MARQUETTE UNIVERSITY

Applied Investment Management (AIM) Program

AIM Fund Investment Advisory Board Meeting
March 7, 2008

AIM Equity Fund Presentations

Student Presenter	Company Name	Ticker	Price
Mike Carlson	Apollo Investment Corporation	AINV	$15.27
Mike Carlson	Gladstone Capital Corporation	GLAD	$16.95
Peter Merkel	Amedisys Inc.	AMED	$42.52
Barrett Willich	Bristow Group, Inc.	BRS	$54.70
Joel Grebenick	Huran Consulting Group Inc.	HURN	$55.06
Pat Flaherty	Rimage Corp.	RIMG	$23.19
Break			
Luke Junk	Sigma Designs, Inc.	SIGM	$26.46
Jason Bednar	Silgan Holdings, Inc.	SLGN	$47.40
Stan Zurawski	Net 1 UEPS Techonologies, Inc.	UEPS	$29.59
Nick Ihn	Ingles Markets, Inc.	IMKTA	$22.78
Paul Simenauer	American Greetings Corp. Cl-A	AM	$18.53
Yaoting Zhuang	AU Optronics Corp.	AUO	$19.00
Chris Caparelli	Logitech International SA	LOGI	$25.50

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Apollo Investment Corporation

AINV
Price: $15.12 ($12.49 – 24.17)
Fiscal Year Ends: March 31

March 5, 2008 — Mike Carlson
Russell 2000 Index: 685.04 (650.00 – 856.48) — Financial Services Sector

Apollo Investment Corporation is a principal investment firm specializing in providing mezzanine and senior secured loans to middle market companies. It also seeks to invest in PIPES transactions. The firm offers multiple layers of the capital structure including: second lien debt, subordinated debt, holding company PIK, debt preferred or convertible, equity common equity, and co-investments. It seeks to invest in the following industries: business services, cable television, chemicals, consumer products, direct marketing, distribution, energy and utilities, financial services, healthcare, manufacturing, media, publishing, retail and transportation. The firm typically invests between $20 million and $150 million in its portfolio companies. Apollo Investment Corporation was incorporated in 2004 and is based in New York, New York.

Recommendation

The Financial Services portfolio currently does not contain any Business Development Corporations (BDCs). A purchase of AINV would further diversify the portfolio as well as supply a very attractive dividend yield (13%). Our Financial Services analysts collectively agree that actions of this nature are needed considering the current volatile market conditions. AINV has traditionally had a more disciplined approach to new investments and coupled with their current pricing and attractive dividend yield. We believe that AINV is the best candidate for making a move into the BDC market which provides the AIM portfolio with exposure to venture capital related investments.

Key Statistics	Mar. 5, 2008
Market Cap	$1.79B
Shares Outstanding	119.3M
Average Volume	1,330,490
Beta	1.17
EPS 2007	1.70
2008 Consensus EPS	1.85
P/E (TTM)	6.94
PEG	1.19
Price/Book	0.88
WACC	9.00%
ROE	13.40%
Dividend Yield	13.00%
Target Price	$21.00

Source: Bloomberg

Investment Thesis

- **Diversification.** The AIM Financial Services Portfolio does not currently contain any BDCs. We are making an effort to further diversify our portfolio to more closely track the Russell 2000 Financial Services company mix and to add undervalued securities consistent with our investment philosophy.

- **Dividend Yield.** The dividend yield for AINV is currently 13% and historically has averaged close to 10%. If a recession does occur, it is prudent for the AIM Fund to make some moves in to dividend strong companies. AINV's dividend has also experienced a consistent growth since becoming public in 2004.

- **Leverage.** AINV's current debt to equity ratio is 0.53:1. As a registered BDC company they are allowed a maximum ratio of 1:1. Therefore AINV has the capacity to grow their portfolio if they are willing to increase their leverage ratio. The company has traditionally targeted leverage in the 0.7x-0.8x range.

- **Consistent Growth.** AINV has recently experience a slight decline in their Net Asset Value (down 4% quarter to quarter, up 8% year to year), but traditionally they have had a solid and consistent growth. Their earnings are expected to decline from 2008 to 2009. This is because of their fiscal year, so 2008 estimates of $1.85 already include three quarters, where so far they've had total surprises of $0.17. Taking full year estimates, 2008 is relatively in line with 2009, largely because of the looming recession possibilities.

- **Undervalued.** The entire BDC market took a hit during the recent credit crisis. AINV has recently missed earnings ($-.01 surprise) and the stock price is trading well below its traditional valuations. Most BDCs trade based on their NAV among other things. Over the past two years AINV has traded on a range of 1.35-1.18 to the NAV. They are currently trading at approximately 0.9x their NAV. This is the lowest AINV has ever traded to their NAV.

Valuation

The company's target price is $21.00 based on P/E, relative value, DCF and peer valuations. If the company can regain their consistent growth and pricing returns to historical levels, then there is significant upside to AINV – in addition to their attractive dividend yield in excess of 10%.

Risks

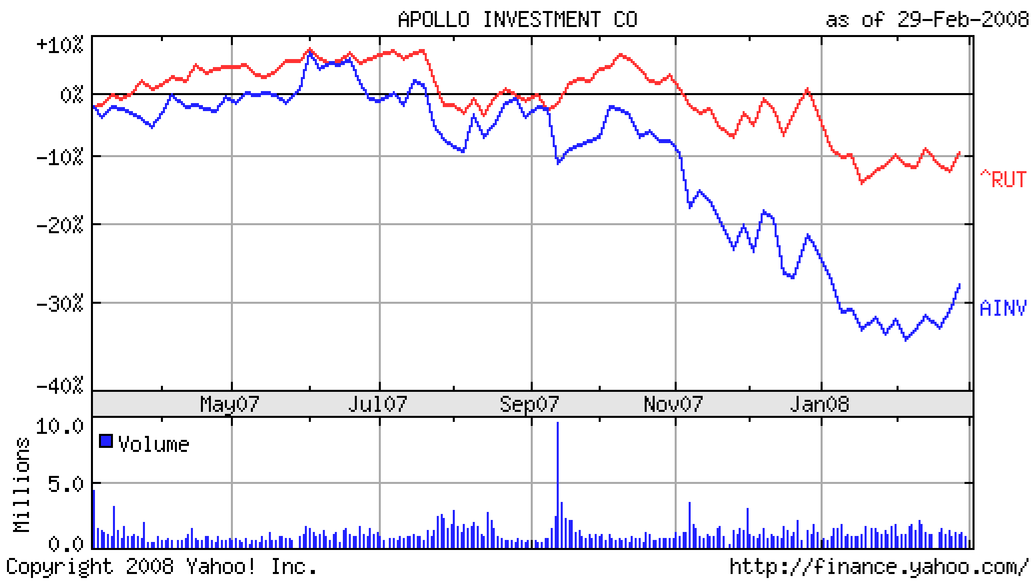
- **Economic Conditions.** Many of the companies that AINV funds could be hurt by a recession or a slow growth environment. A continued decline in NAV could significantly affect AINV's market pricing.

- **Mezzanine Debt.** AINV chooses to specialize and invest in mezzanine debt. This debt would result in lower returns in the event of increased default rates.

- **Capital Markets.** AINV relies heavily upon the capital markets for funding. If their stock price was to decline significantly, they may also have to reduce their debt to maintain the maximum 1:1 debt to equity ratio.

Management

AINV uses Apollo Investment Management as their investment advisor. AINV's top executives are also classified as employees as a part of their investment committee. This connection gives AINV access to multiple resources and investment information.



Ownership

% of Shares Held by All Insider and 5% Owners:	1%
% of Shares Held by Institutional & Mutual Fund Owners:	59%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
JP Morgan Chase & Company	10,926,701	9.16%
Bank of America	4,527,971	3.80%
Vanguard Group, Inc.	3,326,191	2.79%
Barclays Global Investors	3,286,331	2.75%
Wachovia Corp	2,893,513	2.43%

Source: Yahoo! Finance

Gladstone Capital Corporation

GLAD

Price: $16.30 ($15.91-24.22)

Fiscal Year Ends: March 31

March 5, 2008 — Mike Carlson

Russell 2000 Index: 685.04 (650.00 – 856.48) — Financial Services Sector

Gladstone Capital Corp. is a public investment firm specializing in debt security investments in small and medium sized companies. It typically uses its source of funds for investment in the initial acquisition of portfolio companies, add-on acquisitions, recapitalization including cash-outs, senior debt reduction, and for short-term bridge financing. The firm invests in various forms of loans with varying levels of current coupon and return enhancement in the form of senior term loans, senior subordinated loans, and junior subordinated loans between $3 million and $15 million and that can be repaid over five years. It invests in private companies generating revenues between $20 million and $500 million that are substantially owned by leveraged buyout funds, venture capital funds, or family owned businesses. It does not sponsor turnaround situations; however, the firm can consider standalone companies or situations, where the contemplated transaction relieves an otherwise attractive company from an unworkable capital structure. Gladstone Capital Corp. was formed in 2001 by Mr. David Gladstone and is headquartered in McLean, Virginia with additional offices across United States.

Recommendation

The Financial Services portfolio currently does not contain any investments in firms in the Business Development Company (BDC) sector. Of the BDCs available in the Russell 2000, GLAD has the strongest credit quality, while still offering an attractive yield (10%). A purchase of GLAD would give the AIM Financial Services sector further diversification while increasing our overall dividend yield. The Financial Services analysts agree that some defensive action should be taken in case of a recession. The stock has a beta of 0.76.

Key Statistics	Mar. 5, 2008
Market Cap	$345.7M
Shares Outstanding	20.64M
Average Volume	167,744
Beta	0.76
EPS 2007	1.69
2008 Consensus EPS	1.67
P/E (TTM)	18.93
P/E (2007)	9.64
Price/Book	1.09
WACC	6.40%
ROE	5.82%
Dividend Yield	10.00%
Target Price	$20.00

Source: Bloomberg

Investment Thesis

- **Diversification.** The AIM Financial Services Portfolio does not currently contain any BDCs or venture capital investments. We are making an effort to further diversify the portfolio and keep it more in line with the Russell 2000 Financial Services sector mix.

- **High Dividend Yield.** The dividend yield for GLAD is currently 10% and historically averages close to that yield. A move toward strong dividend paying companies is a defensive action that should be taken in case of a recession.

- **Good Credit Quality.** GLAD's credit quality exceeds that of their peers. This is because the majority of their investments are in senior term loans and senior subordinated debt which places them in a credit hierarchy that exceeds their peers.

- **Conservative Growth.** GLAD's earnings have grown slowly during the past years and the trend is expected to continue. Due to their conservative approach, they tend to grow slower during expansion periods but perform better than their peers during turbulent times.

- **Undervalued.** As with many companies in the Financial Services sector, GLAD appears to be relatively cheap as it is trading well beneath historical levels. On average, the industry has traded around 1.4x NAV, but due to the recent credit crisis, the industry is currently averaging 0.9x-1.0x NAV.

Valuation

The company's target price is $20.00 based on P/E, relative value, DCF and peer valuations. GLAD currently trades at a premium to other BDCs, but this is because of their debt focus which creates in a much higher credit quality. The recovery for the majority of financials is uncertain, but the relative undervaluation and dividend yield of 10% makes GLAD an attractive investment opportunity.

Risks

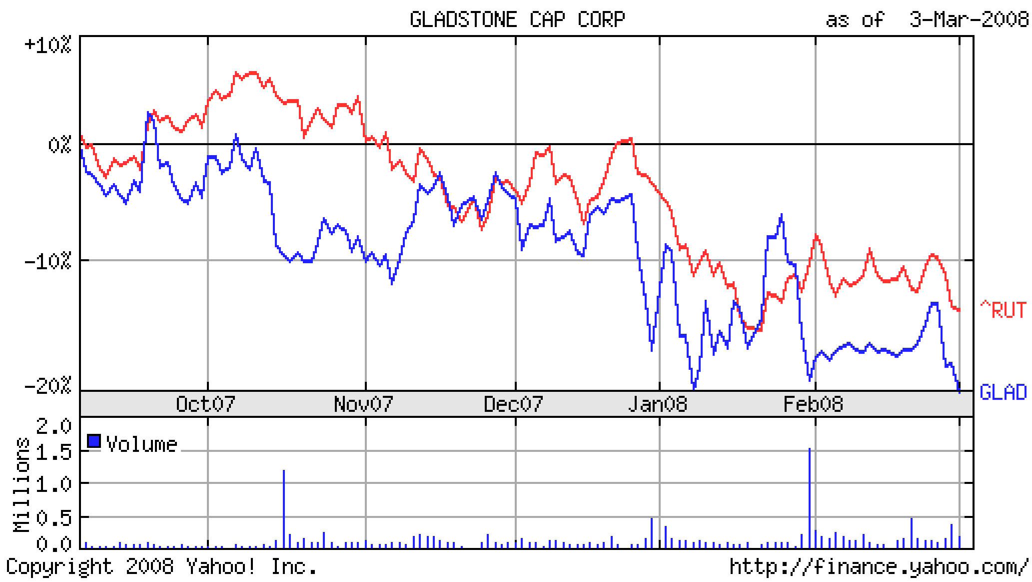
- **Economic Conditions.** Many of the companies GLAD funds could be hurt by a recession or slowed growth environment. A decline in NAV could significantly affect GLAD's pricing.

- **Competition.** Investing in small and medium sized businesses is a very competitive environment. GLAD competes against a wide range of entities and may not be able to compete on the same level as some of their competitors.

- **Capital Markets/Interest Rate Risk.** GLAD relies heavily upon the capital markets for funding. If their stock price was to decline significantly, they may also have to reduce their debt to maintain the maximum 1:1 debt to equity ratio. Large changes in interest rates could also put pressure on Net interest margin.

Management

GLAD uses Gladstone Management Corporation as their investment advisor. They are also affiliated with Gladstone Administration, LLC, and GLAD's executive officers are officers or directors, or both, of their "Adviser" and "Administrator." The management team has extensive experience and is seen as one of the leaders in the smaller PIPES industry. The founder, Mr. Gladstone, is a well recognized and experienced in the field.



Ownership

% of Shares Held by All Insider and 5% Owners:	4%
% of Shares Held by Institutional & Mutual Fund Owners:	38%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Wachovia	1,130,680	5.48%
AG Edwards	903,305	4.38%
Ohio State Teachers Pension	638,500	3.09%
M&T Bank	516,805	2.50%
Jennison Associates	496,021	2.40%

Source: Yahoo! Finance

Amedisys Inc.

AMED
Price: $42.78 ($29.76-$49.99)
Fiscal Year Ends: December 31

March 5, 2008 — Peter Merkel
Russell 2000 Index: $686.18 ($650.00-$856.48) — Healthcare

Amedisys, Inc. is a provider of home health services to Medicare beneficiaries. The Company delivers a range of health-related services in the home to individuals who may be recovering from surgery, have a chronic disability or terminal illness, or need assistance with the essential activities of daily living. The services include skilled nursing and home health aid services; physical, occupational and speech therapy, and medically oriented social work to eligible individuals who require ongoing care that cannot be provided by family and friends. In addition, the Company has developed and offers clinically focused programs for chronic conditions and disease categories, such as diabetes, coronary artery disease and congestive heart failure. In March 2007, the Company acquired a home care and hospice business providing services in the greater San Antonio, Texas area. In September 2007, it acquired IntegriCare, Inc.

Recommendation

As of 12/31/07, AMED owned and operated 325 home health (HH) agencies and 29 hospice agencies in 30 states. In Q4'07, AMED completed the rollout of its point-of-care (POC) technology to all of its existing agencies. In March, the company will look to convert most of the KY and TN agencies acquired from Family Home Health Care and Comprehensive Home Healthcare Services. Once the acquisition of TLC closes, AMED will utilize its resources to convert the remaining 103 TLC agencies at a clip of approximately 25 agencies per month resulting in total conversion time of four-to-six months. FCF for 2007 was $64.5M. The balance sheet remains clean, as AMED ended 2007 with $56.2M in cash and roughly $24 million in total debt. After the close of the TLC acquisition, AMED plans to deleverage the balance sheet. Based on the future growth and current share price, AMED seems to be an attractive purchase to the portfolio, which will help the Healthcare sector increase its subsector diversification and take advantage of Medicare reform. The target price of $52 gives a potential upside of 22%.

Key Statistics	Mar. 5, 2008
Market Cap*	$1.12B
Shares Outstanding*	26.23M
Avg. Volume (3m)*	499,772
Beta	.72
EPS (TTM)	$2.32
2008 Estimated EPS	$2.55
P/E (TTM)*	18.33
P/S (TTM)*	1.86
P/B (MRQ)*	2.83
ROA (TTM)*	11.97%
ROE (TTM)*	18.22%
Gross Margin	55.76%
Operating Margin	13.84%
Target Price	$53.00

*Source: Thomson, *Yahoo! Finance*

Investment Thesis

- **CMS Cost Cutting.** As the Center for Medicate and Medicaid Services (CMS) looks to search for lower cost alternatives for providing care, HH provides a solution. HH is a lower-cost setting compared to post-acute in hospital care. AMED's HH care delivery platform is centralized, which allows it to effectively manage multi-state operations. In addition, their proprietary POC laptop computer system allows healthcare professionals to have real-time access to patient information and input data on a standardized basis and its Encore nurse call center ensures that patient's care needs are being met after discharge.

- **Fragmented market provides opportunities for consolidation.** If reimbursement rates are cut, less profitable operators will exit the market. AMED can capitalize by integrating these opportunities into its corporate, centralized network. There were ~8,800 Medicare-certified home health agencies in the U.S. at 12/31/06.
- **Aging Population.** On 1/1/08, the first member of the baby boomer generation became eligible to receive early retirement benefits from Social Security at age 62. With Medicare eligibility commencing at age 64, the US is only 3 years away from realizing the start of that generation's demands on the Medicare system. With the expected increase in the number of Medicare beneficiaries and continuing expected increases in life expectancies, home health expenditures in the U.S. will continue to expand.

Valuation

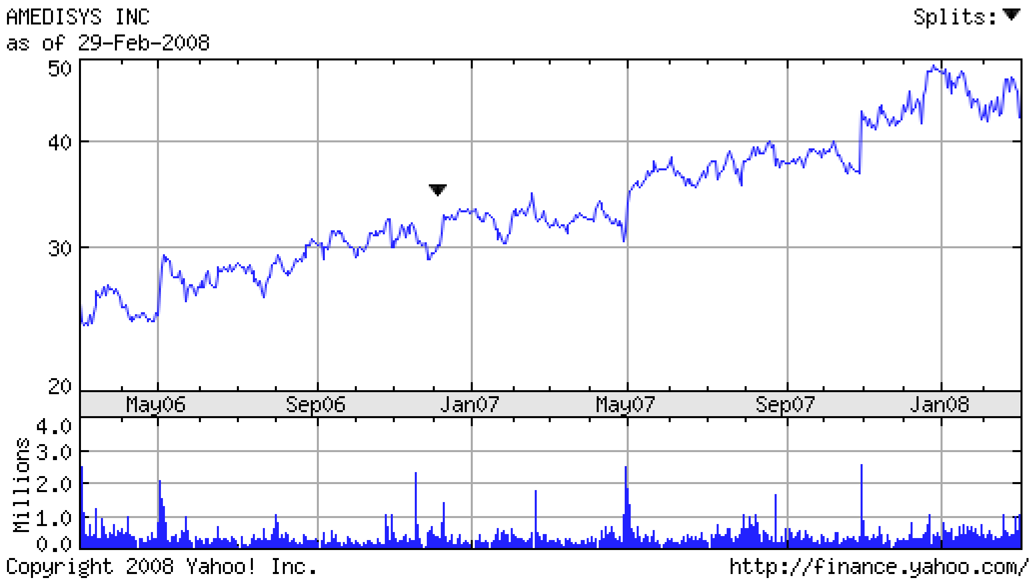
A $52 price target equates to 9.0x 2009E EBITDA of $180M, which is in-line with the 8.5x-9.5x small cap health care service group average. The stock has historically traded at about 10x EBITDA. A 10x multiple creates a $58 fair value while an 8.0x multiple arrives with a fair value of $46. Furthermore, the price target equates to 17x 2009E EPS of $3.07 or towards the lower-end of the 15-20x P/E range compared to that of similar small cap health care service firms.

Risks

- **89% of Revenue derived from Medicare.** With the ensuing election and the talk of universal healthcare, Medicare reimbursement rates are threatened to be reduced in order to pay for universal healthcare.
- **Acquisition Risk.** During 2007, AMED completed the acquisition of 38 home health and 11 hospice agencies. In 2008, AMED has been aggressive with acquisitions, acquiring a total of 117 home health locations and 11 hospice sites. This is a significant increase to its base of 325 and 29 home health and hospice locations, respectively. The largest acquisition was TLC Health Care Services, which operates 92 home health agencies and 11 hospices across 22 states and generates $300M in annualized revenue.
- **Delays in CMS approval process.** Last year AMED opened 32 home health and 4 hospice agencies which was short of its 40 home health and 5 hospice agency goal. Management stressed the delays stemmed from CMS slowing its approval process, which is an industry wide issue and not company specific. For 2008, AMED has the same new growth goals. Currently about 25 start-ups are awaiting approval from CMS.

Management

William Borne founded AMED in 1982 and since then has been promoted to CEO and Chairman of the Board of Directors. Larry Graham is the President and COO for AMED. Previously, he was VP of Operations and served as VP of Finance. Dale Redman started as CFO a little over a year ago and brings over 34 years of senior level financial experience to the position. This experience from the top management is necessary due to acquisitions being a major contributor to the growth story. While AMED has extensive experience at acquiring and integrating small acquisitions, two larger acquisitions in 2005 caused significant growing pains. On the last conference call management noted that Q4's organic growth rate of 10% is a reasonable expected run rate for future periods.



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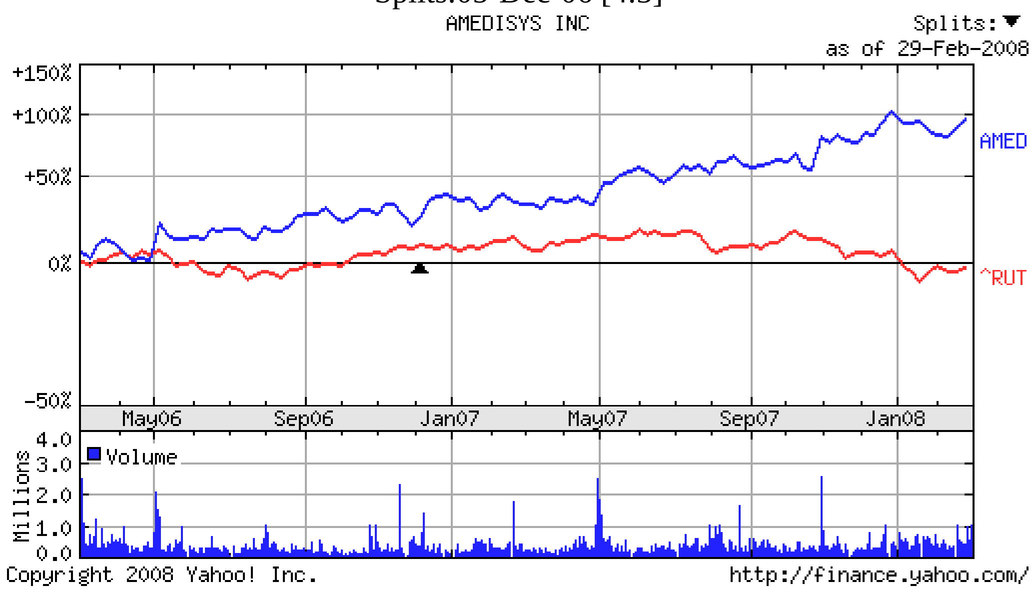


Ownership

% of Shares Held by All Insider and 5% Owners:	24.03%
% of Shares Held by Institutional & Mutual Fund Owners:	96.52%

Source: Bloomberg

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Earnest Partners LLC	1,838,385	7.01%
Lord Abbett & Co.	1,361,563	5.19%
Fidelity Management Research LLC	1,350,300	5.15%
Barclays Global Investors UK Holdings Ltd.	1,313,086	5.01%
Bank of New York Mellon Corp.	1,145,010	4.37%

Source: Yahoo! Finance

Bristow Group Inc.

BRS

Price: $54.57 ($34.65 - 58.98)

Fiscal Year Ends: March 31

March 5, 2008 — Barrett Willich

Russell 2000 Index: 686.55 (856.48 – 650.00) — Energy Sector

Bristow Group Inc. (BRS) provides helicopter transport services to offshore oil and gas fields. BRS operates in 21 countries, with primary operations in the Gulf of Mexico and the US. The company is over 50 years old and employs more than 3,500 people. BRS is headquartered in Houston, Texas.

Recommendation

Energy stocks have seen a huge run-up in valuation based on record high $100 oil and $8 natural gas. Pricing has been driven by inflation and currency concerns. E&P companies are trading on the price of oil and oil service companies are waiting for increased development projects. BRS provides an energy play that is less subject to the cyclicality of oil pricing and less volatile in a down market. BRS provides a defensive position during a downturn with an attractive upside, because the main driver is production activity, not development activity. The recommendation is to replace a portion of the AIM portfolio's E&P exposure with BRS to provide less downside in the case of an energy price collapse.

Key Statistics	Mar. 5, 2008
Market Cap	$1,316.1M
Shares Outstanding	23.9M
Average Volume	295,760
Beta	0.88
EPS (TTM)	$3.43
2008 Consensus EPS	$3.61
P/E (TTM)	15.67
Revenue Abroad	73.2%
Price/Book	1.75x
WACC	8.32%
ROE	11.38%
Operating Margin	11.66%
Target Price	$60.00

Sources: Bloomberg

Investment Thesis

- **Duopoly with Huge Market Share.** BRS's main competition is CHC Helicopter Corporation (FLI). The two are the only players capable of obtaining many international contracts. BRS operates approximately 550 aircraft and FLI operates 230 of the estimated 1,500 aircraft used in energy service transport. Their size helps to obtain better aircraft pricing, contract pricing, and economies of scale in training, operations, and maintenance.

- **Bread and Butter Position in Energy Industry.** 90% of flight contracts are for production rigs. Revenue from production rig contracts is stable while revenue from development rig contracts (10% of total contracts) is highly cyclical. Most clients have historically and steadily kept transportation at 5% of expenses. Contract pricing for pilots and aircraft varies at $10,000/day to $40,000/day depending on aircraft size and demand. There is also a fixed monthly charge, and fuel prices are passed through to the client.

- **Diverse Services and Revenue Segmentation.** BRS provides three types of aircraft that transport between 4 and 25 passengers and can be used for different applications. Revenue is well spread across many continents: North America 22%, South and Central America 6%, Europe 37%, West Africa 17%, Asia 11%, and other 7%.

- **Long-term outlook.** Although there may be a short-term pull back in oil prices, long-term demand will increase and global supply will continue to shrink. Prices will increase as reserves become more difficult to acquire. Over time, production has moved farther offshore demanding more air transportation. Management is capitalizing by doubling capex to build their fleet (28 helicopters on order and options for 34 more). These aircraft will be more profitable, expand margins, and be capable of more flight hours.

Valuation

The company's target price is $60.00 based on a DCF model. Conservative assumptions were based on management's $1.5 billion revenue target in 2011. The assumptions also assume increasing operating income margins as a result of the new fleet. CHC was just purchased at 9.6x 2008 EV/EBITDA on February 22, 2008. This transaction implies a $59.81 per share value for based on BRS's 2008 projected EBITDA.

Risks

- **Human Capital.** There is a short supply of qualified pilots due to heavy demand in the private sector. BRS pilots are well-trained to fly in adverse conditions and to difficult destinations. Management has acquired additional flight academies and has invested heavily in its own training facilities. European operations also face unionized pilots, leading to decreased gross margins. Skilled mechanics are also in short supply. Although the private sector has increased demand for labor, it has also provided a liquid market for used equipment

- **Currency Risk.** With a majority of revenues obtained primarily overseas the company's cash flows are subject to currency risk.

- **Department of Justice Investigation.** BRS is currently being investigated for antitrust violations involving US operations. The company has not provided guidance on penalties or possible outcomes.

Management

Top management has not been with the firm since 2003, but they do have extensive experience in the energy industry. Management has worked for Grey Wolf Inc., Baker Hughes, and Sirius Solutions (financial consultant advising some energy firms). Analysts feel their growth strategy is sound and opportunistic in light of the industry and the recent privatization of FLI.

Ownership

% of Shares Held by All Insider and 5% Owners:	13.0%
% of Shares Held by Institutional & Mutual Fund Owners:	100%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Franklin Resources, Inc.	2,246,535	9.40%
FMR LLC	2,053,792	8.59%
Dimensional Fund Advisors Inc	1,917,951	8.02%
Lord Abbett & Co.	1,809,158	7.57%
Third Avenue Management, LLC	1,684,349	7.05%

Source: Yahoo! Finance

Huron Consulting Group Inc

HURN
Price: $52.00 ($52.12-$84.00)
Fiscal Year Ends: December 31

March 5, 2008 — Joel Grebenick
Russell 2000 Index: 710.46 (650.00 – 856.48) — Business Services

Huron Consulting Group is an independent financial and operational consulting firm headquartered in Chicago, Illinois. Formed in 2002 by a group of former partners and professionals from Arthur Anderson, the company employs over 1,200 consultants serving clients in four primary segments: Financial Consulting, Legal Consulting, Health and Education Consulting, and Corporate Consulting. The Financial segment assists both laws firms and corporations by providing expertise in corporate litigation, business disputes, and regulatory and internal investigations. The Legal segment assists law departments, law firms, and government agencies by helping reduce legal spending, and increase operating effectiveness. The Health and Education segment consults hospitals, health systems, physicians, colleges, and universities. Finally, the Corporate segment leads companies through various stages of transformation.

Recommendation

Based on a strong demand for professional services, a diversified product offering, international growth opportunities, and an attractive business model, it is recommended that HURN be added to the AIM fund.

Key Statistics	Mar. 5, 2008
Market Cap	$1.02B*
Shares Outstanding	18.60M***
Average Volume	278,048*
Beta	1.39**
EPS (TTM)	$2.32
2008 Estimated EPS	$2.55
P/E (TTM)	22.41
PEG	0.86
WACC	11.6%
Debt/Assets	28.2***
ROE	27.9%**
Gross Margin	44.2%
Operating Margin	20.5%
Target Price	$75.00

Sources: Yahoo! Finance, Bloomberg**, 10K****

Investment Thesis

- **Strong Demand for Professional Services.** Expect to remain high due to regulatory/SEC scrutiny, increasing litigious business climate, and continued globalization which drives consolidations, bankruptcies, and litigation.
- **Diversified Offerings.** Huron's recent acquisitions have diversified its revenue streams and have given the company exposure to on-demand BPO solutions including document review and finance/accounting services. Potential future acquisitions give Huron the possibility to cross sell its offerings.
- **International Growth.** Japan's Financial Instruments and Exchange Law, or J-Sox goes into effect April 2008 and will drive demand for independent financial consulting services like Sarbanes Oxley legislation did in the US.
- **Attractive Business Model.** Huron produces fairly consistent, predictable margins and requires very little capital investment, which results in strong FCF that management can use for strategic acquisitions.

Valuation

Currently, Huron is trading at 20.4x 2008E of $2.55/share. On a historical basis, HURN trades at a four year average of 25x NTM EPS. Due to HURN's strong growth and attractive metrics (ROE/ROIC), we believe that the company can trade at or around its historical NTM average. Using 22x our 2009E of $3.40/share, a $74.00 target price was yielded. Alternatively, a ten year DCF Model found the price of the stock to be $86.14. The assumptions used in this valuation was an average growth rate of 20% for 2008-2010 and 10% from 2010-2016. A terminal growth rate of 3% and a WACC of 11.6% were used. Under a bullish assumption (3.5% terminal growth rate, 11.1% WACC), a $97.26 target price was found. On the contrary, a bearish valuation (2.5% terminal growth rate, 12.1% WACC), a $78.04 price was found. With the late pullback in HURN's price, the company is trading the bottom of the company's IPO in 2004. A price target of $75 is set on HURN.

	Terminal Growth Rate					
		20.0%	**2.5%**	**3.0%**	**3.5%**	**4.0%**
WACC	**10.6%**	$86.79	$91.73	$97.33	$103.71	$111.07
	11.1%	$82.25	$86.67	$91.64	$97.26	$103.68
	11.6%	$78.16	$82.13	$86.58	$91.57	$97.21
	12.1%	$74.43	$78.04	$82.03	$86.49	$91.51
	12.6%	$71.04	$74.31	$77.93	$81.94	$86.43

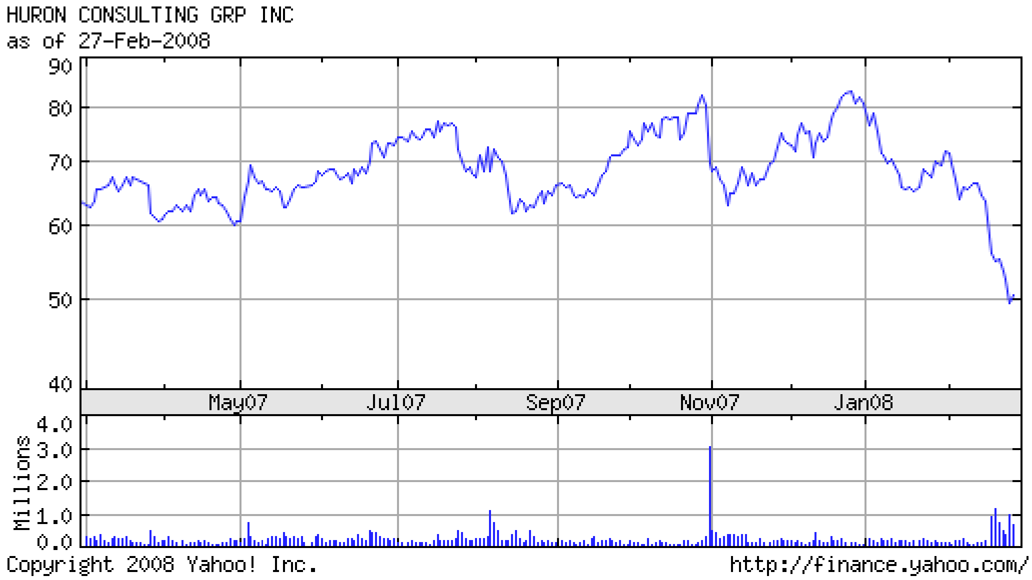
Table 1: Scenario Analysis

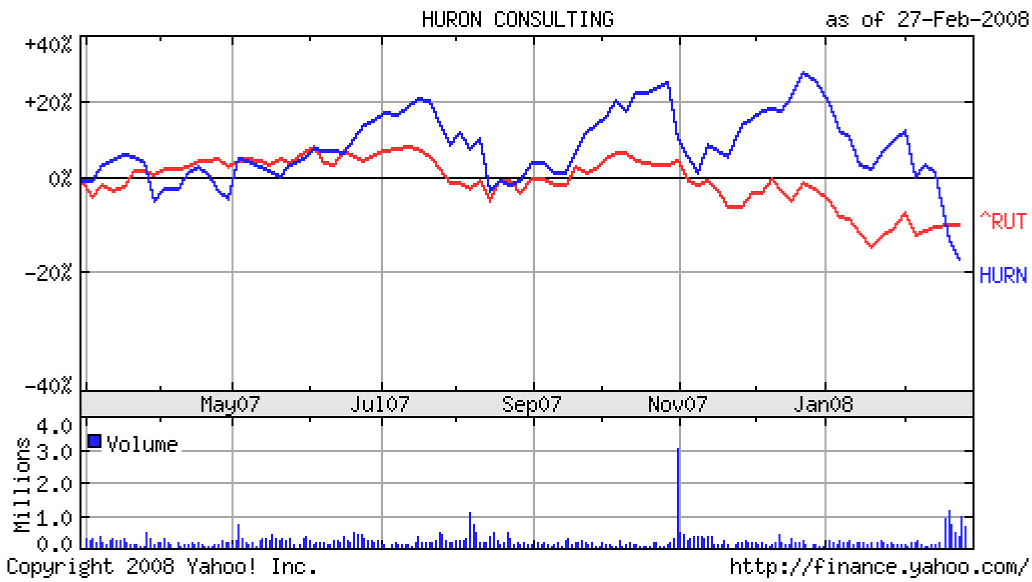
Risks

- **Employee Retention.** Huron's ability to retain its high experienced professionals and effectively recruit new talent is key to the company's growth and success.
- **Project-Driven Revenue.** Although Huron's revenue is diversified across many areas and clients, large projects can drive swings in utilization rates, and thus revenue growth.
- **Additional Hiring and Business Acquisitions.** Through selective M&A, Huron adds new services and professional expertise. The company's performance will stem from its ability to identify targets that are good cultural fits and are motivated to join the Huron platform.
- **Expansion into BPO Services.** The BPO market is highly competitive and firms leverage technological investments to drive scale.

Management

Gary Holdren has served as CEO and Board director since 2004. Before Huron, he was a partner at Arthur Anderson LLP. Holdren has more than 30 years of experience with corporations and legal counsels on complex financial and business matters.





Ownership

% of Shares Held by All Insider and 5% Owners:	4%
% of Shares Held by Institutional & Mutual Fund Owners:	101%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Next Century Growth Investors LLC	1,039,594	5.57%
Rainier Investment Management	1,030,211	5.52%
FMR LLC	849,420	4.55%
Copper Rock Capital Partners LLC	718,404	3.85%
Franklin Resources, INC	672,002	3.60%

Source: Yahoo! Finance

Rimage Corp.

RIMG

Price: $23.02 ($20.79- $34.63)
Fiscal Year Ends: December 31

March 5, 2008 — Patrick Flaherty
Russell 2000 Index: 710.46 (650.00 – 856.48) — Hardware Sector

Rimage Corporation designs, manufactures, and distributes CD, DVD, and Blu-Ray Recordable duplication systems mainly for the retail, education, medical, and business services industries. The company's products include premastering, recording, and labeling CDs and DVDs for small or large volumes. Rimage's products can be separated into Producer, Professional, and Desktop segments, depending on the volume of copies. The company uses its own direct sales force team to market in the United States, Europe, the Asia Pacific, and Latin America. Its main competitors include Primera Technology, Teac Corp., and Microtech Systems, all privately-held. Headquartered in Minneapolis, Minnesota, Rimage was founded in 1987 and employs around 200 employees.

Recommendation

Rimage's state-of-the-art and quick duplication products place the company in a favorable position in a growing market. CDs/DVDs/ Blu-Ray discs are replacing microfilm and paper because of convenience, lower cost, greater capacity, and worldwide standard. Companies in these fields are realizing the benefits that Rimage's products have on their businesses. Currently, CDs/DVDs are replacing paper in banking and payroll processing applications and can be used to archive customer's financial history. Retailers are using Rimage CD/ DVD duplication systems and printers in stores so customers can publish photos on demand. Also, the healthcare industry is using CDs/DVDs in CT, MRI and other scans and also for recordkeeping. These markets also require continuous service, with 40% of high-volume products including maintenance contracts. These trends have all translated into strong performance for Rimage. From 2002 to 2006, Rimage's sales have grown at 22% CAGR and EPS has grown at 20% CAGR. In 2007, Rimage's net income was $15.8 million, a 20% increase YoY. Management has also enacted a plan to repurchase 500,000 shares, which is in addition to another 500,000 share repurchase plan announced previously. Therefore, it is recommended that Rimage be added to the AIM Portfolio with a target price of $31.00

Key Statistics	Mar. 5, 2008
Market Cap	$222.9M
Shares Outstanding	9.69M
Average Volume	96,444
Beta	0.73
EPS (TTM)	$1.52
2008 Estimated EPS	$1.64
P/E (TTM)	16.4
PEG	0.8
WACC	8.46%
ROE	15.72%
Gross Margin	46.99%
Operating Margin	19.18%
Target Price	$31.00

Investment Thesis

- **Broad End Markets:** Rimage's duplication systems serve several markets, including retail, healthcare, business services, media, corporate, education, and government. The company's diversification of its customers reduces its exposure to weaknesses in one sector.

- **Transition into CD/DVD/ Blu-Ray:** With the result of greater information capacity, lower costs, and increased convenience, companies are switching to optical technology for their storing, distributing, and archiving needs. Thus, the data storage industry is expected to grow 20% every year. Offering twenty four hour service, Rimage's flexible, quick, and innovative products fit this growing need. The addition of Rimage's Blu-Ray systems in May 2007 are meeting industry and consumer demands, proving about five and thirty five times the capacities of DVDs and CDs, respectively.

- **New Market Opportunities:** Rimage has specific goals to act on the latest trends in the markets they serve. In the retail market, Rimage's products offer the convergence of photos, audio, and video content and the company is beginning to implement a turnkey solution for customer kiosks that offer this technology. Rimage plans to extend its products into the mammography field and continues to improve medical bookkeeping (more storage space and medical records on-line). Finally, in the business services segment, Rimage plans to market its products to produce CDs that replace print catalogs and DVDs that replace instructional videos.

Valuation

According to a ten year DCF model, Rimage's intrinsic value is $34.06. Growth rates of 15% for the first five years, 8% for years 6-10, and 3% as a terminal value were used. Based on the valuation of Rimage's P/E of 16.4 and estimated 2008 EPS of $1.64, an intrinsic value of $26.90 is found. Taking both methods into account, Rimage's target price is $31.00. The market price is currently $23 and the firm does not pay a dividend.

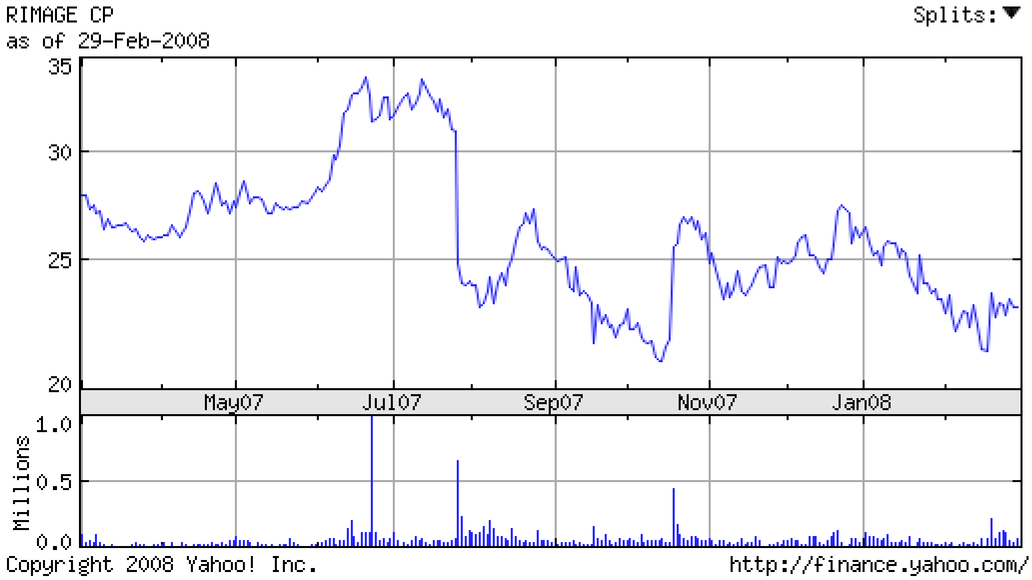
Risks

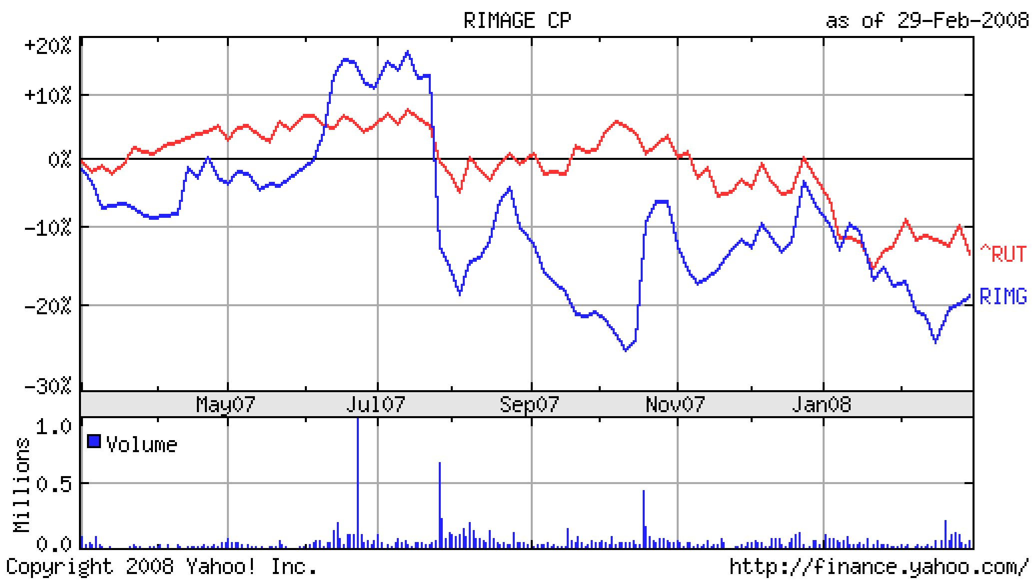
- **Slowdown in IT Spending:** Rimage's business thrives on the IT spending of retailers, healthcare providers, and business service companies. With the economy weakening, these companies may choose to decrease the amount spent on IT systems, which would adversely affect Rimage's profitability.

- **Difficulty with Patents:** Rimage currently has nineteen patents issued and thirteen pending. The company believes that in the future, they will be subject to competitors infringing on these patents. If such an incident occurs, Rimage would be forced into litigation, incurring legal costs and potentially lowering earnings.

Management

President, CEO, and Director Bernard Aldrich has been with Rimage since December 1996. He is currently also a director for Apogee Enterprises and Park Industries. Prior to that, Mr. Aldrich held several positions at Colwell Industries and Advance Machine Company. Chairman of the Board James Reissner has been a director since 1998. Mr. Reissner is currently the President of Activar and has been with Activar since 1992. Robert Wolf has been CFO since 2003 and has held upper management positions within Rimage since 1997.





Ownership

% of Shares Held by All Insider and 5% Owners:	1%
% of Shares Held by Institutional & Mutual Fund Owners:	71%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Royce & Associates	1,050,248	10.89%
Boone Capital Management	516,000	5.32%
Barclays Global Investors UK Holdings	427,699	4.41%
Wells Fargo and Company	361,716	3.73%
Renaissance Technologies Corp.	331,800	3.42%

Source: Yahoo! Finance and Rimage Website

Sigma Designs, Inc.

SIGM
Price: $26.84 ($23.12 - $73.00)
Fiscal Year Ends: January 31

March 5, 2008 — Luke Junk
Russell 2000 Index: 686.84 (650.00 - 856.48) — Hardware Sector

Sigma Designs is a leading provider of system-on-chip (SoC) semiconductors, which refers to an integrated circuit that incorporates all the necessary components of computer and/or electronic systems. The principal end-markets for Sigma's SoCs include IPTV set-top boxes, DVD media centers, and digital TVs. Their major competitors include STMicroelectronics and Broadcom. The company's products are sold worldwide through a direct sales force (Sigma Designs maintains sales offices in China, Europe, Hong Kong, Japan, and Taiwan) and distributors. The company is headquartered in Milpitas, California and also maintains R&D centers in Europe and Asia, employing approximately 180 people in total. Sigma Designs was founded in 1982 and went public in 1986.

Recommendation

SIGM is a play on two strong trends: IPTV adoption (72% of revenues) and the transition to Blu-ray players (23% of revenues). Over the last two years, the company has recorded strong top-line growth (8 consecutive quarters of double-digit sequential revenue growth) while consistently beating guidance and analyst expectations (F3Q08 revenues were up 56% sequentially, above guidance of up 20%). Weakness (off ~70% from its mid-December high) has created a stock that is heavily oversold. SIGM currently trades at only 10x F2009 consensus earnings, creating an excellent buying opportunity. I am recommending the addition of SIGM to the AIM equity portfolio with a $50.00 target price.

Key Statistics	Mar. 5, 2008
Market Cap	$793.44m
Shares Outstanding	29.45m
Average Volume	2.83b
Beta	1.80*
EPS (TTM)	$1.45
F2009 Estimated EPS	$2.60
P/E (TTM)	18.6
P/S (TTM)	4.9
WACC	15.9%
Cash Per Share	$8.51
Debt/Assets	Nm
ROE	22.7%
Gross Margin	51.9%
Operating Margin	23.3%
Target Price	$50.00

*Source: Yahoo! Finance, Thomson**

Investment Thesis

- **IPTV Adoption.** SIGM is the leading silicon provider in the IPTV market. The company holds a 50% share in Linux-based set-top boxes and ~100% share in Microsoft-based set-top boxes (60% of IPTV sockets). IPTV set-top boxes featuring SIGM chips are in the early stages of ramping with several of SIGM's largest customers, including AT&T, British Telecom, and Deutsche Telekom. Momentum in this segment is reflected in the company's strong F3Q08 results, which saw revenues climb 68% sequentially and over 200% year/year.

- **Blu-ray Adoption.** SIGM maintains a 75% market share in the stand-alone Blu-ray market (ex PS3). Blu-ray adoption is poised to explode in C2008, as it emerges as the victorious next-generation DVD standard. 5 of 7 major movie studios now exclusively support Blu-ray, and HD DVD proponent Toshiba has recently decided to discontinue producing HD DVD players. Furthermore, rapidly falling ASPs will also drive Blu-ray adoption in 2008. Given these drivers, Blu-ray is expected to experience 100% unit growth in C2008.

- **Scalable Platform.** SIGM's platform is extremely scalable, as the company is able to apply the same SoC architecture to a variety of end-market applications. Sigma's architecture is currently being applied to a number of new end-market applications, including internet-capable HDTVs and ultra-wide band. Both of these areas are expected to be accretive to revenue in F2009. This scalability has created significant operating leverage, as the company is able to grow revenues double-digits sequentially while keeping operating expense growth in the low single-digits.

- **Proprietary Decoder Software.** SIGM's ability to maintain such significant market shares in the IPTV and Blu-ray markets is largely a result of its proprietary decoder software, which has kept traditional semiconductor companies at bay as they struggle to develop competitive software.

Valuation

Based on a multiples analysis of my F2009E EPS of $2.57 (below consensus), I see potential upside of $65 (25x earnings) and potential downside of $25 (10x earnings). My base case multiple yields a price of $45 (17.5x earnings). While high volatility is likely to continue near-term (sending the stock below my downside level), I believe that the long term risk-reward ratio is extremely compelling. I am establishing a $50 price target for SIGM.

Risks

- **Continued Share Weakness.** Shorts have piled into the stock over the last few months, during a time where no major news on the name has emerged. The market's overly bearish sentiment has driven the stock down over 60% since mid-December. While valuation is extremely low, it is impossible to say whether the stock is at a trough yet.

- **Competition.** SIGM faces its most significant competition from STMicroelectronics and Broadcom in the low-cost non-Microsoft segment of the IPTV market, where the decoder technology is not as advanced. However, Broadcom has begun work on a Microsoft-based IPTV chip which has the potential to infringe on SIGM's share.

- **Customer Concentration.** Late starts and lumpy revenues at major customers pose a major risk to SIGM, which had 3 ten percent customers as of F2007.

Management

Thinh Tran co-founded SIGM and has served as the company's President, CEO, and chairman of the board since 1982. Tom Gay has served as CFO since mid-2007, having previously served as CFO at Catalyst Semiconductor.

Ownership

% of Shares Held by Insiders:	3%
% of Shares Held by Institutional & Mutual Fund Owners:	85%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Tiger Global Management, LLC	1,240,000	4.21%
Goldman Sachs Group	1,228,645	4.17%
Bank of New York Mellon Corporation	1,015,660	3.45%
Barclays Global Investors UK Holdings	1,006,548	3.42%
Renaissance Technologies Corp.	1,005,003	3.41%

Source: Yahoo! Finance

Silgan Holdings, Inc.

SLGN

Price: $46.74 ($44.13 - $61.12)

Fiscal Year Ends: December 31

March 5, 2008 — Jason Bednar

Russell 2000 Index: 686.18 (650.00 - 856.48) — Consumer Goods Sector

Silgan Holdings, Inc., is a leading manufacturer of consumer goods packaging products. It operates 69 manufacturing facilities in North and South America, Europe, and Asia. In North America, Silgan is the largest supplier of metal containers for food products and a leading supplier of metal, composite, and vacuum closures for food and beverage products. Currently, the company is divided into three operating segments – metal food containers, plastic containers, and closures. The company has grown primarily through 23 acquisitions since it was founded. Silgan now controls approximately fifty percent of the metal food container market with many well-known branded consumer companies under contract, including: Campbell's Soup, Del Monte Fruits and Vegetables, Listerine, and Friskies Pet Food.

Recommendation

An investment in Silgan Holdings offers a great opportunity to own a company with stable revenue streams from a variety of long-term contracts with consumer product companies. With recent acquisitions, primarily in the plastics and closures business lines, Silgan has been able to diversify its source of sales and enter into faster growing and higher margin businesses. The company recently provided expectations for the current fiscal year with sales increasing in all three segments of their business. Also, with lower capital expenditures and an increase in net income, Silgan's free cash flow should expand from prior years. Continuing with acquisitions will help the company maintain its stable 6.6% CAGR in sales and 7.6% CAGR in income. Silgan's dividend, which was recently increased, is also an attractive element to the investment with the potential for an increase from the current levels.

Key Statistics	Mar. 5, 2008
Market Cap	$1.76B*
Shares Outstanding	38.17M*
Average Volume	248,589*
WACC	8.34%
EPS (TTM)	$3.22
FY2008 Est. EPS	$3.45-$3.65
P/E (TTM)	14.52
Forward P/E	12.81
ROA	5.74%
ROE	24.56%
Gross Margin	14.15%
Operating Margin	8.87%
Profit Margin	4.20%
Target Price	$56.50

*Source: Yahoo! Finance, 10-K**

Investment Thesis

- **Recession Resistant Business.** Silgan Holdings operates as a company with stable organic growth with 1% - 3% annual increases in sales. Their financial results are insulated from downturns in the economy as they serve more of a consumer need than a consumer desire.

- **Acquisition or Debt Reduction.** After the most recent earnings release, Silgan has just under $96 million in cash. SLGN has historically utilized its cash position to acquire smaller companies that fall within one of its three business segments. Further acquisitions in the plastics and closures businesses would not be surprising.

- **Stable Sales Growth and Customer Adoption of Quick Top.** Silgan has achieved a compound annual growth rate in sales of 6.6% over the past ten years. The company has also increased its unit sales of the Quick Top easy-open lid by 39% since 2002, now representing 62% of metal food container sales.

Valuation

Using a discounted cash flow model with free cash growth ranging from a conservative 2% to a bullish 10%, as well as a percentage likelihood of each occurring, an intrinsic value of $59.70 was found. The terminal growth rate used in the model is 2%. A P/E analysis utilizing estimates of $3.45-$3.85 per share in FY'08 earnings with a P/E range of 12.5-16.5, a target price of $53.40 was found. Equally weighting these two values provides a targeted price of approximately $56.50 per share, representing more than a 20% upside from the current price. The stock has a 1.5% dividend yield.

Risks

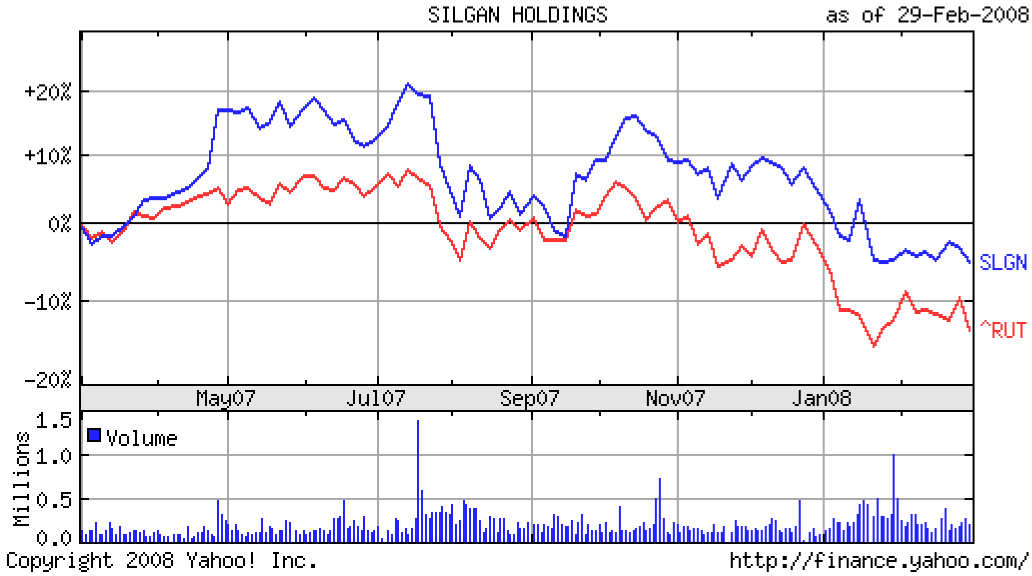
- **Raw Materials Costs.** The primary raw materials for Silgan consist of resin, which is a main cost of the plastics business, as well as steel and aluminum in the metal food container segment. SLGN has structured a majority of its contracts to have its own costs passed through to its customers. Typically, there is a lag of 1-3 months for SLGN's costs to be fully passed along.

- **Large Amount of Debt.** Silgan maintains a substantial amount of debt on its balance sheet, nearing $1 billion in its latest earnings release. While lower interest rates will benefit interest expense, a further increase in leverage through acquisitions could pose more risk and compress margins in the coming quarters.

- **Performance Dependent on Weather.** Silgan's performance in the metal food can business does depend on the weather, particularly in the Midwest and on the West Coast. Unusual weather conditions resulting in poor crops during the growing season could result in excess inventory and poor sales figures in this segment.

Management

Philip Silver and Greg Horrigan are two of the co-founders of Silgan and remain Co-Chairmen of the board. Both individuals hold nearly one third of the shares outstanding in aggregate. Tony Allott is the current CEO of SLGN and has served in various positions within the company since arriving in 2002.



Ownership

% Shares Held By Insiders:	33.25%
% Shares Held By Institutional & Mutual Fund Owners	71.80%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Philip Silver	6,717,858	17.81%
Greg Horrigan	5,484,669	14.54%
Fidelity Management	1,806,608	4.79%
Eagle Asset Management	1,475,163	3.91%
Brandywine Global Investment Mgmt.	1,371,663	3.64%

Source: Bloomberg

Net 1 UEPS Technologies, Inc.

UEPS
Price: $30.05 ($21.25-$33.82)
Fiscal Year Ends: June 30

March 5, 2008 — Stan Zurawski
Russell 2000 Index: 684.22 (650.00 - 856.48) — Financial Services Sector

Net 1 UEPS Technologies, Inc. provides a universal electronic payment system (UEPS) as an alternative payment system for the unbanked and under-banked populations of developing economies, particularly South Africa, Botswana, Namibia, Nigeria, Colombia, Vietnam, Ghana, and Iraq. Net 1's system uses secure smart cards, which operate in real time but differ from most in that they are offline so that users of the system can enter into transactions at any time with other cardholders so long as a smart card reader is available. The four segments of the company include Transaction-Based Activities, Smart Card Accounts, Financial Services, and Hardware/Software sales. The transaction segment makes up 65% of revenue and 80% of profits. Net 1 was founded in 1989 and is headquartered in Rosebank, South Africa. The company's revenue and expenses are primarily denominated in South African Rand, but are reported in both Rand and U.S. Dollars.

Recommendation

Key Statistics	Mar. 5, 2008
Market Cap*	$1.58B
Shares Outstanding*	52.52M
Average Volume*	531,457
Beta**	1.049
EPS (TTM)*	$1.26
2008 Estimated EPS*	$1.48
P/E (TTM)*	23.35
Forward P/E*	17.99
WACC	11.90%
Profit Margin (TTM)*	29.59%
Op. Margin (TTM)*	43.68%
ROE*	25.87%
Target Price	$33.34

*Source: *Yahoo! Finance**Bloomberg*

The main catalyst for Net 1, particularly in the short term, is the result from the upcoming decision by the South African Social Security Agency (SASSA). The company's current contract expires March 2008 and SASSA is currently reviewing proposals from various providers. UEPS' standing with SASSA might have been strengthened as a result of the recent electricity and other continuing blackout problems in South Africa. The firm's offline capability does not require constant use of electricity, unlike its competitors. In addition to this main catalyst, the 2008/2009 budget announcements for South Africa proved positive for Net 1. Welfare spending is expected to grow 14% (more than previously expected) and a new corporate tax rate of 28% is reduced from the earlier proposed tax rate of 29%. The high spending on social welfare will be the result of increasing the number of beneficiaries as well as the size of the grants. Changes in the laws allowing for more welfare beneficiaries could add over 1.2 million new cardholders (30% more) over the next few years for Net 1. In addition, UEPS is paid by a percentage of the size of the grants. The announcement of the Iraqi contract demonstrates the UEPS applicability and suitability of the technology where other solutions have fallen short.

Investment Thesis

- **Large market, differentiation:** Nearly two thirds of the world's population lives below the poverty line and have little or no access to banking services. Despite being below the poverty line, most of these people still require electronic transactions. Often, these people live in remote areas and many companies and government agencies need to provide services to them for frequent collections and charges. The UEPS technology solves the problem of telecom, which is critical to most payment systems by means of offline transactions through a patented methodology. The UEPS system has low per-transaction fees and is able to reach these remote areas.

- **Consistent cash flows:** Net 1 facilitates the monthly payments of many South African welfare beneficiaries that are paid monthly by the government. This provides recurring and consistent cash inflow. Additionally, Net 1 is diversified by means of four segments that are profitable and by means of providing services in multiple countries.

- **Future growth:** Over the past several quarters, Net 1 has entered Botswana, Namibia, Nigeria, Colombia, Vietnam, Ghana, and Iraq (many through joint ventures). These relationships position Net 1 well for entries into additional geographies and offer open-ended growth.

Valuation

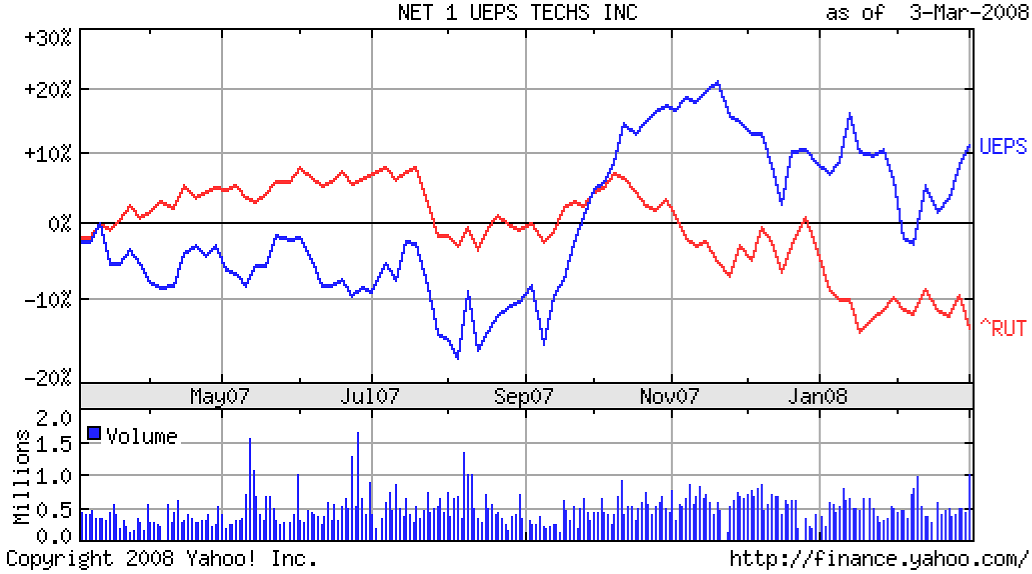
A 10-year discounted cash flow analysis indicates that Net1's intrinsic value is $34.50. The one-year target price, assuming a $1.48 FY08 EPS estimate and the current PE of 23.35, is $34.56. Using P/E comparisons between Net 1 and a peer group of financial services companies in the Russell 2000 and multiplying the ratio by TTM EPS yields a price of $34.95. Doing the same for a peer group of financial service companies located in the Middle East and Africa yielded a price of $29.35 Taking these valuation metrics into account, the target price for UEPS Bank is $33.34; or a 10.95% return. This company does not pay a dividend.

Risks

- **Large exposure to single market:** Net 1 derives more than 95% of profits from South Africa. Political or competitive changes in South Africa could jeopardize these contracts. The current contract with SASSA expires in March 2008 and the proposals to SASSA are currently being reviewed.

- **Currency risk:** Over the last two years, the Rand has fluctuated around 8-6 per US Dollar. Net 1 does not engage in any currency hedging transaction to reduce the effects of fluctuations in currency exchange rates on its results; other than economic hedging relating to inventory purchases. Movements in the Rand-Dollar exchange could adversely affect UEPS.

- **Execution risk:** Net 1 moved out of South Africa for the first time during 2007 (Nigeria, Ghana, Iraq, etc.). Execution risk arises due to a relatively lean management team having to attend to both the securing and implementation of new contracts as well as managing its core business.



Ownership

% of Shares Held by All Insider and 5% Owners:	20%
% of Shares Held by Institutional & Mutual Fund Owners:	75%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Brait SA	9,387,984	17.88%
General Atlantic, LLC	6,409,091	12.20%
Alger Management Inc.	2,572,540	4.90%
Maitland Trustees, LTD	2,454,817	4.67%
Capital World Investors	2,193,600	4.18%

Source: Bloomberg

Ingles Markets, Inc.

IMKTA

Price: $23.51 ($20.42-$42.28)

Fiscal Year Ends: September 30

March 5, 2008 — Nick Ihn

Russell 2000 Index: 684.22 (650.00-856.48) — Consumer Services Sector

Ingles Markets, Incorporated operates a supermarket chain in the southeast United States. Its supermarkets offer various food products, including grocery, meat and dairy products, produce, frozen foods, and other perishables; and non-food products, such as health and beauty care products, and general merchandise, as well as private label items. In addition, Ingles Markets engages in the fluid dairy processing and shopping center rentals businesses. As of September 29, 2007, it operated 197 supermarkets, including 73 in Georgia, 65 in North Carolina, 36 in South Carolina, 20 in Tennessee, 2 in Virginia, and 1 in Alabama. The company also operated 51 in-store pharmacies and 44 fuel centers. Its supermarkets are located primarily in suburban areas, small towns, and rural communities. The company was founded in 1963 and is headquartered in Asheville, NC.

Recommendation

Ingles Markets (IMKTA) has enjoyed a profitable fiscal year 2007 with earnings up 37% (13.7% for most recent quarter); however, the market has masked this success as IMKTA's stock price has fallen from $41.50 to $23.51. This is in part a response to IMKTA's bold strategy of renovating and expanding their existing stores at a cost of $175M, immediately following capital expenditures of $127.8M in 2007. This spending was deemed necessary to maintain branding advantages over the competition, mainly Wal-Mart's recent entry into the southeastern grocery market. Pointing to IMKTA's track record of twenty straight years of top-line revenue growth, and the ability to raise profits in the difficult economy of 2007, a recommendation is made to buy the stock if the price drops to $22 per share or lower.

Key Statistics	Mar. 5, 2007
Market Cap	$590M
Shares Outstanding	24.5M*
Average Volume	121,664
Beta	1.584**
EPS (TTM)	1.64
P/E (TTM)	10.03**
PEG	1.339**
WACC	11.20%
Debt/Assets	44.3%
ROE	16.9%
Gross Margin	24.06%
Operating Margin	4.68%
Target Price	$27.88

*Source: Morningstar, **Bloomberg*

Investment Thesis

- **Recession Resistance.** In a time of consumer uncertainty and economic difficulty, investment in consumer staples can provide safe returns. Despite its nature as a staple service, IMKTA has shown its ability to continue growth and profitability (37% profit growth) in conjunction with consumers tightening spending throughout 2007.

- **Proven Track Record.** IMKTA is an established company that has been in existence for over 40 years, and has a history of stability. IMKTA has enjoyed 20 consecutive years of revenue growth. Also, given its size, IMKTA has proven its ability to identify profitable acquisition targets, and has lengthened their lines of credit to take advantage of competitor devaluations in the current economy.

- **Income Growth through Fuel Stations.** As of fiscal year end (Sept. 30) 2007, 44 IMKTA locations offered gasoline fuel stations. Though IMKTA groups its fuel profits within overall store sales, it has released that same store sales have increased 12.8% (only 8.4% excluding fuel) during 2007. IMKTA plans to add eight additional fuel stations to existing stores during fiscal year 2008.

- **Large Dividend Yield.** IMKTA further insulates itself from difficult economies by offering a quarterly dividend of $0.165 (currently a yield of 2.7%). This dividend has been offered quarterly since May 1990, and management indicates that it will continue indefinitely.

Valuation

A comparable multiples analysis of IMKTA revealed that it is currently trading at 14x P/E compared to and industry average of 17x leading to a fair value estimate for IMKTA of $27.88. To establish a sensitivity analysis, a 5-year discounted cash flow model was created and using bull and bear cases an averaged fair value of $34.73 was derived. A weighted average of all comparable multiples and cash flow analysis yields an intrinsic value of $31.90.

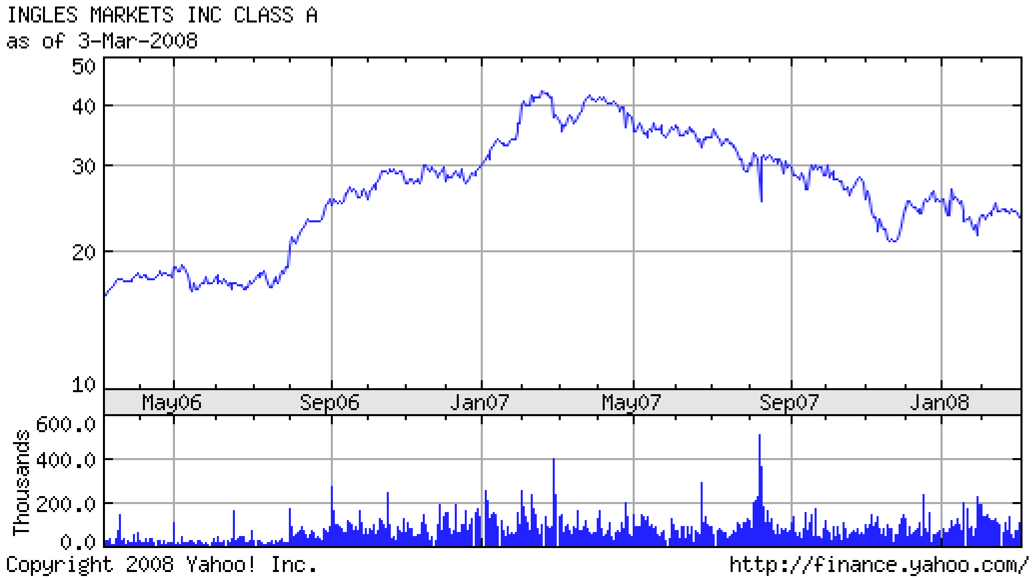
Risks

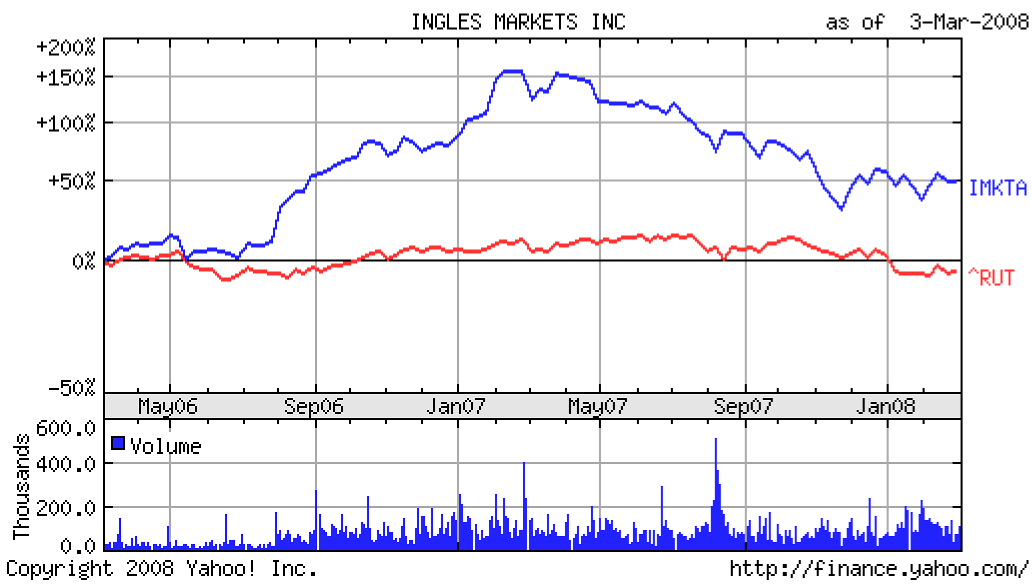
- **Continued Economic Difficulties.** Though IMKTA has remained profitable through the difficult economy of 2007, there is no guarantee it can remain profitable through an elongated period of recession. IMKTA is somewhat insulated due to its nature of selling consume staples at its core; however, IMKTA's secondary, and larger margin, offerings (coffee, prepared meals, etc.) are more easily effected by consumer worries.

- **Ineffective Expansion.** Though the over $127M IMKTA spent in 2007 to modernize and expand their locations was met with positive consumer feedback and same store sales growth, this does not automatically infer that 2008's strategy to spend an additional $175M on renovation and the building of new stores will be met with the same acclaim. However, it is hard to doubt IMKTA with its ability as a grocer to pass costs onto the customer, and their profitability in 2007 despite lager cap ex numbers

Management

IMKTA has the advantage of an experienced, long tendered, management team. Robert P. Ingle has been with Ingle's since inception, and has been Chief Executive Office since 1965. He is 73 years of age so some retirement concerns are warranted; however, Robert P. Ingle II, who is currently serving as Vice President of Operations and Chairman of the Board, has been with the company since 1985 and has held various positions within Ingles from management of new store design, to training and development. Outside of the owning family, Ron Freeman has been the CFO since 2005. Freeman is a CPA by trade and was the CFO for Silver-Line Plastics Corp. prior to joining Ingles.





Ownership

% of Shares Held by All Insider and 5% Owners:	8%
% of Shares Held by Institutional & Mutual Fund Owners:	79%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Gamco Investors	917,700	7.41 %
Silver Point Capital	760,000	6.13 %
CITIGROUP Inc.	707,898	5.71 %
Lord Abbett & Company	546,813	4.41 %
Renaissance Technology	517,500	4.18 %

Source: Yahoo! Finance

American Greetings Corp. Cl-A

AM

Price: $18.78

Fiscal Year Ends: Feb. 2009

March 5, 2008 Paul Simenauer

Russell 2000 Index: 684.22 (650.00 - 856.48) Media Sector

American Greetings is a global leader in the social expressions space. The company designs, manufactures, and sells social expression products, which include gift cards, gift wrap, party goods, and stationary. Through its AG Interactive subsidiary, American Greetings distributes social expressions products electronically. The company also owns and operates 429 card and gift retail stores in North America.

Recommendation

American Greetings shares represent an excellent opportunity to gain exposure to a small-cap company with strong free cash flows that currently run in excess of $200M for a reasonable price. The company continues to aggressively return value to shareholders through dividend increases and share repurchases, while improving on its working capital management and conservatively building up its electronic business.

Key Statistics	Mar. 5, 2008
Market Cap	$983.69M
Shares Outstanding	52.19M
Average Volume	635,948
Beta	1.41
EPS (TTM)	$.988
2009 Estimated EPS	$1.70
Forward P/E 2009	10.77x
P/S (TTM)	.57x
WACC	10.6%
Debt/Capital	20%
2007 ROIC	16.21%
Gross Margin	53%
Operating Margin	4.97%
Target Price	$24.00

Investment Thesis

- **Share repurchases and dividend increases potential catalysts:** American Greetings recently authorized another $100M share repurchase program in January 2008, after extinguishing its previous $100M share repurchase program over the course of 2007. I believe that this development is a positive, as management is signaling to the market that it believes American Greetings shares are undervalued and shows that American Greeting’s management team is committed to delivering shareholder value. In addition, between 2004 and 2007, the company increased its dividend twice from $.24 to $.32 and from $.32 to $.40.

- **Strong Q408 Sales and Strength in Unique Visitors in Electronic Business:** Strong Valentine’s Day sales in the company’s electronic segment, as reported by comScore, may cause American Greetings to come in at the higher range of guidance given by management for FY 2007 of $1.35-$1.55, which management has also confirmed. More importantly, I believe this shows the stability of American Greeting’s business, as gift cards and social expression items are not likely to go out of style any time soon and can be easily converted into an electronic format. According to comScore data, unique visitors to American Greeting’s web properties are up 51% from 11.982M to 18.1M. The company has continued to expand its higher margin electronic business in 2007 with the acquisitions of WebShots and Photoworks.

- **Scan-based Trading Initiative (SBT):** American Greetings is converting retail customers to an SBT system. Under SBT, cards are given to retailers on consignment and sales are recognized as products are electronically scanned through the retailer's cash register. The main competitive advantage that an SBT system delivers is an increase in visibility of its business operations, allowing management to better control the organization and make better sales forecasts, have better working capital management through inventory reduction, have a reduced time to market for new products, and have reduced stock outs.

Valuation

I arrived at a conservative price target in my opinion of $24.00 by taking an average of a DCF valuation, comparable multiples valuation, and private market (comparable transactions) valuation. The company also trades at a discount to its 10 year historical average P/E multiple of 15.3x.

American Greetings Valuation	
Average DCF	$ 26.00
Average Comps	$ 22.63
Average PMV	$ 23.24
Price Target	$ 24.0

Risks

- **Strong buyer power:** The company's largest five customers represent 30%-40% of net sales. Wal-Mart alone accounts for about 15%-17% of sales in a given year. As a result, even though American Greetings is one of the 2 largest players in the social expressions space, the company may not be able to have control over the prices it charges to customers. A recent trend has seen social expression products gradually shifting to lower margin dollar stores and deep discounters.

- **Higher CAPEX than forecasted due to information systems spend:** CAPEX going forward may be higher than expected according to management, as the company has plans to update its information systems over the next 7-10 years.

- **Competition with Hallmark:** American Greetings and Hallmark have been intensely competing with each other since the early 1900's. Together, Hallmark and American Greetings represent 85% of the social expressions market, according to company estimates.

Management

The extended family of the company's founder owns 79% of B shares (entitled to 10 votes, but with the same economic interest) in the company worth approximately $60M, and continues to play a role in operating the business. Morry Weiss, son-in-law of the company's founder Jacob Sapirstein, serves as the company's Chairman, while his son Zev has the role of CEO. I believe this is favorable as it ties management to the economic performance of the company, but conflicts of interest may need to be scrutinized closely going forward if the fund purchased American Greetings shares.

Ownership

% of Shares Held by All Insider and 5% Owners:	0%
% of Shares Held by Institutional & Mutual Fund Owners:	116%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Dimensional Fund Advisors Inc.	4,435,974	9.1%
Marathon Asset Management LP	4,153,800	8.52%
Goldman Sachs Group Inc.	4,134,888	8.48%
Barclays Global Investors UK Holdings Ltd	3,023,123	6.2%
First Pacific Advisors Inc.	2,948,000	6.05%

Source:Yahoo! Finance

Parexel International Corp.

PRXL

Price: $27.01 ($15.97-$29.76)

Fiscal Year Ends: June 30

March 5, 2008 — Katie Koutnik

Russell 2000 Index: $680.98 (650.00-856.48) — Health Care Sector

Parexel provides worldwide biopharmaceutical services. The company's offerings are intended to shorten the product development lifecycle for manufacturers, while minimizing risks and costs associated with bringing new products to market. It operates in three business segments: Clinical Research Services (CRS) – 74% of total revenues, Parexel Consulting and Medical Marketing (PCMS) – 16.2% of total revenues, and Perceptive Informatics (Perceptive) – 9.8% of total revenues. Parexel was founded in 1983 and is headquartered in Waltham, Massachusetts.

Recommendation

Key Statistics	Mar. 5, 2008
Market Cap	$1.53B
Shares Outstanding*	56.27M
Average Volume*	735,239
Beta**	0.84
EPS (TTM)*	$0.82
2008 Estimated EPS**	$0.84
P/E (TTM)*	33.20
P/S (TTM)*	1.47
PEG	1.53
Debt/Equity	0.167
ROE*	14.44%
Gross Margin**	27.75%
Operating Margin**	6.27%
Target Price	$30.00

*Source: Thomson, *Yahoo! Finance, **Bloomberg*

Parexel is one of the leading contract research organizations (CROs) in the world. The CRO industry proves to be attractive at this time as the presidential election draws closer. Cost containment is on the forefront of many political agendas and Parexel is well positioned to take advantage of these secular trends. However, its exceptional growth momentum and position in the biopharmaceutical sector has not gone unnoticed by investors. Shares of Parexel were up 66.7% in 2007 compared with 3.5% for the S&P 500 and 9.8% for the NASDAQ composite. While many question whether the run by the CROs' and Parexel is already over and the positive outlook is already discounted in the shares, there still remains room for continued growth. The scope and complexity of clinical trials continues to increase, particularly in an environment of greater scrutiny by regulators. While this is an extremely attractive industry, and the stock would be a good addition to the AIM portfolio, shares of Parexel are rather expensive at this time. A watch should be initiated with a possible buying opportunity contingent on an attractive purchase price – mid $20s.

Investment Thesis

- **Attractive CRO Industry.** The CRO industry is benefiting from a number of secular trends, including continued growth in pharmaceutical R&D spending, cost containment pressure within pharmaceuticals, trends towards greater levels of outsourcing, and the emergence of virtual companies that lack the necessary R&D infrastructure to develop their own drug candidates.

- **Margin Expansion.** Parexel has operating margins of 8.5%, lagging its peers at 11%-12%. The company's goal is to expand operating margin by 100 bps per year with continued international and U.S. success.

- **Significant Global Presence.** Parexel operates in 43 countries, with more than 60% of its revenue coming from outside the U.S. It appears well positioned to take advantage of conducting trials on a global scale. While the overall CRO market is growing in the mid-double-digit range, the international market is growing significantly faster – roughly 20% in 2006.

- **Differentiated Technology.** Parexel's Perceptive Informatics group allows a manufacturer to offer multiple services for information technology solutions to manage the clinical trials process, including clinical trial management software (CTMS), interactive voice response systems (IVRS), and core imaging lab services.

- **Potential for Future M&A.** The CRO industry remains extremely fragmented, and Parexel has been active in the M&A activity over the past several years, as have most of the other CROs. In addition to future acquisition activity, there is always the potential for a take-out by another CRO or a financial sponsor.

Valuation

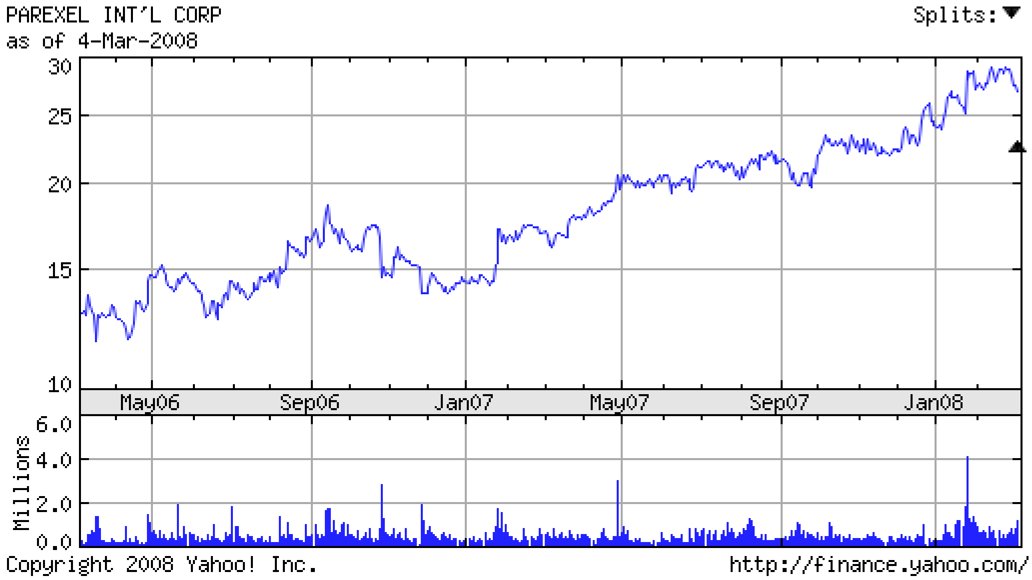
The discounted cash flow valuation for Parexel indicates an implied share price of $30.00, compared to the current price of $27.01. Based on an industry P/E of 34x for firms in research services, the stock should be valued at $28.50. While this would seem to indicate the shares are around Parexel's intrinsic value, on a PEG basis, shares of Parexel are trading in line with its three-year historical average PEG ratio of 1.5x. Taking these valuation metrics into consideration, a target price of $30.00 is reasonable.

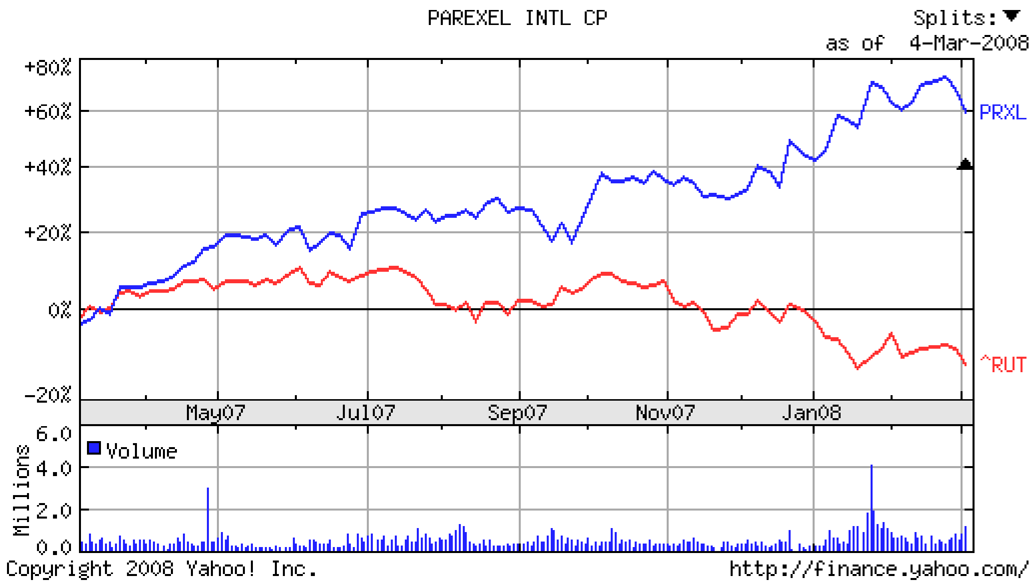
Risks

- **Increase in Cancellation Rates.** CRO contracts may be canceled or delayed due to a sponsor's test cancellation or failure of drugs to meet key endpoints needed to move on to the next phase. Parexel has guided to an expected cancellation rate of around 4%-5% on a trailing four-quarter basis. However, with a backlog of $1.8 billion, Parexel should be able to absorb an increase in cancellations. The key is to match infrastructure growth with backlog orders.
- **Decline in Pharmaceutical R&D Growth.** The CRO industry is driven by pharmaceutical R&D growth. If trends slow down, there is the risk for pricing pressure as CROs attempt to win new business.
- **International Exposure.** Over 60% of Parexel's business in 2007 came from international operations, exposing Parexel to potentially unfavorable currency fluctuations. A large exposure to international operations increases the risk of possible changes in worldwide regulatory compliance and geopolitical activity.

Management

Josef Von Rickenbach, 51, founded Parexel in 1983 and has served as a Director, Chairman of the Board and CEO since 1983. In addition, he served as President from 1983 until April 2001.





Ownership

% of Shares Held by All Insider and 5% Owners:	7.00%
% of Shares Held by Institutional & Mutual Fund Owners:	97.00 %

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Wellington Management Co	2,281,000	8.11%
Barclays Global Investment	1,577,483	5.61%
Vanguard Group Inc	1,471,758	5.23%
AXA	1,406,856	5.00%
Alger Management Inc	1,272,040	4.52%

Source: Bloomberg

AU Optronics Corp.

US: AUO
Price: $18.54
Fiscal Year Ends: December 31

March 5, 2008 YaoTing Zhuang
MSCI ACWI xUSA 309.51(271.91-357.03) Information Technology Sector

AU Optronics Corp. engages in the design, development, manufacture, assembly, and marketing of thin film transistor liquid crystal display (TFT-LCD) panels and other flat panel displays. TFT is the most common technology used in production LCD monitors and TVs. The company's TFT-LCD panels are used in computer products, such as notebook computers and desktop monitors; consumer electronics products comprising mobile devices, digital cameras, digital camcorder, car television, car navigation systems, portable televisions, multiple function machines, printer displays, portable game consoles, and portable digital versatile disk players; and LCD televisions. AU Optronics sells its panels principally to original equipment manufacturing service providers like Qisda and Compal, who are primarily in Taiwan, China, and other Asian countries. The company was founded in 1996. It was formerly known as Acer Display Technology, Inc. and changed its name to AU Optronics Corp. in 2001. In 2006, the company acquired QDI, another LCD maker. AU Optronics is based in Hsinchu, Taiwan.

Recommendation

The TFT-LCD market has seen robust growth since 2001. The obsolesence of CRT monitors and the continually decreasing costs of production have triggered the proliferation of TFT-LCDs worldwide. TFT-LCD consumption grew over 200% from 2005 to 2007. Moreover, demand from emerging markets has provided AUO a vast potential in increasing the overall unit sales, as well as marketshare. In 2007, AUO reached a record revenue of NT$480.2 billion (USD$15.8 billion), up 63.8% YoY, net income of NT$56.5 billion, up 521% YoY. Additionally, a growing amount of AUO's revenue comes from large size LCDs, which help AUO's botton line. The whole TFT-LCD demand market is expected to grow about 28-30%, while supply is only expected to grow at 22-24%. This inequality will be beneficial to AUO in terms of pricing power.

Key Statistics	Mar. 5, 2008
Market Cap	$14.90B
Shares Outstanding	7,817M
Average Volume	2.84M
Beta	1.21
2007 EPS	$2.23
2008 Estimated EPS	$3.21
P/E (TTM)	6.93
P/S (TTM)	0.91
P/B	1.2
Debt/Assets	60.5%
ROE**	21.66%
ROA	9.46%
Net Margin	11.76%
Target Price	$25.00

*Source: Thomson, *Yahoo! Finance, **Bloomberg*

Investment Thesis

- **Huge Growth Potential in LCD TV demands from emerging markets.** Asia and Taiwan together account for AUO's 78% revenue in 2007, led by demands from China and other emerging markets. China's demand for TFT-LCD is expected to increase about 40% YOY in

2008. The 2008 Olympics is a huge catalyst for China's LCD market as both the government and citizens are looking to upgrade to LCD in public facilities and homes.

- **Demands from branded companies and OEM service providers are expected to pick up earlier than usual.** Q1s have been weak historically due to seasonality; although many analysts expected an inventory correction to happen in Q1 and subsequently damaging the ASP more than previous years, AUO has stood up against these negative expectations so far. In fact, AUO announced that ASP is expected to bottom out in Feb/Mar, about a month ahead of historical average. Customers are expected ramp up inventories earlier this year after experience supply shortages last year.

- **Market leader in rolling out new technologies.** The TFT-LCD market is a very competitive industry with tight net margins hovering around 10%. AUO has to compete with players like Phillips and Samsung, In addition to other Taiwanese firms. Keeping a diversified product mix is critical to AUO's success. As the trend leans toward enlargement of LCD panels, AUO has been able to deliver the right product mix by through state-of-the-art fabs.

Valuation

Industry PE multiples averaged 8.47, while the historical PE for AUO is 7.94. Estimated earnings for 2008 is NT$9.59(USD$2.94). My conservative PE valuation suggests stock should trade around $24.00 by year-end. 10-Year DCF analysis yields an intrinsic value of 26.50$, with a WACC of 10.40%. Dividend yield is .48%

Risks

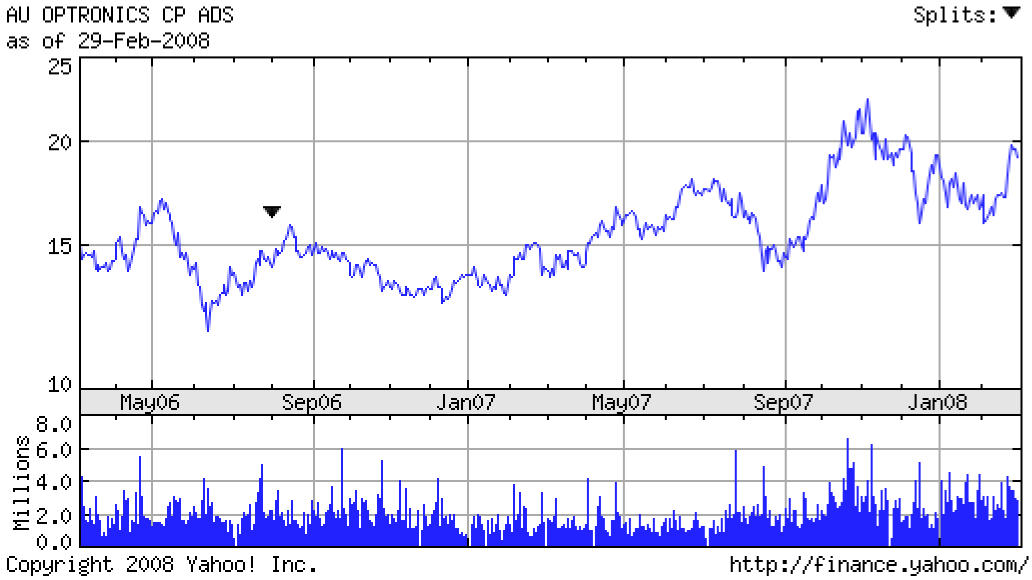
- **Less than expected demand**. Although the outlook for the TFT-LCD market looks positive for the next couple of years, any unexpected economic downturn in the U.S., China, or other large markets might negatively impact AUO's performance.

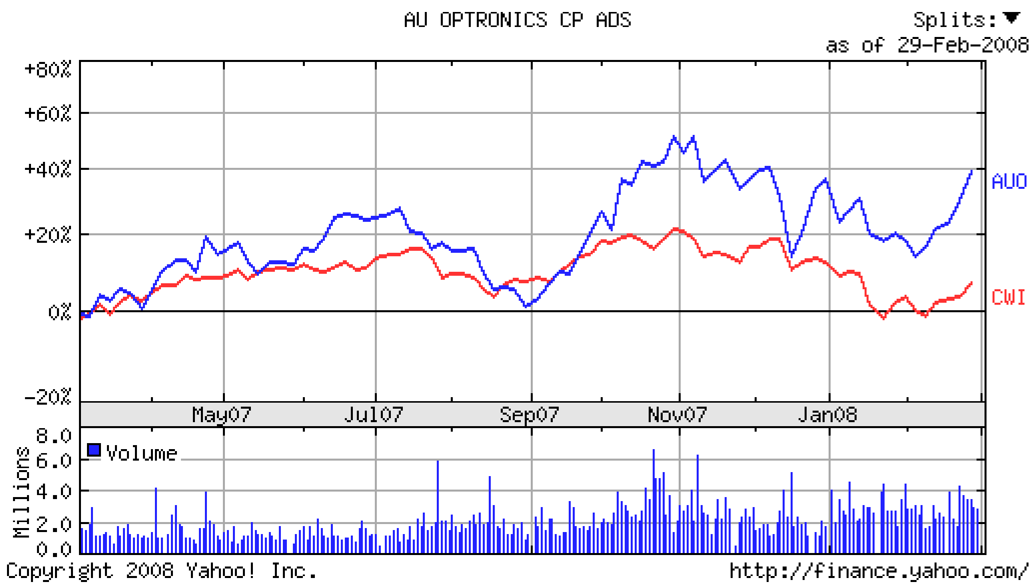
- **China's labor law conflicts.** China has reformed its labor laws that increased the minimal wage of labor and forced many enterprises to sign contracts with its workers, along with providing certain mandatory benefits. AUO's operations in China is very labor intensive and any further unfavorable labor law reforms could be detrimental to their bottom line.

- **Natural disasters.** This past season, China experienced several winter storms that heavily crippled its transportation infrastructures. As a result, some operations were delayed and AUO wasn't able to deliver certain order on-time. As customers generally place orders a month ahead of the delivery time, AUO's inventory might go obsolete if any interruption occurs.

Management

Chairman and CEO Kuen Yao Lee has been under some litigation issues for possible insider trading of Qisda's stocks. Qisda owns about 8.47% of AUO, and Lee is also the CEO and chairman of the board of Qisda. The two companies also conduct a substantial amount of businesses with each other.





Ownership

% of Shares Held by All Insider and 5% Owners:	4.0%
% of Shares Held by Institutional & Mutual Fund Owners:	100%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
AXA	10,496,222	1.36%
Schneider Capital Management, L.P.	6,046,505	0.78%
UBS Global Asset Management (Americas) Inc.	4,826,689	0.62%
Nordea Investment Management Bank Denmark A/S	3,613,592	0.47%
Legg Mason Inc.	3,547,127	0.46%

Source: Yahoo! Finance

Logitech International SA

LOGI

Price: $25.58 ($24.76-$37.23)

Fiscal Year Ends: March 31

March 5, 2008 — Christopher Caparelli

MSCI ACWI xUSA 309.51 (271.91-357.03) — Software Sector

Logitech International SA is a world leader in the design, development, production, marketing and support of peripherals for personal computers and other digital platforms. Logitech sells products in six different retail categories, holding a world leading market share in Pointing Devices, Keyboards, and Video, while maintaining a significant market share in Audio, Gaming, and Remotes. Relying upon a well established brand image symbolizing quality, innovation, and ease of use, Logitech shipped over 150 million products to more than 100 countries in 2007. These shipments helped Logitech generate record net sales of $2.1 billion in 2007, marking a ninth consecutive year of record sales. Logitech was founded in Switzerland in 1981 and was cross-listed on the NASDAQ in 1997. Headquartered in Apples, Switzerland, Logitech has 7,431 employees throughout North America, Europe, and Asia.

Recommendation

Key Statistics	Mar. 5, 2008
Market Cap	$4.64 B
Shares Outstanding	181.45 M
Average Volume	1,372,320
Beta	1.17
2007 EPS	$1.26
2008 Estimated EPS	$1.40
P/E (TTM)	21.32
Forward P/E	15.50
WACC	11.36%
ROA	11.52%
ROE	25.37%
Gross Margin	34.30%
Operating Margin	12.10%
Target Price	$34.25

Despite slowing growth of only 5% in the global desktop PC industry in 2007, Logitech's retail sales grew 16% in the same time period, suggesting the two are increasingly decoupled. Moving forward, Logitech sees four major trends in the global market for peripherals where they can build and sustain a competitive advantage. Logitech plans to address trends towards Wireless Connectivity, Internet Communication, Digital Music and Digital Home through a portfolio of new innovative products designed to expand the Logitech brand. Logitech's technological innovation and diverse product portfolio has allowed the company to log 34 consecutive quarters of double digit revenue growth. Through a concentrated effort to develop innovative products and sell them at attractive price points in diverse markets, Logitech has managed to grow their profitability at a steady pace. The combination of a well established brand name, innovative products and substantial room for growth leads to a recommendation for Logitech as an addition to the IAIM fund with a target price of $34.25.

Investment Thesis

- **Resilience in a weak macro-economic environment.** With the threat of a slowdown in consumer spending looming, Logitech is poised to continue its long established trend of profitability growth. Logitech's well diversified business model sells a wide range of products throughout many different markets at price points usually under $100. With a proven track-record during previous periods of macro-economic contraction, Logitech is well positioned as their products often prove to be an inexpensive way to upgrade an existing PC.

- **Commoditization of the PC**. As the cost of a desktop PC continues to drop, OEM's look to basic, low cost peripherals to keep the price of a bundled desktop down. These basic peripherals often do not fully enable new generations of powerful applications, requiring more technologically advanced peripherals. Logitech's peripherals serve this need as way for the desktop owner to personalize the PC.

- **Growth in the Notebook PC Market.** Shipments of notebook PCs are accelerating as shipments of desktop PCs slow, with notebook's accounting for 37% of the PCs shipped in 2006. Market research has shown that notebook PCs are often purchased to replace their desktop counterparts and that users often prefer using a mouse rather than the built in notebook pointing device. Logitech experienced 64% year over year growth in their notebook peripherals segment and appear poised to capitalize on the shift to notebook PCs.

Valuation

A five year discounted cash flow model, assuming a 5 year revenue CAGR of 13.77% and a WACC of 11.36%, yielded an intrinsic value for Logitech of $35.76. A relative P/E model yielded an intrinsic value of $31.94, representing an undervaluation of approximately 25%. A combination of the two models yields an intrinsic value for Logitech of $34.25, representing an undervaluation of 34% above the current price.

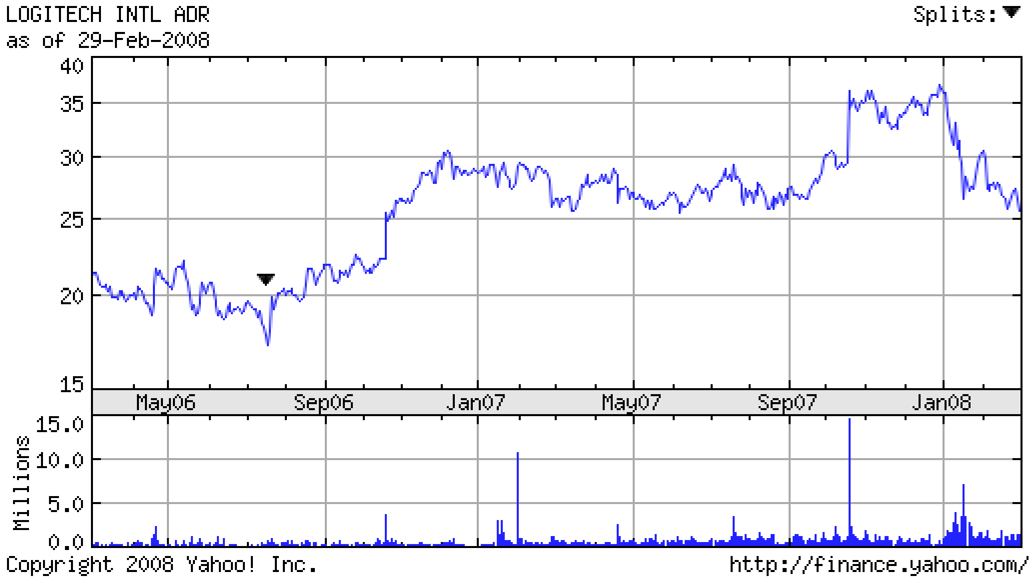
Risks

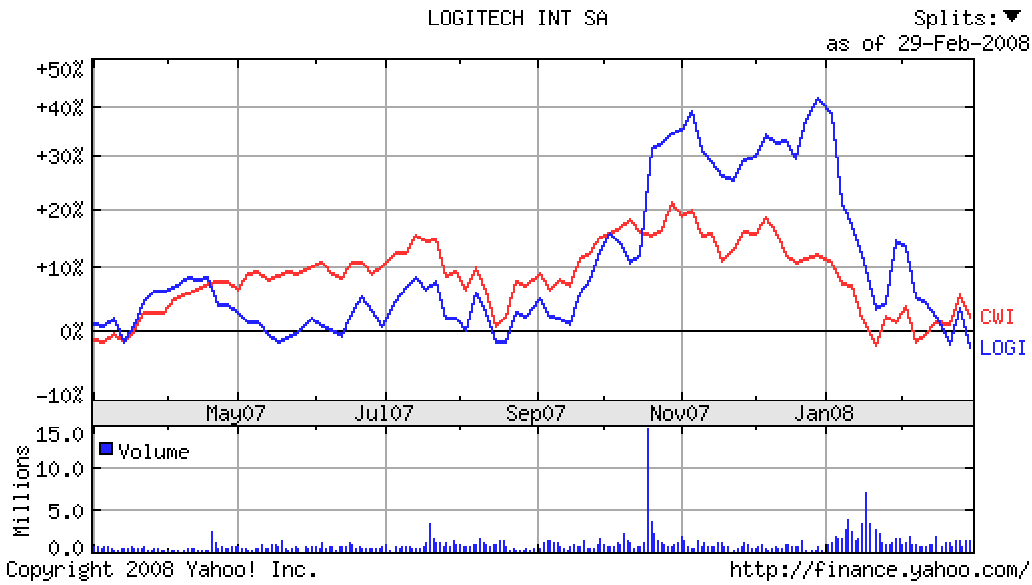
- **Increased Competition.** Microsoft's entry into the webcam market at lower price points resulted in a slowdown in Logitech's webcam sales in the second half of 2007. While Logitech maintains their position as the market leader in webcams, the entrance of an additional major competitor in any of their business segments can present a significant challenge.

- **Currency Fluctuations.** While Logitech engages in derivative transactions in order to hedge its foreign currency exposure, the company remains susceptible to currency risk. Since a significant portion of Logitech's business is denominated in U.S. Dollars, selling prices around the world are often raised or lowered in order to avoid pricing disparity with the U.S.

Management

Guerrino De Luca, an Italian National, has served as Logitech's President and CEO since February 1998 after having served as the Chief of Worldwide Marketing for Apple Computer Corp. Mark J. Hawkins joined Logitech as the Senior Vice President and Chief Financial Officer in April 2006, after serving as the Vice President of Finance with Dell Corporation. The company has a strong and experienced management team, dedicated to meeting the yearly financial and performance related goals.





CWI is the MSCI ACWI (ex-US) SPDR ETF

Ownership

% of Shares Held by All Insider and 5% Owners:	32.10%
% of Shares Held by Institutional & Mutual Fund Owners:	96.99%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Wellington Management Co. LLP	23,407,506	12.21%
Fidelity Management	17,377,703	9.07%
Daniel Borel (Chairman of the Board)	11,000,000	5.74%
Logitech International SA	9,730,013	5.08%
Capital Research & Management	5,869,117	3.06%

Source: Yahoo! Finance