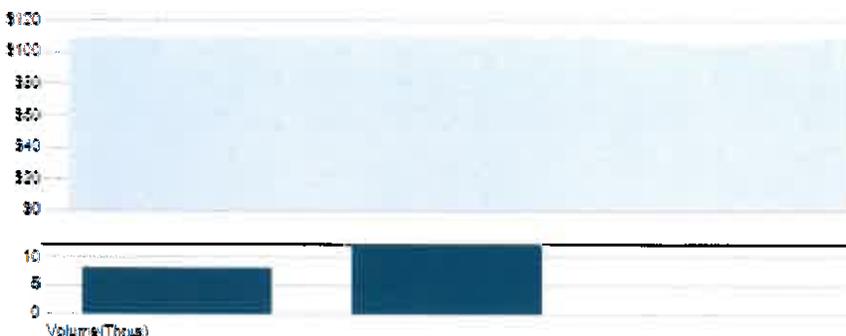
Liberty Media Corp.-Lmca LMCA (NASDAQ)

Latest Price : \$ 110.81 (03/05/2013)

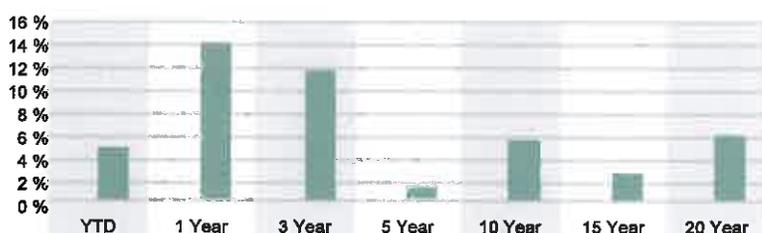
Shares Outstanding (Mil) : 110 (03/01/2013)

Profile Report

Price Graph (up to 60 months)



Performance (as of 01/31/2013)



Period	Total Returns (%)	S&P 500 (%)
YTD	5.04	5.04
1 Year	14.15	14.15
3 Year	11.74	11.74
5 Year	1.68	1.68
10 Year	5.76	5.76
15 Year	2.87	2.87
20 Year	6.33	6.33

*Benchmark: S&P 500 Composite Index

Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$4.75	\$18.96
Dividend Yield %	0.00	2.10
Net Profit Margin	\$40.45	\$8.03
Market Cap (Mil)	\$11,886	\$27,493
52 Week High	\$121.74	\$50.97
52 Week Low	\$79.22	\$36.51
P/E Current	22.75	-
Price/Book	3.54	0.20
Price/Sales	-	0.11
Price/Cash Flow	20.81	1.72

First Call Consensus

	BUY	BUY/HOLD	HOLD	HOLD/SELL	SELL
Current Mean	1.9	2	3	4	5
High					
Low					
Number of Analysts	9				

Company Overview

Sector	Consumer Discretionary
Industry	Media
Address	12300 Liberty Boulevard, ENGLEWOOD, CO 80112
Investor Relations	+1 720 875-5400

Liberty Media Corporation, formerly Liberty Spinco, Inc., incorporated on August 10, 2012, focuses on the media, communications and entertainment industries through its ownership of interests in subsidiaries and other companies. Its businesses and assets include consolidated subsidiaries, Atlanta National League Baseball Club, Inc. and TruePosition, Inc., its equity affiliates Sirius XM Radio Inc. and Live Nation Entertainment, Inc. and minority investments in public companies such as Barnes & Noble, Inc., Time Warner Inc., Time Warner Cable, Inc., Viacom Inc. and Sprint Nextel Corporation. On January 11, 2013, Liberty Media Corporation and Starz announced the completion of the spin-off of Liberty from Starz. In connection with the spin-off, Liberty changed its name from Liberty Spinco, Inc. to Liberty Media Corporation. In January 2013, the Company announced that it held approximately 50.7% interest of Sirius XM Radio Inc.

Financial Statement (as of 12/31/2011)

Income Statement (\$Mil)

	Net Income	Expenses	Revenue
Net Income			
Revenue - Expenses			

Balance Sheet (as of 12/31/2011)

Total Assets (\$Mil)	5,139
Current Assets	2,058
Cash	970
Inventories	0
Non-Current Assets	3,081
Total Liabilities	1,485
Current Liabilities	889
Long Term Debt	0
Total Equity	3,656

Cash Flow Statement (Annual)

Cash Flow From Oper	623
Depr & Amor	0
Deferred Taxes	0
Other Income	0
Capital Spending	0
Free Cash Flows	0

Profitability Ratios (as of 12/31/2011)

Return on Equity (ROE)	15.8
Return on Assets (ROA)	8.2
Return on Invested Capital	12.3
Pre-Tax Profit Margin (%)	51.2
Post-Tax Profit Margin (%)	40.5
Net Profit Margin (%)	40.5

Dividends (as of 12/31/2011)

Current Div/Share	0.00
Dividend Yield %	0.00
5 Year Growth %	0.00
Payout Ratio %	0
Split Ratio	0.00
Last Split	-

Liquidity Ratios (as of 12/31/2011)

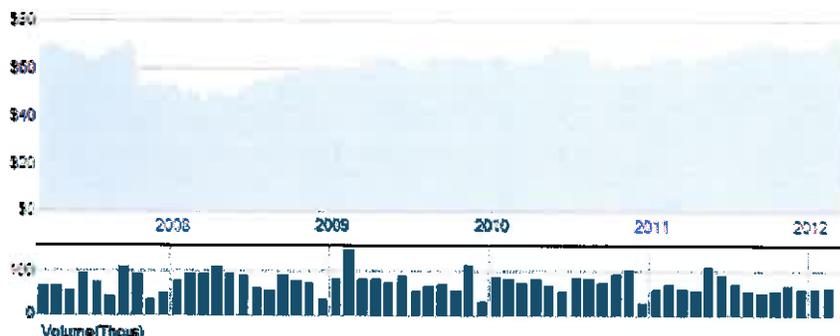
Current Ratio	2.31
Quick Ratio	0.00
Debt/Equity	0.00
Leverage Ratio	0.00
Interest Coverage from Cont.Operations	0.00

Pepsico Inc. PEP (NYSE)

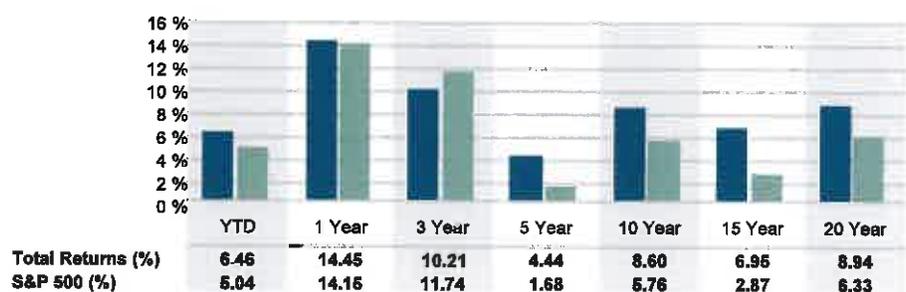
Latest Price : \$ 76.9 (03/05/2013)

Shares Outstanding (Mil) : 1,543 (03/01/2013)

Price Graph (up to 60 months)



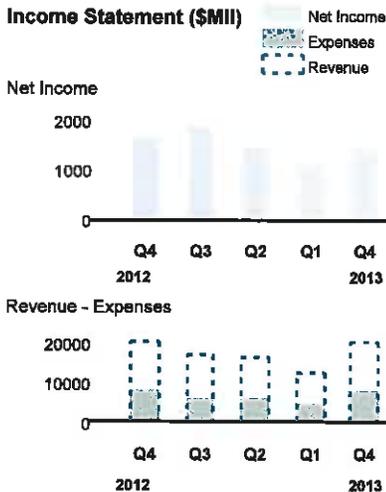
Performance (as of 01/31/2013)



*Benchmark: S&P 500 Composite Index

Financial Statement (as of 12/29/2012)

Income Statement (\$Mil)



Balance Sheet (as of 12/29/2012)

Total Assets (\$Mil)	74,638
Current Assets	18,720
Cash	6,619
Inventories	3,581
Non-Current Assets	55,918
Total Liabilities	52,239
Current Liabilities	17,089
Long Term Debt	23,544
Total Equity	22,253

Cash Flow Statement (Annual)

Cash Flow From Oper	8,245
Depr & Amor	2,689
Deferred Taxes	321
Other Income	5,235
Capital Spending	2,714
Free Cash Flows	2,226

Profitability Ratios (as of 12/29/2012)

Return on Equity (ROE)	28.8
Return on Assets (ROA)	9.1
Return on Invested Capital	13.7
Pre-Tax Profit Margin (%)	12.7
Post-Tax Profit Margin (%)	9.4
Net Profit Margin (%)	9.4

Dividends (as of 12/29/2012)

Current Div/Share	2.15
Dividend Yield %	2.83
5 Year Growth %	8.35
Payout Ratio %	54
Split Ratio	2.00
Last Split	05/29/1996

Profile Report

Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$3.92	\$18.96
Dividend Yield %	2.83	2.10
Net Profit Margin	\$9.43	\$8.03
Market Cap (Mil)	\$117,143	\$27,493
52 Week High	\$76.33	\$50.97
52 Week Low	\$62.15	\$36.51
P/E Current	19.37	-
Price/Book	5.10	0.20
Price/Sales	1.65	0.11
Price/Cash Flow	14.50	1.72

First Call Consensus

	BUY	HOLD	HOLD/SELL	SELL
Current Mean	2.1	3	4	5
High				
Low				
Number of Analysts				

Company Overview

Sector	Consumer Staples
Industry	Beverages
Address	700 Anderson Hill Road, PURCHASE, NY 10577
Investor Relations	+1 914 253-2000

PepsiCo, Inc. (PepsiCo) is a global food and beverage company. PepsiCo is organized into four business units: PepsiCo Americas Foods (PAF), which includes Frito-Lay North America (FLNA), Quaker Foods North America (QFNA) and all of its Latin American food and snack businesses (LAF); PepsiCo Americas Beverages (PAB), which includes all of its North American and Latin American beverage businesses; PepsiCo Europe, which includes all beverage, food and snack businesses in Europe, and PepsiCo Asia, Middle East and Africa (AMEA), which includes all beverage, food and snack businesses in AMEA. Its four business units are comprised of six segments: FLNA, QFNA, LAF, PAB, Europe, and AMEA. It manufactures, markets and sells a range of salty, convenient, sweet and grain-based snacks, carbonated and non-carbonated beverages, dairy products and other foods. In November 2011, it acquired Mabel. In November 2012, the Company opened a food and beverage.

Liquidity Ratios (as of 12/29/2012)

Current Ratio	1.10
Quick Ratio	0.80
Debt/Equity	1.27
Leverage Ratio	10.58
Interest Coverage from Cont.Operations	10.52

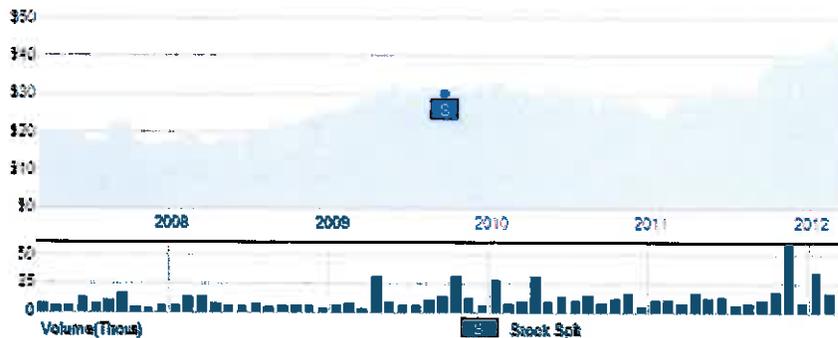
Resmed Inc. RMD (NYSE)

Latest Price : \$ 45.17 (03/06/2013)

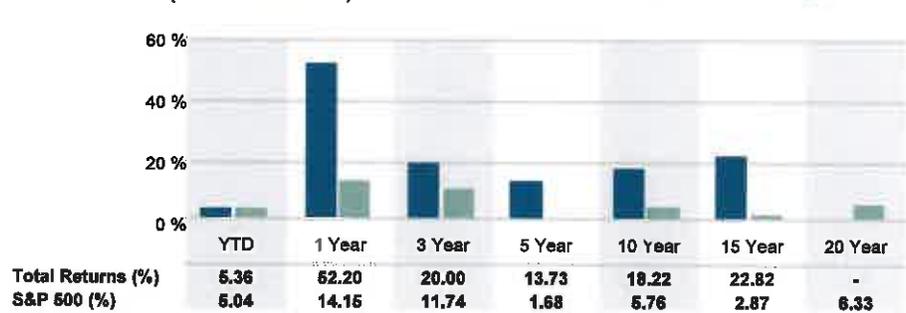
Shares Outstanding (Mil) : 143 (03/01/2013)

Profile Report

Price Graph (up to 60 months)



Performance (as of 01/31/2013)



*Benchmark: S&P 500 Composite Index

Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$1.98	\$18.96
Dividend Yield %	1.56	2.10
Net Profit Margin	\$18.62	\$8.03
Market Cap (Mil)	\$6,261	\$27,493
52 Week High	\$48.47	\$50.97
52 Week Low	\$28.94	\$36.51
P/E Current	22.04	-
Price/Book	3.57	0.20
Price/Sales	4.54	0.11
Price/Cash Flow	17.16	1.72

First Call Consensus

	BUY	HOLD	SELL
Current Mean	2.6		
High	3		
Low	1		
Number of Analysts	13		

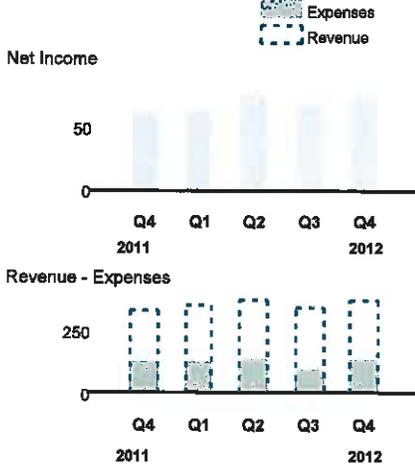
Company Overview

Sector: Health Care
 Industry: Health Care Equipment & Supplies
 Address: 9001 Spectrum Center Blvd, SAN DIEGO, CA 92123
 Investor Relations: +1 858 836-5000

ResMed Inc., (ResMed) is a holding company for the ResMed Group. The Company, through its subsidiaries, is a developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders. Sleep-disordered breathing (SDB) includes obstructive sleep apnea (OSA), and other respiratory disorders that occur during sleep. The Company has developed a number of products for SDB and other respiratory disorders including airflow generators, diagnostic products, mask systems, headgear and other accessories. Its manufacturing operations are located in Australia, Singapore, France, Germany, Malaysia and the United States. Its major distribution and sales sites are located in the United States, Germany, France, the United Kingdom, Switzerland, Australia, Japan, Norway and Sweden. On July 5, 2011, the Company acquired the remaining 87% of BiancaMed Ltd. On August 1, 2011.

Financial Statement (as of 06/30/2012)

Income Statement (\$Mil)



Balance Sheet (as of 06/30/2012)

Total Assets (\$Mil)	2,114
Current Assets	1,361
Cash	810
Inventories	174
Non-Current Assets	753
Total Liabilities	507
Current Liabilities	253
Long Term Debt	251
Total Equity	1,608

Cash Flow Statement (Annual)

Cash Flow From Oper	337
Depr & Amor	86
Deferred Taxes	-13
Other Income	264
Capital Spending	47
Free Cash Flows	290

Liquidity Ratios (as of 06/30/2012)

Current Ratio	5.38
Quick Ratio	4.33
Debt/Equity	0.16
Leverage Ratio	1.56
Interest Coverage from Cont.Operations	69.92

Profitability Ratios (as of 06/30/2012)

Return on Equity (ROE)	15.3
Return on Assets (ROA)	12.4
Return on Invested Capital	14.0
Pre-Tax Profit Margin (%)	24.1
Post-Tax Profit Margin (%)	18.6
Net Profit Margin (%)	18.6

Dividends (as of 06/30/2012)

Current Div/Share	0.68
Dividend Yield %	1.56
5 Year Growth %	0.00
Payout Ratio %	0
Split Ratio	2.00
Last Split	08/31/2010

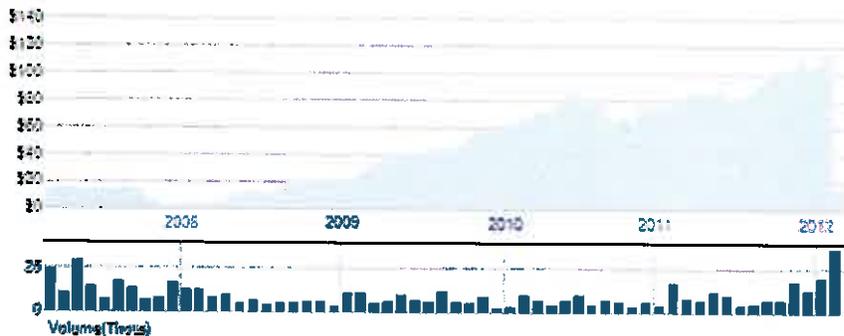
Starz-Strza STRZA (NASDAQ)

Latest Price : \$ 19.5 (03/05/2013)

Shares Outstanding (Mil) : 110 (03/01/2013)

Profile Report

Price Graph (up to 60 months)



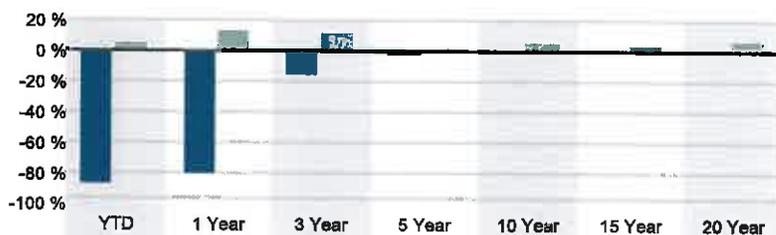
Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$14.03	\$18.96
Dividend Yield %	0.00	2.10
Net Profit Margin	\$0.00	\$8.03
Market Cap (Mil)	\$2,094	\$27,493
52 Week High	\$124.34	\$50.97
52 Week Low	\$14.00	\$36.51
P/E Current	1.35	-
Price/Book	0.35	0.20
Price/Sales	-	0.11
Price/Cash Flow	2.09	1.72

First Call Consensus

BUY	HOLD	HOLD/SELL	SELL
1	2.9	3	4
			5
Current Mean			
High			
Low			
Number of Analysts			

Performance (as of 01/31/2013)



*Benchmark: S&P 500 Composite Index

Company Overview

Sector: Consumer Discretionary
 Industry: Media
 Address:
 Investor Relations:

Liquidity Ratios (as of 12/31/2011)

Current Ratio	0.00
Quick Ratio	0.00
Debt/Equity	0.00
Leverage Ratio	0.00
Interest Coverage from Cont.Operations	0.00

Financial Statement (as of 12/31/2011)

Income Statement (\$Mil)

- Net Income
- Expenses
- Revenue

Net Income

Revenue - Expenses

Balance Sheet (as of 12/31/2011)

Total Assets (\$Mil)	0
Current Assets	0
Cash	0
Inventories	0
Non-Current Assets	0
Total Liabilities	0
Current Liabilities	0
Long Term Debt	0
Total Equity	0

Cash Flow Statement (Annual)

Cash Flow From Oper	0
Depr & Amor	0
Deferred Taxes	0
Other Income	0
Capital Spending	0
Free Cash Flows	0

Profitability Ratios (as of 12/31/2011)

Return on Equity (ROE)	0.0
Return on Assets (ROA)	0.0
Return on Invested Capital	0.0
Pre-Tax Profit Margin (%)	0.0
Post-Tax Profit Margin (%)	0.0
Net Profit Margin (%)	0.0

Dividends (as of 12/31/2011)

Current Div/Share	0.00
Dividend Yield %	0.00
5 Year Growth %	0.00
Payout Ratio %	0
Split Ratio	0.00
Last Split	-

Walt Disney Co. (The) DIS (NYSE)

Latest Price : \$ 56.48 (03/05/2013)

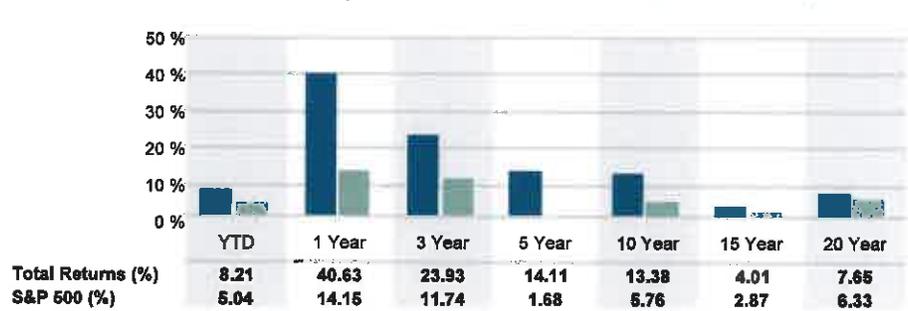
Shares Outstanding (Mil) : 1,805 (03/01/2013)

Profile Report

Price Graph (up to 60 months)



Performance (as of 01/31/2013)



*Benchmark: S&P 500 Composite Index

Fundamentals (as of 03/01/2013)

	Co.	*S&P 500
Month End EPS	\$3.09	\$18.96
Dividend Yield %	5.42	2.10
Net Profit Margin	\$13.44	\$8.03
Market Cap (Mil)	\$99,895	\$27,493
52 Week High	\$55.95	\$50.97
52 Week Low	\$40.88	\$36.51
P/E Current	17.91	-
Price/Book	2.43	0.20
Price/Sales	2.14	0.11
Price/Cash Flow	11.62	1.72

First Call Consensus

BUY	HOLD	HOLD/SELL	SELL
1	2.1	3	5
Current Mean	2.1		
High	3		
Low	1		
Number of Analysts	29		

Company Overview

Sector: Consumer Discretionary
 Industry: Media
 Address: 500 South Buena Vista Street, BURBANK, CA 91521
 Investor Relations: +1 818 560-1000

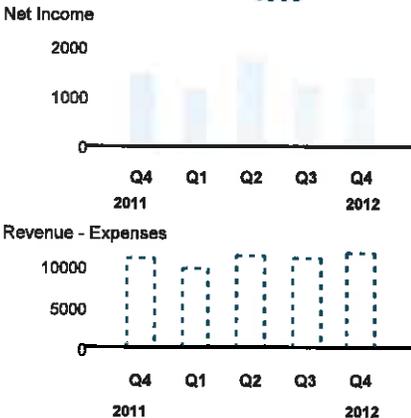
The Walt Disney Company, together with its subsidiaries, is a diversified worldwide entertainment company. The Company operates in five business segments: Media Networks, Parks and Resorts, Studio Entertainment, Consumer Products and Interactive. The Company has a 51% effective ownership interest in Disneyland Paris, a 5,510-acre development located in Marne-la-Vallée, approximately 20 miles east of Paris, France. The Company manages and has a 40% equity interest in Euro Disney S.C.A. The Company owns a 48% interest in Hong Kong Disneyland Resort through Hongkong International Theme Parks Limited. On November 7, 2012, the Company sold its 50% interest in ESPN STAR Sports (ESS). On November 7, 2012, the Company sold its 50% equity interest in ESPN STAR Sports (ESS). On December 21, 2012, the Company acquired Lucasfilm Ltd. LLC.

Liquidity Ratios (as of 09/29/2012)

Current Ratio	1.07
Quick Ratio	0.77
Debt/Equity	0.37
Leverage Ratio	2.76
Interest Coverage from Cont.Operations	16.14

Financial Statement (as of 09/29/2012)

Income Statement (\$Mil)



Balance Sheet (as of 09/29/2012)

Total Assets (\$Mil)	74,898
Current Assets	13,709
Cash	3,387
Inventories	1,537
Non-Current Assets	61,189
Total Liabilities	32,940
Current Liabilities	12,813
Long Term Debt	10,981
Total Equity	39,759

Cash Flow Statement (Annual)

Cash Flow From Oper	9,057
Depr & Amor	1,987
Deferred Taxes	472
Other Income	6,598
Capital Spending	3,784
Free Cash Flows	4,197

Profitability Ratios (as of 09/29/2012)

Return on Equity (ROE)	14.7
Return on Assets (ROA)	8.1
Return on Invested Capital	10.9
Pre-Tax Profit Margin (%)	20.4
Post-Tax Profit Margin (%)	13.4
Net Profit Margin (%)	13.4

Dividends (as of 09/29/2012)

Current Div/Share	3.00
Dividend Yield %	5.42
5 Year Growth %	31.09
Payout Ratio %	19
Split Ratio	1.01
Last Split	06/13/2007