

JANUARY 2008

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The Markets	Current 12/31/07	3-Month Values	3-Month Change	Year-Ago Values	12-Month Change
Cash					
Taxable MMF Yield	3.99%	4.68%	-69bp	4.85%	-86bp
Tax-Exempt MMF Yield	2.70%	3.21%	-51bp	3.22%	-52bp
Fixed Income					
Federal Funds Rate	4.25%	4.75%	-50bp	5.25%	-100bp
5-Yr US Treasury note	3.52%	4.28%	-76bp	4.70%	-118bp
10-Yr US Treasury bond	4.11%	4.57%	-46bp	4.70%	-59bp
5-Yr Aaa Muni Bond Index	3.27%	3.72%	-45bp	3.66%	-39bp
30-Year Conv. Mortgage	5.94%	6.34%	-40bp	6.22%	-28bp
Equities					
S&P 500	1,468	1,527	-3.8%	1,418	3.5%
S&P LargeCap 100	686	714	-4.0%	660	3.8%
S&P MidCap 400	858	885	-3.0%	804	6.7%
S&P SmallCap 600	395	423	-6.7%	400	-1.2%
EAFA Foreign Index	79	83	-5.0%	73	7.2%
S&P 500 PE Ratio	16.1	16.1	0.0%	17.7	-9.0%
S&P 500 Dividend Yield	1.9%	1.7%	20bp	1.8%	10bp
Misc.					
Inflation Rate (CPI, last 12 mo.)	4.31%	2.76%	167bp	2.54%	189bp
CRB Index (Commodities)	359	334	7.5%	307	16.7%
London Gold / oz.	835	743	12.4%	636	31.3%
Crude Oil / bbl.	92	81	13.6%	62	46.6%
Recent Economic Data					
Real GDP / 3rd Quarter	4.9%	Personal Income			0.4%
ISM Manufacturing Index	47.70	Personal Spending			1.1%
Industrial Capacity Utilization	81.50	Retail Sales			1.2%
Productivity / 3rd Quarter	6.3%	New Home Sales			-9.0%
Unemployment Rate	4.7%	Consumer Confidence			88.60

*Stock index performance exclude dividends

bp = basis point (1/100th of one percent)

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ONE SOUTH WACKER DRIVE, 24TH FLOOR
CHICAGO, IL 60606-4654
PHONE 877.674.7878 OR 312.338.7878
FAX 312.338.1594
E-MAIL KBUTTS@ATGTRUST.COM
WEBSITE WWW.ATGTRUST.COM

Economic Forecasts*

	2007e	07:3Qe	07:4Qe	08:1Qe	08:2Qe	08:3Qe
Real GDP	2.2%	4.9%	0.3%	1.7%	2.6%	2.7%
GDP Price Deflator	2.6%	0.9%	2.3%	2.3%	2.3%	2.5%
10-Year Treasury Bond	4.63%	4.75%	4.25%	4.00%	4.13%	4.38%
Fed Funds Rate	5.00%	5.13%	4.50%	4.00%	4.00%	4.00%

*Mesirow Financial estimates e = estimated a = actual

QUOTE OF THE MONTH:

"Incoming information suggests that economic growth is slowing, reflecting the intensification of the housing correction and some softening in business and consumer spending."

- From the Federal Reserve Open Market Committee December statement accompanying the 25-basis-point cut in short-term rates.

The Economy: Slower Job Growth Raises Fears of Slowdown

The number of new non-farm payroll jobs rose 18,000 in December, well below Wall Street's expectation of 70,000, a level that was considered soft to begin with. This weak employment report reinforced widespread concern that the economy is cooling rapidly and might dip into recession.

Inclement weather apparently played a role in the in the number of jobs created in December. According to the Bureau of Labor Statistics, there were 187,000 households unavailable for work due to bad weather, which was 59,000 more than the 128,000 long-term average for December.

The unemployment rate rose unexpectedly, from 4.6 percent in November to 5.0 percent in December, the highest reading since November of 2005 – still low by historical standards but suggestive of a turn. Employment is an important factor in economic growth at this juncture because income and spending growth by consumers are needed to offset the economic drag caused by the weak housing market. Manufacturers, construction companies and financial services companies all cut jobs in December, as did some retailers.

It is too soon tell if employment has entered a true downtrend, so this should be watched closely over the coming months. Keep in mind that much of the country was plagued by ice storms in December, so we will have to wait to see what the true economic picture is. It is therefore too soon to tell if the economy is sliding into a recessionary slump, especially with continued strength in business investment and exports; yet the most recent economic data was on the soft side. Our sense is that the economy is due for a cyclical downturn, and that downturn has begun. The ultimate extent of the slowdown is difficult to gauge, but our sense is that real GDP growth will not exceed 2 percent in the first half of the new year, with improvement in the second half of the year as a result of the Federal Reserve's stated commitment to stimulate the economy.

Anecdotal Evidence Not Encouraging

Recent anecdotal evidence suggests the economy is indeed slowing, quickly and perhaps substantially. A supplier to the building trade told us that large-box retailers such as Wal-Mart and Home Depot have virtually halted the construction of new stores in the Midwest in the fourth quarter.

A source in the transportation industry confirms a sudden turn for the worse –business "hit a wall" in December and a recovery may take up to a year. Truckers who as recently as a month ago had all the work they wanted at day rates of \$250 now can't find customers willing to pay less than half that amount. The performance of the Dow Jones Transportation Average relative to the Dow Jones Industrial Average confirms this turn; index price peaks for the Transportation Average are listed below.

	Transports	Industrials
Peak July 19, 2007	5,466	14,000
Intermediate Peak Dec. 10	4,901	13,727
change since July 19:	-10%	-2%
Intermediate Peak Dec. 24	4,706	13,550
change since July 19:	-14%	-3%
change since Dec. 10:	-4%	-1%
Jan. 4, 2008	4,260	12,800
change since Dec. 10:	-13%	-7%
change since Dec. 24:	-9%	-5%

Transportation stocks spotted the trend first, which makes sense because they know what is being shipped from the factories; they peak in July, about two and a half months before the industrials peaked. The trend accelerated in the fourth quarter and again in December, suggesting that the slowdown has begun.

The retail and transportation situations suggest that inventories will sit and begin to pile up, suggesting a further slowdown in manufacturing,

and perhaps more layoffs. According to data released by Federal Reserve districts, manufacturing activity is mixed across the country, with most readings in expansionary territory, yet with some signs of slowing.

Consumer Spending: The Key to Economic Growth over the Next Several Months

Consumer spending accounts for about 72 percent of economic activity (GDP) in the United States, making it the most important sector of the economy. This is why the December unemployment report was so widely anticipated, because employment and income drive consumer spending, and it explains why the weakness reflected in that report was so poorly received by the stock market.

November Consumption Soars

Consumers evidently ignored slumping home sales and rising gasoline prices and headed out to the malls in November, pushing spending up by the largest amount in 3½ years. The Commerce Department reported that consumer spending leapt ahead by 1.1 percent in November, nearly triple the October gain, and the largest monthly advance since the 1.2-percent gain tallied in May 2004 as the recovery started to gain serious momentum. Consumer spending was also well above the 0.7-percent gain expected by Wall Street gurus. The gain was thought to be helped by retail promotions intended to jump-start the holiday shopping season.

The available data suggest that that consumer spending grew by a fairly robust 3–3½ percent in the fourth quarter of 2007, yet early reports suggest that spending flattened in December, which would be consistent with our notion that the economy may have made a sudden turn in the last month of the year.

The consumer has yet to be rattled after 26 months of decline in the housing market, so forthcoming data about consumer spending will tell whether or not the consumer will continue to bail out weak areas such as housing, tighter mortgage-lending standards, and rising oil prices. It will be important to note the extent to which the economy continues to create jobs in the first half of the year (until stimulative monetary policy kicks in) because as long as people have jobs they will continue to spend.

Falling Interest Rates Suggest a Slowing Economy

The bond market has predicted more recessions than the stock market because the average bond trader is more seasoned and less emotional than the average stock investor. Interest rates all across the yield curve have fallen precipitously over the past several weeks, suggesting that bond traders believe the demand for money will fall as a result of a slowing economy; it also suggests that the bond market does not view inflation as a serious threat because low rates indicate a low inflation premium.

The yield on the benchmark 10-year U.S. Treasury note peaked July 12, 2007, at 5.35 percent, a week before the Dow Jones Transportation Average peaked, and about three months before the Dow Jones Industrial Average peaked. The yield on the benchmark government bond has fallen steadily since, to 4.35 percent – 100 basis points lower – as of press time. This trend and the current low level of interest rates suggest that a significant economic slowdown is in progress.

But, while this is not such hot news for fixed-income investors, stock investors should ultimately rejoice in the fact that the lower interest rates go, the more valuable their equity holdings become as the capitalization rate and opportunity cost fall. This fact will ultimately play out in stock prices and provide an important and proper stimulus for the stock market.

Housing by the Numbers

The housing data continue to be bleak. Sales of new homes plunged in November, falling by 9 percent to a seasonally adjusted annual rate of 647,000 units, the lowest level in 12 years. Overall, home prices fell by the largest amount since 1991.

Over the last 12 months, the number of new homes sold fell 34.4 percent, again representing the largest decline since the last significant housing slump in 1991. As one commentator reflected, there is no way to paint this report as anything but ugly. With the lone exception of the demographically expanding West, where sales rose 4.0 percent, home sales fell across the nation. In the Midwest, for example, home sales tumbled 27.6 percent; in the Northeast, 19 percent; and in the South, 6.4 percent. Seemingly paradoxically, but not so when considering that the cost of construction always rises, the median sales price for a new home increased to a four-month high of \$239,100 in November, about the same as the same period in 2006.

The housing slump has affected more than just home prices because lenders have tightened their lending standards following losses incurred in their imprudent sub-prime mortgage securities investments. So by some measure, fewer people can now afford to buy a home. Those seeking to secure financing for so-called jumbo mortgages – those exceeding \$417,000 – have found banks especially uncooperative. Tighter credit is therefore compounding the housing slump.

Tighter credit means fewer homes sold, which means that home inventories are growing, which means that fewer homes are built. Fewer homes built means less lumber, concrete, doors and windows, kitchen cabinets, sinks, washers and dryers, and all the other components of a new home are sold – combining to create a negative trickle-down effect in the overall economy.

Interest Rates: The Fed Launches a Counterattack

We previously stated that the economy was strong and that monetary stimulus was unnecessary; the sudden downturn in economic activity that we sense occurred in December strongly suggests that the Fed was prescient in its decision to begin easing, that they now believe the current easing episode is necessary, and that they will continue it in earnest, especially in this election year.

The Federal Reserve lowered its benchmark borrowing target by 25 basis points to 4.25 percent and reduced its discount rate by a similar 25 basis points to 4.75 percent. The Fed reasoned that the action was necessary because “incoming information suggests that economic growth is slowing, reflecting the intensification of the housing correction and some softening in business and consumer spending.”

The Fed also said that “readings on core inflation have improved modestly this year, but elevated energy and commodity prices, among other factors, may put upward pressure on inflation.” While gasoline prices continue to exert pressure on prices, the core rate of inflation, which excludes energy and food costs, rose at a modest rate of 0.2 percent in November. The core inflation rate was 2.2 percent over the past 12 months, slightly above the upper range of the Federal Reserve’s comfort zone of 1–2 percent.

We expect price pressures to recede as the economy slows, allowing the Fed to charge ahead in its effort to stimulate the economy without igniting significant inflationary pressures. The bond market has already voted its proxy by sending interest rates significantly lower, and we expect the Fed to follow suit.

The Stock Market: Slower Economic Growth Likely to Weigh on Earnings Growth

Stock prices in 2007 were buoyed by solid economic growth, rising corporate earnings, falling interest rates, and reassurance by the Federal Reserve that it would do what it could to keep the economy from falling into recession. These positives acted as a dam holding back a rising tide of negatives that included the recession in housing, tighter bank-lending standards, rising oil prices, and a growing sense of foreboding.

The stock market, as measured by the benchmark Standard & Poor’s 500, managed to eke out a total return of 5.4 percent in 2007 (3.5 percent contributed by price gains and 1.9 percent contributed by dividends). The pedestrian return masked broader strength in stocks overall because the decent returns earned by most of the broad economic sectors were countered by the -20.8 percent return of the relatively large financials sector and the -14.3 percent return of the somewhat smaller consumer discretionary sector; these were the only two sectors to underperform the benchmark average, but they did so by a very wide margin. The stock market began 2008 on a miserable note, reflecting the growing concern that the dam is beginning to erode, as the expected real gross domestic product growth rate of 2 percent or less that seems likely in the first half of 2008 will not be enough to drive aggregate corporate earnings growth materially higher, and not enough to stem the tide.

Weakness Continues in Financial and Retail Stocks. 2008 has begun where 2007 left off: financials and consumer discretionary continue to be the worst performing sectors, and the trend apparently has yet to run its course; Merrill Lynch, for example, recently indicated that it may have to write off another \$10 billion in sour sub-prime mortgage-related securities, an appalling number that indicates the pain is not over at least for some companies in the financial sector. The intermediate-term fate of the retail sector rests in the hands of the economy’s ability to continue to create jobs at a decent rate, which will directly affect consumers’ ability to spend. In the meantime, some apparently very attractive bargains, such as high quality retailers Starbucks and Bed Bath & Beyond, are being created by their low stock prices.

2007 saw a turn in the relative performance of large- and small-cap stocks for the first time in several years, providing more evidence that the economy is slowing, as the riskier small companies absorb more business pain than their big-brother large-cap stocks.

Valuation

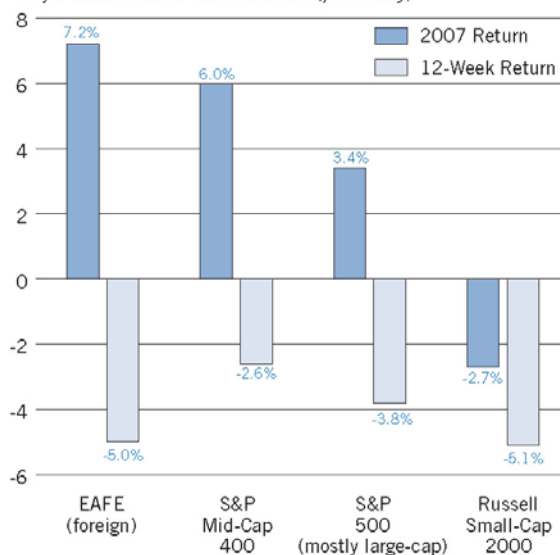
Despite slower earnings growth, current valuations are historically modest.

Using a 2007 EPS estimate of \$93 for the S&P 500, buying all the stocks in the index now would provide an investor with an earnings yield of 6.7 percent (1/15x); that compares quite favorably with the competing yield on the 10-year U.S. Treasury note of about 3.9 percent, an advantage of 280 basis points. Based on a conservative 2008 EPS estimate of \$100, the earnings yield for the S&P 500 is a healthy 7.1 percent (1/14x), suggesting stocks are undervalued.

Stock prices are driven by emotion in the short term, so stock prices tend to overshoot the underlying fundamentals. The fear currently driving investors is once again likely to cause the market to overshoot the valuation mark, this time on the downside.

The economy and stock prices have a powerful ally in the form of stimulative monetary policy. Changes in monetary policy tend to have a lag on changes in the economy of about a year, and the Fed only began easing in mid 2007, so the data are likely to continue reflecting weakness in the first half of the year, with better news emerging in the second half of 2008.

Major Stock Market Index Returns (price only)



Approved List of Common Stocks

January 2008

			12-31-07	2007 Estimate		2008 Estimate		Est EPS			Profit	5-Yr	Debt/	Mid. Cap	Price Change		S&P
S&P 500	Ticker	Status	Price	EPS	P/E	EPS	P/E	Growth	Div	Yield	Margin	ROE	Capital	(Mil)	12-wk	YTD	Rank
S&P 500	SPX	--	\$1,468.36	\$92.08	15.9	\$98.74	14.9	--	\$27.23	1.9%	9.3%	18%	32%	\$107,848	-4%	4%	--
CONSUMER DISCRETIONARY																	
Bed Bath & Beyond	BBBY	Buy	\$29.39	\$2.15	13.7	\$2.20	13.4	15%	–	0.0%	9.0%	24%	0%	\$7,783	-14%	-18%	A
Best Buy	BBY	Buy	\$52.65	\$2.79	18.9	\$3.18	16.6	15%	\$0.46	0.9%	3.8%	24%	15%	\$21,996	14%	4%	B+
Lowe's	LOW	Buy	\$22.62	\$1.85	12.2	\$1.85	12.2	15%	\$0.29	1.3%	6.6%	20%	26%	\$33,084	-19%	-22%	A+
Starbuck's	SBUX	Buy	\$20.47	\$0.87	23.5	\$1.03	19.9	20%	–	0.0%	7.1%	22%	19%	\$14,951	-22%	-34%	B+
Williams-Sonoma	WSM	Buy	\$25.90	\$1.83	14.2	\$2.03	12.8	15%	\$0.46	1.8%	5.6%	21%	1%	\$2,747	-21%	-7%	B+
McDonald's	MCD	Hold	\$58.91	\$2.87	20.5	\$3.17	18.6	9%	\$1.50	2.5%	13.3%	16%	34%	\$69,676	8%	32%	A
Target	TGT	Hold	\$50.00	\$3.40	14.7	\$3.82	13.1	14%	\$0.52	1.0%	4.7%	18%	41%	\$41,542	-21%	5%	A+
CONSUMER STAPLES																	
CVS	CVS	Buy	\$39.75	\$1.92	20.7	\$2.33	17.1	16%	\$0.23	0.6%	3.1%	15%	20%	\$58,706	0%	30%	A
Estee Lauder	EL	Buy	\$43.61	\$2.16	20.2	\$2.40	18.2	12%	\$0.55	1.3%	6.4%	24%	46%	\$8,417	3%	10%	A
Pepsico	PEP	Buy	\$75.90	\$3.38	22.5	\$3.74	20.3	11%	\$1.43	1.9%	16.1%	34%	15%	\$122,176	4%	23%	A+
Proctor & Gamble	PG	Buy	\$73.42	\$3.04	24.2	\$3.49	21.0	12%	\$1.36	1.9%	13.5%	31%	25%	\$228,016	4%	15%	A+
Wrigley (Wm) Jr	WWY	Buy	\$58.55	\$2.25	26.0	\$2.49	23.5	10%	\$1.16	2.0%	11.3%	25%	27%	\$16,145	-9%	24%	A+
Altria Group	MO	Hold	\$75.58	\$4.37	17.3	\$4.70	16.1	7%	\$3.05	4.0%	17.1%	39%	17%	\$159,196	9%	20%	A+
Coca-Cola	KO	Hold	\$61.37	\$2.67	23.0	\$3.00	20.5	9%	\$1.36	2.2%	21.1%	32%	7%	\$141,825	7%	29%	A
Walmart	WMT	Hold	\$47.53	\$3.11	15.3	\$3.44	13.8	13%	\$0.88	1.9%	3.5%	22%	35%	\$190,349	9%	4%	A+
Walgreen	WAG	Hold	\$38.08	\$2.03	18.8	\$2.20	17.3	14%	\$0.35	0.9%	3.8%	18%	0%	\$37,761	-19%	-20%	A+
ENERGY																	
Chevron	CVX	Buy	\$93.33	\$8.43	11.1	\$9.11	10.2	7%	\$2.26	2.4%	8.8%	22%	6%	\$197,061	-0%	19%	A
ConocoPhillips	COP	Buy	\$88.30	\$9.12	9.7	\$9.91	8.9	10%	\$1.64	1.9%	9.3%	18%	20%	\$141,241	1%	11%	B+
Devon Energy	DVN	Buy	\$88.91	\$6.31	14.1	\$7.53	11.8	6%	\$0.56	0.6%	26.7%	19%	22%	\$39,561	7%	23%	A
Noble	NE	Buy	\$56.51	\$4.56	12.4	\$6.32	8.9	20%	\$0.10	0.2%	34.8%	12%	16%	\$15,147	15%	37%	B
Exxon Mobil	XOM	Hold	\$93.69	\$7.12	13.2	\$7.51	12.5	7%	\$1.37	1.5%	11.8%	27%	5%	\$511,887	1%	16%	A
FINANCIALS																	
American Int'l Group	AIG	Buy	\$58.30	\$6.20	9.4	\$6.69	8.7	13%	\$0.77	1.3%	12.4%	13%	59%	\$147,863	-14%	-19%	A+
Capital One Fin'l	COF	Buy	\$47.26	\$4.87	9.7	\$6.81	6.9	11%	\$0.11	0.2%	20.0%	19%	57%	\$18,469	-29%	-31%	A+
JP Morgan	JPM	Buy	\$43.65	\$4.52	9.7	\$4.63	9.4	10%	\$1.44	3.3%	22.2%	9%	65%	\$146,622	-5%	-6%	B
Morgan Stanley	MS	Buy	\$53.11	\$8.73	6.1	\$6.53	8.1	12%	\$1.08	2.0%	9.8%	18%	83%	\$56,362	-16%	-22%	B+
U.S. Bancorp	USB	Buy	\$31.74	\$2.55	12.4	\$2.75	11.5	8%	\$1.63	5.1%	35.0%	21%	69%	\$54,804	-2%	-9%	A
Wells Fargo	WFC	Buy	\$30.19	\$2.47	12.2	\$2.78	10.9	10%	\$1.18	3.9%	23.8%	20%	67%	\$101,872	-15%	-9%	A
Aflac	AFL	Hold	\$62.63	\$3.29	19.0	\$3.80	16.5	15%	\$0.80	1.3%	10.1%	16%	15%	\$30,552	10%	36%	A
Goldman Sachs	GS	Hold	\$215.05	\$24.92	8.6	\$22.22	9.7	13%	\$1.40	0.7%	13.8%	19%	79%	\$85,520	-1%	14%	A
SLM Corp	SLM	Hold	\$20.14	\$2.12	9.5	\$2.23	9.0	15%	\$0.87	4.3%	31.9%	48%	96%	\$10,388	-60%	-22%	B+

Approved List of Common Stocks

January 2008

			12-31-07	2007 Estimate		2008 Estimate		Est EPS			Profit	5-Yr	Debt/	Mid. Cap	Price Change		S&P	
	Ticker	Status	Price	EPS	P/E	EPS	P/E	Growth	Div	Yield	Margin	ROE	Capital	(Mil)	12-wk	YTD	Rank	
HEALTHCARE																		
Abbott Labs	ABT	Buy	\$56.15	\$2.83	19.8	\$3.22	17.4	12%	\$1.30	2.3%	7.6%	22%	29%	\$86,767	5%	18%	A	
Johnson & Johnson	JNJ	Buy	\$66.70	\$4.13	16.2	\$4.42	15.1	9%	\$1.62	2.4%	20.7%	29%	10%	\$190,879	2%	3%	A+	
Medtronic	MDT	Buy	\$50.27	\$2.41	20.9	\$2.53	19.9	14%	\$0.49	1.0%	22.8%	23%	32%	\$56,838	-11%	-5%	A	
Stryker	SYK	Buy	\$74.72	\$2.40	31.1	\$2.88	25.9	18%	\$0.33	0.4%	14.4%	23%	0%	\$30,671	9%	32%	A	
Wellpoint	WLP	Buy	\$87.73	\$5.56	15.8	\$6.43	13.6	15%	–	0.0%	5.4%	12%	26%	\$50,123	11%	7%	NR	
Amgen	AMGN	Hold	\$46.44	\$4.24	11.0	\$4.37	10.6	8%	–	0.0%	20.7%	14%	40%	\$50,510	-18%	-19%	B+	
Pfizer	PFE	Hold	\$22.73	\$2.15	10.6	\$2.35	9.7	6%	\$1.19	5.2%	22.8%	19%	8%	\$155,242	-7%	-8%	A	
INDUSTRIALS																		
Danaher	DHR	Buy	\$87.74	\$3.84	22.8	\$4.37	20.1	13%	\$0.11	0.1%	11.7%	18%	19%	\$27,766	6%	20%	A+	
Emerson Electric	EMR	Buy	\$56.66	\$2.66	21.3	\$3.02	18.8	11%	\$1.09	1.9%	9.5%	21%	28%	\$44,604	7%	29%	A	
Eaton Corp	ETN	Buy	\$96.95	\$6.83	14.2	\$7.75	12.5	12%	\$1.72	1.8%	7.4%	18%	35%	\$14,203	-2%	19%	B+	
Illinois Tool Works	ITW	Buy	\$53.54	\$3.34	16.0	\$3.73	14.4	12%	\$0.98	1.8%	12.2%	17%	14%	\$29,123	-10%	20%	A+	
L-3 Communications	LLL	Buy	\$105.94	\$5.92	17.9	\$6.49	16.3	16%	\$1.00	0.9%	4.2%	12%	44%	\$13,324	4%	35%	A	
General Electric	GE	Hold	\$37.07	\$2.20	16.9	\$2.43	15.3	11%	\$1.15	3.1%	12.6%	20%	73%	\$374,637	-11%	3%	A+	
INFORMATION TECHNOLOGY																		
Autodesk	ADSK	Buy	\$49.76	\$1.91	26.1	\$2.25	22.1	16%	\$0.06	0.0%	15.7%	27%	0%	\$11,490	-0%	16%	B	
Cisco Systems	CSCO	Buy	\$27.07	\$1.34	20.2	\$1.60	16.9	15%	–	0.0%	21.0%	21%	16%	\$164,233	-18%	3%	B+	
Citrix Systems	CTXS	Buy	\$38.01	\$1.52	25.0	\$1.63	23.3	15%	–	0.0%	16.1%	16%	0%	\$7,211	-6%	37%	B+	
Ebay	EBAY	Buy	\$33.19	\$1.49	22.3	\$1.66	20.0	20%	–	0.0%	18.9%	12%	0%	\$44,924	-15%	12%	B	
Hewlett-Packard	HPQ	Buy	\$50.48	\$2.93	17.2	\$3.38	14.9	14%	\$0.32	0.6%	7.0%	12%	11%	\$130,141	1%	24%	B+	
Int'l Business Mach	IBM	Buy	\$108.10	\$6.97	15.5	\$7.98	13.5	10%	\$1.50	1.4%	10.3%	28%	48%	\$148,957	-8%	8%	A	
Oracle	ORCL	Buy	\$22.58	\$1.02	22.1	\$1.27	17.8	15%	–	0.0%	23.7%	32%	24%	\$115,639	4%	18%	B	
Microsoft	MSFT	Buy	\$35.60	\$1.49	23.9	\$1.81	19.7	12%	\$0.42	1.2%	27.5%	24%	0%	\$333,054	21%	13%	B+	
Texas Instruments	TXN	Buy	\$33.40	\$1.81	18.5	\$2.11	15.8	15%	\$0.30	0.9%	18.5%	17%	0%	\$46,700	-9%	10%	B+	
Adobe Systems	ADBE	Hold	\$42.73	\$1.61	26.5	\$1.84	23.2	15%	\$0.03	0.0%	22.9%	26%	0%	\$24,518	-2%	3%	B+	
Accenture	ACN	Hold	\$36.03	\$1.97	18.3	\$2.40	15.0	13%	\$0.42	1.2%	5.8%	64%	0%	\$27,485	-11%	-6%	NR	
Fiserv	FISV	Hold	\$55.49	\$2.76	20.1	\$3.47	16.0	15%	–	0.0%	9.8%	17%	28%	\$9,136	9%	-2%	B+	
Linear Technology	LLTC	Hold	\$31.83	\$1.39	22.9	\$1.70	18.7	15%	\$0.72	2.3%	38.0%	27%	–	\$7,113	-9%	1%	A	
Western Union	WU	Hold	\$24.28	\$1.11	21.9	\$1.26	19.3	12%	\$0.04	0.2%	20.4%	–	–	\$18,232	16%	1%	NR	
MATERIALS																		
Materials SPDR	XLB	Buy	\$41.70	--	--	--	--	--	\$0.81	2.0%	--	--	--	\$1,406	-1%	20%	NR	
TELECOMMUNICATIONS																		
Vanguard ETF	VOX	Buy	\$75.27	--	--	--	--	--	\$2.00	2.7%	--	--	--	\$226	-9%	4%	NR	
UTILITIES																		
Utilities SPDR	XLU	Buy	\$42.33	--	--	--	--	--	\$1.01	2.6%	--	--	--	\$2,527	6%	16%	NR	