FINANCIAL ANALYST PROGRAM



2011 ANNUAL REPORT

Southwestern University

Department of Business and Economics

1001 E. University Ave.

Georgetown, TX 78626

Phone: 512-863-1363

Email: senchack@southwestern.edu

Letter to the Shareholders

Dear Fellow Shareholders:

I would like to congratulate you on being part of another successful year in the history of this program. We are proud to inform you the FAP portfolio outperformed the S&P 500, our performance benchmark, on both a risk-adjusted basis and total performance basis. On an absolute basis the FAP portfolio returned 0.3% while the S&P 500 returned -1.14%. The Sharpe and Treynor risk-adjusted performance measures are used for the comparison of risk and both yielded a victory for the FAP portfolio. Using the Sharpe Measure, the FAP portfolio earned a -0.015 return premium per unit of risk as compared to the S&P 500’s -0.034. Using the Treynor Measure, the FAP portfolio returned -0.00075 per unit of risk, compared to the S&P 500’s -0.00145.

2011 was one of the most volatile years in history for the stock market. Large swings in the market of multiple percentage points seemed to occur at random. After a bearish summer, we were able to come back in the fall and earn back all of our losses while still beating the S&P 500, our benchmark index, on a risk adjusted and absolute basis. While the year was quite hard, our ability to not fall behind the S&P left us encouraged as we look forward to the great year ahead. Positive news as the fourth quarter came to a close gave us hope that 2012 would be a smoother year into the economic recovery. We hope you find this report informative and it encourages your continued support of the Financial Analyst Program for years to come.

Sincerely,

Southwestern University Financial Analyst Program

April 4, 2012

2011 Annual Report Table of Contents

**About the Financial Analyst Program……………………….………………………………………………….………...6**

**Portfolio Manager and Officers……………………………………..……………………………..……………………….7**

**Portfolio Objectives……………………………………………………………….…………………………………..…………9**

**Portfolio Strategy……………………………………………………………………………………………………..………....10**

**Economic Report……………………………………………………………………………………………………………..……11**

**Stock Market Report………………………………………………………………………………………..….………..……..15**

**Short Term Strategy & Sector Allocation…………………………………………….………………..……………….17**

**Best and Worst Investment Ideas of 2010……………..…………………………………..………………………….19**

**Financial Analyst Portfolio Monthly Return……..……………..……………………………….………..….………20**

**Sharpe and Treynor Risk-Adjusted Performance……………………………………….……….……….…………21**

**Historical Performance Comparison……………………………………………………………….…………..………...22**

**Portfolio Financial Statements………………………………………………………………………….……..……….…..23**

**Portfolio Activity—Purchase Transactions………………………………………………………………………...…..27**

**Portfolio Activity—Sales Transactions………………………………………………………………….…………..…..29**

**Portfolio Activity – Cash Dividends..……………………………………………………………….………………..…..31**

About the Financial Analyst Program

The Financial Analyst Program (FAP) is an undergraduate business curriculum that provides an opportunity for a small group of outstanding Southwestern University (SU) students to work closely with business faculty and industry professionals to develop their skills and experiences as financial analysts. Students are offered intensive, hands-on experiences in applying the concepts of financial analysis and common stock selection and valuation in decision contexts similar to those found in the investments world.

Professor A.J. Senchack, holder of the Lucy King Brown Chair in International Business, designed, developed, and introduced this business curriculum during the 1998-99 academic year. He also initiated a request to create a student-run investment fund, subject to its approval by the SU Board of Trustees. In March 1999, the Fiscal Affairs Committee and Board of Trustees approved this request and authorized the creation of the “Southwestern University Student Investment Fund.” In addition, the Board also authorized the transfer of $200,000 in SU endowment monies to the FAP as its initial investable funds. The first investment of the Financial Analyst Program was made on March 1, 2000, in Lowe’s Companies, Inc.

During the academic year, student analysts enroll as a cohort in two business courses—Investments in the fall semester and then Portfolio Management or Corporate Financial Management in the spring semester. Students learn how to assess the operating, financial, and investment performance of companies as well as make financial projections using a company’s recent operating history relative to its peer group of competitors. Both fundamental and technical analyses are used by the student analysts. In the spring semester, an honors or independent research study can also be performed, under the supervision of Professor A. J. Senchack. This study permits a student to fashion an individual-specific project that further enhances his/her financial skills in a particular area of interest such as industry structural analysis, financial markets, or security valuation.

In addition, throughout the entire academic year, the student analysts are responsible for managing the now $367,000 investment portfolio that is part of SU’s endowment. This part of the Program benefits from dedicated, state-of-the-art computer equipment and facilities, telecommunications infrastructure, and electronic and hard copy financial databases for evaluating and selecting common stocks for the FAP portfolio. The objective is to earn a risk-adjusted return greater than the FAP Portfolio’s benchmarks—the S&P 500 Composite Index and the average large-cap growth mutual fund manager.

This program represents a serious, one-year commitment that requires significant time outside the classroom. Therefore, the Program seeks highly-motivated and committed students to carry out all its investment needs.

Portfolio Manager and Officers



Left to Right- Edward Williams, Kristyna Uhles, Jonathan Klonower, Jack Parker, and Steven Montes

*Officer Positions*

**Accountant, Kristyna Uhles:** The accountant monitors the FAP portfolio’s performance and on a monthly basis he reports on the portfolio and its benchmarks. As well, he calculates the returns realized with each transaction and prepares the financial statements for the program.

**Economist, Jack Parker:** The economist follows all of the news relating to the market and on a monthly basis issues a report covering the prior month’s major events. He is charged with following only the most important indicators and identifying major trends occurring in the market.

**Editor of the Annual Report, Edward Williams:** The editor of the annual report oversees the creation of all its individual sections and orchestrates the report’s formulation. After reviewing each member’s contribution, he compiles the pieces into the masterpiece you see before you.

**Market Technician, Jonathan Klonower:** The market technician carefully monitors our primarily technical database, published by Dorsey-Wright, and interprets this information for the group as developments occur and on a monthly basis. He identifies the major technical trends developing and suggests the best manner to leverage those trends and achieve optimal returns.

*Officer Positions, Cont’d*

**Portfolio Manager, Jack Parker:** The portfolio manager does not only set the agenda for each meeting and conduct them, but he leads the members and motivates all constituents to stay on top of their jobs and as analysts. As well, he must monitor the portfolio as a whole, as no other member does, looking at the individual securities and their correlations to identify the best direction in which to go.

**Public Relations, Edward Williams and Jonathan Klonower:** The public relations individual heads FAP recruitment, primarily in the spring, developing a brochure, contacting faculty members to speak in their classes, and conversing with and interviewing potential recruits. Finally, he also monitors the technical attributes of our investments in the Dorsey-Wright database.

**Secretary, Jonathan Klonower:** The secretary enables communication between FAP members and with outside entities, such as Southwestern faculty, staff and other stakeholders. He also presents an overview of each meeting to the members on a weekly basis.

**Statistician, Stephen Montes:** The statistician works with our Morningstar database, examining the breakdown of the FAP portfolio. He analyzes the portfolio based on market capitalization, sector exposure and asset type to identify it relation to our benchmarks. He also uses these insights to identify key current performance drivers and potential trends that could outperform in the future.

**Trader, Edward Williams:** The trader handles all of our security transactions. He drafts each of the orders that the FAP decides upon and executes them through the business office and Regions bank. He also calculates position sizes and determines the appropriate quantities for each transaction.

Portfolio Objectives

The Student Fund Managers seek the highest level of return, while assuming risks similar to the Standard & Poor’s (S&P) 500 Composite Index. Managers also recommend a targeted portfolio of stocks from a broad set of industries. Recommendations are done generally through a top-down approach, selecting an attractive industry first, and then the best stock in that industry.

* The fund purchases common stock issues of domestic and international corporations with large and mid-market capitalizations. The fund also purchases shares of exchange traded and mutual funds.
* The most critical strategy is the fundamental analysis of potential stocks. The managers examine the financial health of the company, looking for companies with growth potential, strong current liquidity, and undervaluation. Through these examinations, the managers find innovative business models that indicate exceptional growth potential.
* The investment strategy requires detailed economic analysis to identify investment opportunities based on the overall economy.
* Technical analysis plays an important role in the selection of equities. Fund managers study historical price patterns of stocks to determine buy points, sell points, relative strength, and overall timeliness of securities.
* The managers monitor currently held stocks and industries to avoid excessive losses and to identify opportunities to accumulate gains from positively performing industries. The managers set sell points, which adjust to market conditions to help capture profits on successful securities.

Portfolio Strategy

The Fund follows the investment guidelines of the equity funds in Southwestern University’s Endowment Funds: to preserve and expand the purchasing power relative to inflation for the future of Southwestern University.

* The Fund attempts to assume risks similar to those of the Standard and Poor’s 500 Index (S&P 500). This means the Fund strives for a high return correlation with its benchmark, the S&P 500. Thus, the Fund attempts to maintain a beta near 1.00 relative to the S&P 500.
* The Fund looks to realize the highest level of return, consistent with its benchmark’s risk level.
* The Fund seeks a turnover rate of less than 100%. The Fund needs a healthy rate of turnover to achieve its goal of capital growth, but excessive turnover violates the Fund’s long-term appreciation strategy and diminishes returns through transaction costs.
* The Fund also attempts to achieve above average risk-adjusted returns based on the Sharpe and Treynor performance ratios. Positive risk-adjusted returns in both of these measures reflect superior results; therefore, the risk-adjusted returns of each measure should be higher than the S&P 500’s risk-adjusted return.
* The Fund helps the managers gain valuable experience in creating and maintaining a portfolio and developing financial analysis skills in a real world situation.
* The Fund managers establish buy and sell points to help cut losses by automatically selling portions of a position, or buying additional shares as the stocks cross certain price thresholds.

2011 Economic Report

Quarter One

GDP only increased by 0.4% in the first quarter, due to several different headwinds. There were declines in government spending, an increase in imports, winter blizzards delaying construction, higher oil prices due to turmoil in the Middle East, and housing sales sinking. However, the economy was predicted to strengthen as the year continued.

The unemployment rate fell to 9.0 % from 9.6% in the fourth quarter of 2010. Non-farm payrolls increased by 450,000 over the quarter. The private sector was the driving force, with the government reducing its number of employees. Also, there seems to have been a large drop possibly due to long-time unemployed workers who gave up on finding work.

Inflationary pressures rose in the first quarter as the Consumer Price Index increased an annualized 2.7% from December 2010 to March 2011. Much of this pressure stemmed from food and energy prices, with core inflation increasing only 1.2%.

Consumer Confidence rose from 53.3 in January to 72 in March. This was the highest level of consumer confidence during the year. This higher level of confidence spurned spending to grow at a 2.1% pace during the first quarter.

The Federal Reserve kept interest rates low, targeting a federal funds rate of 0-0.25% in order to spur economic activity. This activity also attempted to keep credit markets open as fears about a European debt crisis continued to build.

Overall the economic outlook during the first quarter could have been better; however, seeing consumer confidence and spending increase, and the unemployment rate fall bode well for the rest of the year.

Quarter Two

GDP growth increased an annualized 1.3% for the second quarter, a marked improvement from the first quarter, but still slow for a recovery period. In late March a tsunami struck Japan, damaging supply chains of global firms including automobiles and electronics. This had a negative impact on the United States economy.

The unemployment rate remained steady at 9%, but non-farm payrolls increased by 550,000 during the second quarter. Nevertheless, this increase was primarily during April and May. Initial jobless claims spiked at the end of May as firms stopped hiring heading into the summer.

Headline inflation increased from 2.7% April to 3.6% in June on a 12-month adjusted basis. CPI increased 0.4% in April and 0.2% in May before falling 0.2% in June. Much of the decline in June was due to falling gas prices, after resolution of the many Arab Spring revolutions. Core inflation increased to 1.6% on a 12 month basis.

Consumer Confidence fell to 61.7 in June as the fear of the European debt crisis and still high unemployment figures dampened the spirits of consumers. Consumer spending rose only 0.1% during the quarter.

Home building showed one of the strongest sectors of growth as it rose at a 3.8% pace, while investment in nonresidential structures increased at an 8.1 percent rate. These are positive signs for the housing market as home prices hopefully have stabilized.

The Federal Reserve kept interest rates low, targeting a federal funds rate of 0-0.25% in order to spur economic activity. The second round of Quantitative Easing ended during this quarter and investors wondered whether or not the Fed would instill a third round of QE. The downgrading of European countries debt continued to weigh on the world economy.

The Economy experienced a slowdown in hiring during the second quarter which set forth cautionary tones from economists and businesses. Also, the impending debt ceiling debate had many investors choosing to sit on the sideline.

Quarter Three

GDP growth increased slightly in the third quarter an annualized 1.7%, due in part to a very slow first half of the quarter. The congressional debacle about the rising of the debt ceiling led Standard & Poor's to downgrade the U.S. Government Debt from AAA to AA+ for the first time in history. Gas prices fell in the summer helping the consumer.

The unemployment rate rose to 9.1% during this period due to much lower levels of hiring. Non-farm payrolls only increased by 265,000 during the period. Initial jobless claims fell during July and August, but rose in September.

Inflation increased to 3.9% September on a 12 month adjusted basis. CPI increased 0.5% in July, 0.4% in August, and 0.3% in September. Energy prices increased in this quarter as concerns of supply restrictions in Libya raised prices. Core inflation continued to increase during the quarter to a 12 month unadjusted basis of 2.0%.

Consumer Confidence fell to 45.2 in September due to the high profile debt ceiling debate and the lack in hiring that occurred during this quarter. However, in contrast to these numbers, consumer spending rose 2.4% to mark the biggest increase since the fourth quarter of 2010.

Home sales in September were down for a third consecutive month. Personal disposable income, adjusted for inflation, fell 1.7 percent in the third quarter, its biggest drop since the third quarter of 2009.

The Federal Reserve kept interest rates low, targeting a federal funds rate of 0-0.25% in order to spur economic activity. The United States still suffered from low GDP growth; however, a growing number of economists began to worry about the long-term inflation as the Fed continued to stick to its low interest policy.

The stock market was extremely volatile during this quarter, scaring many individual investors out of the market. The U.S. economy still appeared in a fragile state, but seems to have dodged fears about an impending double-dip recession.

Quarter Four

GDP grew unexpectedly by an annualized 3.0% during the fourth quarter. This growth came in large part due to a buildup in inventories by businesses. Government spending continued to decrease as pressures to control the deficit continued to build.

The unemployment rate fell to 8.7% during the quarter, the lowest rate since the second quarter of 2009. Initial jobless claims fell to their lowest numbers of the year in December, and fell below 400,000. Non-farm payrolls increased by 471,000 during the quarter, showing a light at the end of the year.

Inflation fell to 3.4% by year's end on a 12-month basis. CPI for the last three months decreased by 0.1%. However, core inflation increased to 2.2% on a 12 month unadjusted basis. The lack of increase in the CPI was due to falling energy prices in these three months. During the fourth quarter, home prices reached new lows, falling 3.8% from the previous quarter and 4% year-to-year.

Consumer confidence remained stagnant during the quarter until December, increasing back to 55.2 from 45. Consumer spending rose 2.1% during the quarter due to sales on Black Friday being higher than the previous year. Also, falling energy prices helped ease the tension on consumers.

The Federal Reserve kept interest rates low, targeting a federal funds rate of 0-0.25% in order to spur economic activity. Increases in core inflation have started to cause concerns for this easy money policy.

The fourth quarter was the best quarter of 2011. The economy seemed to finally recover from the summer slowdown in terms of job hiring. Expectations for 2012 were still timid although economists revised expectations up after the positive economic news.

2011 Stock Market Report

Stock markets saw perhaps one of the most volatile years in history, most of which cannot be attributed to company related issues. Rather is due to political issues such as the U.S. debt ceiling crisis and the EU crisis. Equity markets saw a minor overall gain of about 2.3%. Investors were looking at an S&P 500 that topped over 1,300 for the first time since pre-recession as late as July before the index fell to a little over 1,100 in September. The market made a slight rebound in the fourth quarter clawing back up to 1,316.

Quarter One

The market was very bullish in the first quarter of 2011. The gains in the market were forecasted to continue into the second quarter, perhaps even to have an increased rate of growth. The S&P 500 saw a 5.4% gain during the first quarter, while the Dow Jones saw a somewhat more modest 3.6% first quarter gain. Both the S&P and Dow were up from last a year ago, 13.4% and 13.5% respectively.

Most of the growth came late in the first quarter and some of this can be contributed to the late growth in the housing market. While February had one of the worst months, in fact an all-time low in new housing starts, March saw a rebounding housing market with an 11.1% increase in new housing starts. The manufacturing industry also helped to spur growth with the ISM index topping over 61 for the first time in over a year.

Quarter Two

The second quarter failed to live up to expectations and the stock market turned bearish. The quarter saw the S&P 500 dip 3.3% as well as a 3.2% drop in the Dow Jones. While it was definitely an improvement from the previous year’s levels with, both the S&P and Dow up 28.2% and 27% respectively, it was a definitely a disappointing quarter for equities as investors remained wary due to economic factors in the U.S.

The manufacturing industry also saw a dip in production as the ISM index fell 55.8 after the previous quarter’s recent highs. The housing industry also faltered in the second quarter as well. New housing starts fell 1% from the previous quarter and were down 7% from the prior year. A bright spot in the housing market was that new housing permits were up 7%. Economists downgraded their forecasts for the third quarter predicting more of a drop in the U.S. stock market.

Quarter Three

The third quarter lived down to economists’ forecasts for the Equity market and continued on its bearish path. The S&P 500 fell 14.2% while the Dow Jones slid another 11.3%. The S&P slid back down to below 1,200 for the first time in 2011 while the Dow Jones was below 11,000 for the first time in a year as well. The S&P was down almost 1% from where it was in 2010 while the Dow was only slightly up at 1.2% from the previous year. Forecasters predicted that equity markets may have a slight upturn in the fourth quarter depending on the result of the EU debt crisis talks.

While the equity market sank the housing market showed fairly strong signs of progress in the right direction. New housing permits built on the success of the previous quarter gaining 1% (up 6% from the year before). New housing starts were also up 7% from the second quarter and 5% from 2010. The manufacturing industry was fairly stagnant in the third quarter, after a drop down to 51.4 in July it settled at 52.5 for the next two months.

Quarter Four

The equity markets finished strong in the fourth quarter, exceeding expectations set previously in the third quarter. The S&P 500 had a gain of over 5% from the previous quarter and 2.3% from the previous year, reclaiming the 1,300 benchmark for the year. The Dow Jones also had notable gains increasing 5.5% from the third quarter and 6.4% from the previous year. Forecasters thought these signs of life could continue into the New Year.

While manufacturing was still somewhat stagnant (the ISM index increased less than 2 point to finish around 54), one of the biggest growth catalysts for the fourth quarter was the housing industry. For the first time since the recession the majority aspects of the housing industry posted positive numbers. New housing permits were up 10% from the third quarter (14% from 2010), housing starts were up 7% in the third quarter (22% from 2010), and housing completions were up 7% from the third quarter (1% from 2010). These were the most positive numbers seen in a long time.

Short Term Strategy and Sector Allocation

Quarter One

We started the year fully invested with 0% cash, riding the uptrend of the markets and a 2010 yearly return of 15.61%. We contained mostly large cap growth securities and mid cap growth securities. Of our stock styles, large cap growth securities had the worst 3rd quarter performance, seeing minimum returns. We were concentrated heavily in the US and Canada (98%) which had only average returns compared to the rest of the world. Our most overweight sectors were basic materials, consumer cyclical, and technology. Of these, technology was the worst performer, having below average returns during the first quarter. At the end of the quarter, the S&P 500 had a return of 5.81% compared to our return of 5.22%.

Quarter Two

The FAP entered the summer with 85% of the portfolio in U.S. stocks, 11% in cash, and 4% in foreign stocks. By the end of the quarter we were at 75% stocks, 25% cash due to hitting some of our sell points and being unable to recommend any new buys over the summer. Our year to date change was 10.23% compared to S&P return of 7.86%. We were overweight in Basic Materials, Consumer Cyclical, and Technology and underweighted in Financial Services, Consumer Defensive, Healthcare, and Utilities.

Quarter Three

The end of the third quarter saw a year to date return on the FAP portfolio of -1.06% while the S&P 500 had a year to date return of -7.92%. We held a position of 45.5% stock and 54.5% of the portfolio in cash. This was largely due to the volatility in the markets at the end of the summer. We remained mostly concentrated in large cap growth securities which had the best returns although they were negative. We were 96% in US and Canada which had average returns although also negative. Our most overweight sectors were consumer cyclical, technology, industrials, and consumer defensive. All of these sectors had negative returns although they were on average, better than other sectors.

Quarter Four

We went into the end of the year having 66% in stock and 34% in cash in our portfolio. Our year to date change was 0.09% while the S&P 500 had a year to date change of 0.82%. Our portfolio contained mostly Mid Cap growth securities which had the best short term return but worst long term return. Followed closely by mid cap growth were large cap growth and large cap core securities. Large cap growth had one of the worst returns and large cap core had average returns. We were largely concentrated in US and Canada (98%) which had the best return compared to the rest of the world. We also were overweight in Industrials and Communication Services, both of which had above average returns, although over the entirety of the quarter had a negative return. We went into the winter break increasing our securities to 66%, anticipating an end of year rally.

Best and Worst Investment Ideas of 2011

Every Thursday morning the Financial Analyst program meets to digest the changes in the market and economic environment from the previous week. We seek to make educated decisions so as to improve our portfolio in both bull and bear markets. Many of our decisions are based upon both present and future predictions.

The program’s best investments for the year have been in the technology and grocery industry. IBM is a technology company that sells information technology and software to businesses. Over the year IBM had an unrealized gain of 26%, and during that time we maintained a full position in it, choosing not to sell over the summer months due to our confidence in the blue chip. Another profitable investment was Whole Foods Market. Whole Foods is a national grocery retailer that primarily sells organic and sustainable food products. During the recession Whole Foods profits were pinched and it was forced to adjust its business model. In 2011, Whole Foods had the widest profit margins in the grocery business thanks to these changes and its respectable brand name. Over the year we maintained at least a half position of Whole Foods which experienced a 36% unrealized gain. At times we owned full positions, but during the summer sold a half due to the correction in the market.

The worst investment idea for the year was really our inability to sell. Our portfolio reached a value of more than $410,000 in May, more than an 11% return. However, over the summer we gave up all of this return, and by the end of the third quarter had a negative return for the year. Before the summer began we set sell points for all of our stocks in order to protect our return. Due to the trust that we work with, sells must be signed off by multiple individuals and puts cannot be placed on our positions. This left us exposed during the turmoil of the summer.

2011 Portfolio Monthly Return

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Month Ending | Portfolio Cash Value | Portfolio Equities Value | Total Portfolio Value | S&P 500 Value | Portfolio Monthly Change | S&P 500 Monthly Change |
|  |  |  |  |  |  |  |
| December (2010) | $ 989 | $ 364,101 | $ 365,089 | 1,257.64 |  |  |
| January (2011) | 39,584 | 327,583 | 367,166 | 1,286.12 | 0.566% | 2.214% |
| February | 1,765 | 378,702 | 380,467 | 1,327.22 | 3.496% | 3.097% |
| March | 68,959 | 321,667 | 390,626 | 1,325.83 | 2.601% | -0.105% |
| April | 45,864 | 363,149 | 409,013 | 1,363.61 | 4.495% | 2.771% |
| May | 27,781 | 378,288 | 406,069 | 1,345.20 | -0.725% | -1.369% |
| June | 99,160 | 297,627 | 396,787 | 1,320.64 | -2.339% | -1.860% |
| July | 99,410 | 293,786 | 393,196 | 1,292.28 | -0.913% | -2.195% |
| August | 163,022 | 210,403 | 373,425 | 1,218.89 | -5.295% | -6.021% |
| September | 199,841 | 159,672 | 359,512 | 1,131.42 | -3.870% | -7.731% |
| October | 152,515 | 226,251 | 378,766 | 1,253.30 | 5.083% | 9.725% |
| November | 154,798 | 193,923 | 371,118 | 1,246.96 | -2.061% | -0.508% |
| December | 125,805 | 218,555 | 367,398 | 1,257.60 | -1.013% | 0.846% |
| Average Return | | | | | 0.002% | -0.095% |
| Annual Return | | | | | 0.026% | -1.136% |

Sharpe and Treynor Risk-Adjusted Performance

The following table contains the Sharpe and Treynor risk-adjusted performance measures for the Financial Analyst Program Portfolio and the S&P 500 for 2011.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Risk-Free | FAP | S&P 500 |
| Rate | Portfolio |
|  |  |  |  |
| Average Monthly Return | 0.05% | 0.0021% | -0.095% |
| Standard Deviation |  | 0.03168 | 0.04317 |
|
| Portfolio Beta |  | 0.639 | 1.00 |
| **Sharpe Risk-Adjusted Return** |  | **-0.01512** | **-0.03349** |
|
| Treynor Risk-Adjusted Return |  | -0.00075 | -0.00145 |
|

The Sharpe measure starts with the average risk premium, which is found by taking the average monthly portfolio return minus the average monthly risk-free rate, or -0.048%. This risk premium is then divided by the portfolio standard deviation of monthly returns, 0.031. The resulting Sharpe risk-adjusted performance value of -0.015 for our portfolio compared to the -0.033 value for the S&P indicates that our portfolio produced a higher risk-adjusted return (or earned a higher excess return per unit of risk) than our benchmark the S&P 500 Index did.

The Treynor measure also begins with the same average risk premium as found with the Sharpe measure. This average risk premium is then divided by the portfolio’s systematic or beta risk, 0.639 The resulting portfolio value of -0.00075 compared to -0.00145 of the S&P 500 Index, indicates that our portfolio, once again, ranked higher than or outperformed the aggregate market on a risk-adjusted return basis.

Historical Performance Comparison

|  |  |  |  |
| --- | --- | --- | --- |
| Year | FAP Return | S&P 500 Return | Large Cap Growth MF Return |
|  |  |  |  |
| 2001 | -11.10% | -13.00% | -22.90% |
| 2002 | -8.10% | -22.10% | -29.60% |
| 2003 | 34.10% | 28.70% | 27.00% |
| 2004 | 6.30% | 10.90% | 7.20% |
| 2005 | 11.20% | 4.90% | 6.20% |
| 2006 | 13.10% | 13.00% | 4.70% |
| 2007 | 16.00% | 5.50% | 14.80% |
| 2008 | -26.60% | -38.50% | -41.40% |
| 2009 | 21.40% | 24.70% | 34.90% |
| 2010 | 15.60% | 15.10% | 14.80% |
| 2011 | 0.03% | -1.14% | -1.90% |

2011 Portfolio Financial Statements

Quarter One

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Ticker | Shares | Cost per Share | Cost Basis | Price per Share | Market Value |
|  |  |  |  |  |  |  |
| Cash and Cash Equivalents |  |  |  | $68,959 |  | $68,959 |
|  |  |  |  |  |  |  |
| EQUITIES: |  |  |  |  |  |  |
| ALPS ETF TRUST JEFFERIES | CRBQ | 90 | $ 45 | 4,081 | $ 53 | 4,793 |
| ALTERA CORP | ALTR | 530 | 30 | 16,101 | 44 | 23,331 |
| BJ'S RESTAURANTS INC. | BJRI | 275 | 30 | 8,178 | 39 | 10,816 |
| COACH INC. | COH | 190 | 44 | 8,381 | 52 | 9,888 |
| COGNIZANT TECHNOLOGY SOLUTIO CL A | CTSH | 225 | 59 | 13,274 | 81 | 18,315 |
| DECKERS OUTDOOR CORP | DECK | 130 | 80 | 10,340 | 86 | 11,200 |
| DIRECTV CLASS A | DTV | 200 | 43 | 8,500 | 47 | 9,360 |
| EASTMAN CHEMICAL CO | EMN | 200 | 96 | 19,295 | 99 | 19,864 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | 565 | 11 | 6,406 | 14 | 7,737 |
| GENESSE & WYOMING INC CL A | GWR | 180 | 43 | 7,816 | 58 | 10,476 |
| INFORMATION CORP | INFA | 500 | 32 | 16,100 | 52 | 26,095 |
| INTERNATIONAL BUSINESS MACHINES | IBM | 150 | 103 | 15,494 | 163 | 24,461 |
| OCEANEERING INTL INC. | OII | 230 | 83 | 19,060 | 89 | 20,574 |
| POWERSHARES NASDAQ INTERNET | PNQI | 550 | 31 | 16,876 | 39 | 21,584 |
| PRICELINE COM INC. | PCLN | 50 | 335 | 16,740 | 506 | 25,322 |
| SPDR GOLD TRUST | GLD | 170 | 93 | 15,864 | 140 | 23,776 |
| UNION PAC CORP | UNP | 200 | 82 | 16,379 | 98 | 19,666 |
| WHITING PETROLEUM CORP | WLL | 150 | 63 | 9,407 | 73 | 11,018 |
| WHOLE FOODS MKT INC. | WFM | 355 | 51 | 18,109 | 66 | 23,395 |
|  |  |  |  |  |  |  |
| **Total Common Stock** |  |  |  | **$246,403** |  | **$321,667** |
|  |  |  |  |  |  |  |
| Total Assets |  |  |  | $315,362 |  | $390,626 |

|  |  |
| --- | --- |
| Beginning Portfolio Value (12/31/10) | $365,089 |
| Ending Portfolio Value (3/31/11) | **$390,626** |
| % Change for 1st Quarter 2011 | 6.99% |

Quarter Two

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Ticker | Shares | Cost Per Share | Cost Basis | Price Per Share | Market Value |
|  |  |  |  |  |  |  |
| CASH AND CASH EQUIVALENTS |  |  |  | $99,160 |  | $99,160 |
|  |  |  |  |  |  |  |
| EQUITIES: |  |  |  |  |  |  |
| ALPS ETF TRUST JEFFERIES TR/J… | CRBQ | 90 | $ 45 | 4,081 | $ 50 | 4,521 |
| ALTERA CORP | ALTR | 530 | 30 | 16,101 | 46 | 24,566 |
| BJ'S RESTAURANTS INC. | BJRI | 275 | 30 | 8,178 | 52 | 14,399 |
| COACH INC. | COH | 190 | 44 | 8,381 | 64 | 12,147 |
| COGNIZANT TECHNOLOGY SOLUTIO CL A | CTSH | 125 | 63 | 7,902 | 73 | 9,168 |
| CURRENCYSHARES SWISS FRANC | FXF | 200 | 116 | 23,112 | 118 | 23,544 |
| DSW INC. | DSW | 270 | 43 | 11,534 | 51 | 13,665 |
| DIRECTV CLASS A | DTV | 200 | 43 | 8,500 | 51 | 10,164 |
| EASTMAN CHEMICAL CO | EMN | 200 | 96 | 19,295 | 102 | 20,414 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | 567.452 | 11 | 6,437 | 14 | 7,751 |
| GENESSE & WYOMING INC CL A | GWR | 180 | 43 | 7,816 | 59 | 10,555 |
| INFORMATION CORP | INFA | 500 | 32 | 16,100 | 58 | 29,215 |
| INTERNATIONAL BUSINESS MACHINES | IBM | 150 | 103 | 15,494 | 172 | 25,733 |
| ISHARES TR S&P GBL TELCM ETF | IXP | 190 | 63 | 11,919 | 61 | 11,512 |
| POWERSHARES NASDAQ INTERNET | PNQI | 275 | 36 | 9,940 | 39 | 10,673 |
| PRICELINE COM INC. | PCLN | 25 | 354 | 8,862 | 512 | 12,798 |
| SPDR GOLD TRUST | GLD | 170 | 93 | 15,864 | 146 | 24,820 |
| UNION PAC CORP | UNP | 200 | 82 | 16,379 | 104 | 20,880 |
| WHOLE FOODS MKT INC. | WFM | 175 | 53 | 9,280 | 63 | 11,104 |
|  |  |  |  |  |  |  |
| **TOTAL COMMON STOCK** |  |  |  | **$225,177** |  | **$297,627** |
|  |  |  |  |  |  |  |
| TOTAL ASSETS |  |  |  | $324,336 |  | $396,787 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Beginning Portfolio Value (3/31/11) | | | $390,626 | |
| Ending Portfolio Value (6/30/11) | | | $396,787 | |
| % Change for 2nd Quarter 2011 | | | 1.58% | |
|  | | |  | |
| Stock Splits | | | | | | |
|  |  |  | |  | |  |
| Company Name | Ticker | Date | | Shares Owned | | Type of Split |
| Oceaneering International Inc. | OII | 6/13/2011 | | 230 | | 2 for 1 |

Quarter Three

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Ticker | Shares | Cost Per Share | Cost Basis | Price | Market Value |
|  |  |  |  |  |  |  |
| CASH AND CASH EQUIVALENTS |  |  |  | $199,841 |  | $199,841 |
|  |  |  |  |  |  |  |
| EQUITIES: |  |  |  |  |  |  |
| BJ'S RESTAURANTS INC. | BJRI | 275 | $ 30 | 8,178 | $ 44 | 12,130 |
| COGNIZANT TECHNOLOGY SOLUTIONS | CTSH | 125 | 63 | 7,902 | 63 | 7,838 |
| DSW INC. | DSW | 270 | 43 | 11,534 | 46 | 12,469 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | 570.112 | 11 | 6,469 | 12 | 6,665 |
| GENESSE & WYOMING INC CL A | GWR | 180 | 43 | 7,816 | 47 | 8,374 |
| INTERNATIONAL BUSINESS MACH. | IBM | 150 | 103 | 15,494 | 175 | 26,231 |
| ISHARES TR S&P GBL TELCM ETF | IXP | 95 | 63 | 5,959 | 54 | 5,159 |
| POWERSHARES NASDAQ INTERNET | PNQI | 137 | 37 | 5,102 | 32 | 4,358 |
| PRICELINE COM INC. | PCLN | 25 | 354 | 8,862 | 449 | 11,237 |
| SPDR GOLD TRUST | GLD | 170 | 93 | 15,864 | 158 | 26,870 |
| UNION PAC CORP | UNP | 200 | 82 | 16,379 | 82 | 16,334 |
| WHOLE FOODS MKT INC. | WFM | 337 | 61 | 20,471 | 65 | 22,009 |
|  |  |  |  |  |  |  |
| TOTAL FOR COMMON STOCK |  |  |  | $130,031 |  | $159,672 |
|  |  |  |  |  |  |  |
| TOTAL ASSETS |  |  |  | $329,872 |  | $359,512 |

|  |  |
| --- | --- |
| Beginning Portfolio Value (6/30/2011) | $396,787 |
| Ending Portfolio Value (9/30/2011) | $359,512 |
| % Change for 3rd Quarter 2011 | -9.39% |

Quarter Four

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Ticker | Shares | Cost Per Share | Cost Basis | Price Per Share | Market Value |
|  |  |  |  |  |  |  |
| CASH AND CASH EQUIVELANTS |  |  |  | $125,805 |  | $125,805 |
|  |  |  |  |  |  |  |
| EQUITIES: |  |  |  |  |  |  |
| BJ'S RESTAURANTS INC. | BJRI | 232 | $ 45 | 10,544 | $ 45 | 10,514 |
| DIRECTV CLASS A | DTV | 238 | 47 | 11,303 | 43 | 10,177 |
| DOLLAR TREE INC. | DLTR | 265 | 82 | 21,653 | 83 | 22,024 |
| GENESSE & WYOMING INC CL A | GWR | 390 | 49 | 19,101 | 61 | 23,626 |
| INTERNATIONAL BUSINESS MACHINES | IBM | 150 | 103 | 15,494 | 184 | 27,582 |
| ISHARES TR S&P GBL TELCM ETF | IXP | 95 | 63 | 5,959 | 56 | 5,300 |
| LKQ CORP | LKQX | 778 | 29 | 22,323 | 30 | 23,402 |
| PANERA BREAD COMPANY CL A | PNRA | 76 | 142 | 10,774 | 141 | 10,750 |
| SPDR S&P 500 ETF TRUST UNIT SER 1 | SPY | 185 | 122 | 22,540 | 126 | 23,218 |
| SPDR DJIA ETF TRUST | DIA | 151 | 120 | 18,171 | 122 | 18,399 |
| UNION PAC CORP | UNP | 200 | 82 | 16,379 | 106 | 21,188 |
| VANGUARD MIDCAP STK INV #859 | VIMSX | 540.208 | 20 | 10,896 | 20 | 10,615 |
| WHOLE FOODS MKT INC. | WFM | 169 | 68 | 11,562 | 70 | 11,759 |
| ISHARES BARCLAYS TRUST FD | TLT | 190 | 120 | 22,760 | 121 | 23,038 |
|  |  |  |  |  |  |  |
| TOTAL COMMON STOCK |  |  |  | $219,460 |  | $241,593 |
|  |  |  |  |  |  |  |
| TOTAL ASSETS |  |  |  | $345,265 |  | $367,398 |

|  |  |
| --- | --- |
| Begging Portfolio Value (9/30/2011) | $359,512 |
| Ending Portfolio Value (12/31/2011) | $367,398 |
| % Change 4th Quarter 2011 | 2.19% |

Portfolio Activity—Purchase Transactions

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Company Name | Ticker | | Posting Date | Shares | Unit Price | Outlay |
|  |  |  | |  |  |  |  |
| Quarter 1 | WHITING PETROLEUM CORP | WLL | | 2/8/2011 | 75 | $125.35 | 9,407 |
| POWERSHARES NASDAQ INTERNET | PNQI | | 2/8/2011 | 250 | $37.16 | 9,310 |
| WHOLE FOODS MKT INC. | WFM | | 2/11/2011 | 175 | $52.95 | 9,280 |
| DECKERS OUTDOOR CORP | DECK | | 2/11/2011 | 110 | $84.08 | 9,258 |
| EASTMAN CHEMICAL CO | EMN | | 2/23/2011 | 100 | $95.29 | 9,537 |
| ETFS PHYSICAL PALLADIUM SHARES | PALL | | 2/25/2011 | 100 | $83.13 | 8,321 |
| OCEANEERING INTL INC. | OII | | 3/7/2011 | 230 | $82.79 | 19,060 |
| EASTMAN CHEMICAL CO | EMN | | 3/8/2011 | 100 | $97.50 | 9,758 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | | 3/25/2011 | 2 | $13.52 | 29 |
| Q1 TOTAL PURCHASES | | | | | | 83,960 |
|  |  |  | |  |  |  |  |
| Quarter 2 | ARROW ELECTRONICS INC. | ARW | | 4/12/2011 | 270 | $43.72 | 11,827 |
| DSW INC. | DSW | | 4/19/2011 | 270 | $42.64 | 11,534 |
| CURRENCYSHARES SWISS FRANC | FXF | | 5/2/2011 | 100 | $112.72 | 11,280 |
| ISHARES TR S&P GBL TELCM ETF | IXP | | 5/2/2011 | 190 | $62.65 | 11,919 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | | 6/27/2011 | 2 | $13.11 | 30 |
| CURRENCYSHARES SWISS FRANC | FXF | | 6/29/2011 | 100 | $118.24 | 11,832 |
| Q2 TOTAL PURCHASES | | | | | | 58,422 |
|  |  |  | |  |  |  |  |
| Quarter 3 | WHOLE FOODS MKT INC. | WFM | | 9/21/2011 | 162 | $69.00 | 11,191 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | | 9/27/2011 | 3 | $12.01 | 32 |
| Q3 TOTAL PURCHASES | | | | | | 11,223 |
|  |  | |  |  |  |  |  |
| Quarter 4 | DIRECTV | | DTV | 10/20/2011 | 240 | $46.61 | 11,201 |
| GENESSE & WYOMING INC. | | GWR | 10/20/2011 | 210 | $53.68 | 11,285 |
| POWERSHARES NASDAQ INTERNET | | PNQI | 10/20/2011 | 310 | $36.12 | 11,216 |
| COGNIZANT TECHNOLOGY SOLUTIONS | | CTSH | 10/20/2011 | 150 | $72.14 | 10,830 |
| DSW INC. | | DSW | 10/20/2011 | 220 | $51.55 | 11,354 |
| BJ'S RESTAURANTS | | BJRI | 10/25/2011 | 190 | $48.86 | 9,295 |
| LKQ CORP | | LKQX | 10/25/2011 | 405 | $27.42 | 11,129 |
| SPDR GOLD TRUST | | GLD | 11/1/2011 | 55 | $167.68 | 9,226 |
| PRICELINE COM INC. | | PCLN | 11/1/2011 | 15 | $520.80 | 7,813 |
| LKQ CORP | | LKQX | 11/1/2011 | 373 | $29.95 | 11,194 |
| DIRECTV | | DTV | 11/1/2011 | 235 | $47.44 | 11,163 |
| POWERSHARES NASDAQ INTERNET | | PNQI | 11/1/2011 | 308 | $36.65 | 11,307 |
| SPDR S&P 500 ETF | | SPY | 11/22/2011 | 185 | $121.78 | 22,540 |
| ISHARES BARCLAYS BOND FUND | | TIP | 11/22/2011 | 190 | $119.73 | 22,760 |
| VANGUARD MIDCAP INDEX FUND | | VIMSX | 12/6/2011 | 540 | $20.17 | 10,896 |
| DOLLAR TREE INC. | | DLTR | 12/7/2011 | 265 | $81.65 | 21,653 |
| PANERA BREAD COMPANY | | PNR | 12/7/2011 | 76 | $141.70 | 10,774 |
| SPDR DOW JONES INDUSTRIAL AVERAGE ETF | | DIA | 12/7/2011 | 151 | $120.28 | 18,171 |
| Q4 TOTAL PURCHASES | | | | | | 233,807 |

YEAR END TOTAL PURCHASES: $387,412

Portfolio Activity—Sales Transactions

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Company Name | Ticker | Posting Date | Shares | Unit Price | Outlay |
|  |  |  |  |  |  |  |
| Quarter 1 | DECKERS OUTDOOR CORP | DECK | 1/25/2011 | 150 | $75.52 | 11,316 |
| DOLLAR TREE INC. | DLTR | 1/25/2011 | 150 | $51.79 | 7,756 |
| MARKET VECTORS -COAL ETF | KOL | 1/25/2011 | 140 | $46.59 | 6,511 |
| INFOSYS LIMITED SPON ADR 1/4 SHARE | INFY | 1/25/2011 | 65 | $71.00 | 4,610 |
| iSHARES SILVER TRUST | SLV | 1/25/2011 | 300 | $27.57 | 8,247 |
| INFOSYS LIMITED SPON ADR 1/4 SHARE | INFY | 2/11/2011 | 65 | $68.96 | 4,477 |
| EATON VANCE GREATER INDIA FUND | ETGIX | 2/16/2011 | 348 | $24.81 | 8,644 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | 2/23/2011 | 306 | $13.61 | 4,170 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | 3/3/2011 | 1497 | $13.55 | 20,280 |
| EATON VANCE GREATER INDIA FUND | ETGIX | 3/4/2011 | 367 | $25.20 | 9,252 |
| GT SOLAR INTERNATIONAL INC. | SOLR | 3/16/2011 | 950 | $9.37 | 8,827 |
| ETFS PHYSICAL PALLADIUM SHARES | PALL | 3/16/2011 | 110 | $74.16 | 8,149 |
| AFLAC INC. | AFL | 3/22/2011 | 325 | $50.77 | 16,474 |
| ETFS PHYSICAL PALLADIUM SHARES | PALL | 3/22/2011 | 115 | $71.03 | 8,159 |
| ALPS ETF TRUST JEFFERIES TR/J CRB GLOBAL | CRBQ | 3/22/2011 | 90 | $50.13 | 4,505 |
| DECKERS OUTDOOR CORP | DECK | 3/22/2011 | 130 | $80.44 | 10,447 |
| COACH INC. | COH | 3/22/2011 | 190 | $51.04 | 9,682 |
| Q1 TOTAL SALES | | | | | 151,506 |
|  |  |  |  |  |  |  |
| Quarter 2 | WHITING PETROLEUM CORP | WLL | 5/3/2011 | 75 | $68.28 | 5,115 |
| COGNIZANT TECHNOLOGY SOLUTIONS | CTSH | 6/2/2011 | 100 | $75.26 | 7,518 |
| WHOLE FOODS MKT INC. | WFM | 6/2/2011 | 180 | $60.53 | 10,881 |
| DECKERS OUTDOOR CORP | DECK | 6/29/2011 | 130 | $83.09 | 10,791 |
| ARROW ELECTRONICS INC. | ARW | 6/29/2011 | 270 | $36.96 | 9,957 |
| POWERSHARES NASDAQ INTERNET | PNQI | 6/29/2011 | 275 | $36.75 | 10,084 |
| WHITING PETROLEUM CORP | WLL | 6/29/2011 | 75 | $53.59 | 4,013 |
| OCEANEERING INTL INC. | OII | 6/29/2011 | 460 | $37.65 | 17,282 |
| PRICELINE COM INC. | PCLN | 6/29/2011 | 25 | $484.91 | 12,121 |
| Q2 TOTAL SALES | | | | | 87,762 |
|  |  |  |  |  |  |  |
| Quarter 3 | POWERSHARES NASDAQ INTERNET | PNQI | 8/18/2011 | 138 | $36.30 | 4,998 |
| DIRECTV | DTV | 8/18/2011 | 200 | $43.58 | 8,700 |
| COACH INC. | COH | 8/18/2011 | 190 | $54.76 | 10,389 |
| ALTERA CORP | ALTR | 8/18/2011 | 530 | $36.88 | 19,504 |
| INFORMATION CORP |  | 8/30/2011 | 500 | $40.12 | 20,020 |
| CURRENCYSHARES SWISS FRANC | FXF | 9/13/2011 | 200 | $113.97 | 22,778 |
| ALPS ETF TRUST JEFFERIES TR/J CRB GLOBAL | CRBQ | 9/16/2011 | 90 | $44.94 | 4,037 |
| EASTMAN CHEMICAL CO | EMN | 9/21/2011 | 200 | $75.64 | 15,112 |
| ISHARES TR S&P GBL TELECOM ETF | IXP | 9/21/2011 | 95 | $56.16 | 5,328 |
| Q3 TOTAL SALES | | | | | 110,865 |
|  |  |  |  |  |  |  |
| Quarter 4 | POWERSHARES | PNQI | 10/5/2011 | 137 | $31.63 | 4,322 |
| SPDR GOLD TRUST | GLD | 10/5/2011 | 85 | $157.04 | 13,342 |
| PRICELINE COM INC. | PCLN | 10/11/2011 | 25 | $444.83 | 11,119 |
| COGNIZANT TECHNOLOGY SOLUTIONS | CTSH | 11/17/2011 | 137 | $68.15 | 9,328 |
| WHOLE FOODS MKT INC. | WFM | 11/17/2011 | 168 | $68.07 | 11,425 |
| DSW INC. | DSW | 11/17/2011 | 245 | $50.02 | 12,240 |
| FEDERATED MAX-CAP INSTL FD #39 | FISPX | 11/18/2011 | 570 | $12.60 | 7,183 |
| DSW INC. | DSW | 11/22/2011 | 245 | $44.21 | 10,817 |
| PRICELINE COM INC. | PCLN | 11/28/2011 | 15 | $472.78 | 7,091 |
| POWERSHARES NASDAQ INTERNET | PNQI | 11/28/2011 | 618 | $33.40 | 20,604 |
| COGNIZANT TECHNOLOGY SOLUTIONS | CTSH | 11/28/2011 | 138 | $64.28 | 8,862 |
| BJ'S RESTAURANTS INC. | BJRI | 11/28/2011 | 233 | $46.12 | 10,732 |
| SPDR GOLD TRUST | GLD | 12/29/2011 | 140 | $156.35 | 21,881 |
| DIRECTV | DTV | 12/29/2011 | 237 | $43.11 | 10,203 |
| Q4 TOTAL SALES | | | | | 159,148 |

YEAR END TOTAL SALES: $509,281

Portfolio Activity—Cash Dividends Received

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Company Name | Ticker | Shares | Div/Share | Cash Received |
|  |  |  |  |  |  |
| Quarter 1 | UNION PACIFIC CORP | UNP | 200 | 0.38 | 76 |
| COACH INC. | COH | 380 | 0.15 | 57 |
| WHOLE FOODS MKT INC. | WFM | 180 | 0.1 | 18 |
| ALTERA CORP | ALTR | 530 | 0.06 | 32 |
| AFLAC INC. | AFL | 325 | 0.3 | 98 |
| INTERNATIONAL BUSINESS MACHINES | IBM | 150 | 0.65 | 98 |
| FEDERATED MAX-CAP INSTL | FISPX | 563 | 0.05 | 29 |
| ALPS ETF TRUST JEFFERIES TR/J CRB GLOBAL | CRBQ | 90 | 0.08 | 7 |
| Q1 TOTAL DIVIDENDS |  |  |  | 414 |
|  |  |  |  |  |  |
| Quarter 2 | UNION PACIFIC CORP | UNP | 200 | 0.38 | 76 |
| EASTMAN CHEMICAL CO | EMN | 200 | 0.47 | 94 |
| COACH INC. | COH | 380 | 0.15 | 57 |
| WHOLE FOODS MKT INC. | WFM | 355 | 0.1 | 36 |
| ALTERA CORP | ALTR | 530 | 0.06 | 32 |
| INTERNATIONAL BUSINESS MACHINES | IBM | 150 | 0.75 | 113 |
| ISHARES TR S&P GBL TELECOM ETF | IXP | 190 | 1.72 | 328 |
| FEDERATED MAX-CAP INSTL | FISPX | 563 | 0.05 | 30 |
| OCEANEERING INTL INC. | OII | 460 | 0.15 | 69 |
| ALPS ETF TRUST JEFFERIES TR/J CRB GLOBAL | CRBQ | 90 | 0.248 | 22 |
| Q2 TOTAL DIVIDENDS | | | | 856 |
|  |  |  |  |  |  |
| Quarter 3 | EASTMAN CHEMICAL | EMN | 200 | 0.47 | 94 |
| UNION PACIFIC CORP | UNP | 200 | 0.38 | 95 |
| COACH INC. | COH | 190 | 0.225 | 43 |
| WHOLE FOODS MKT INC. | WFM | 175 | 0.1 | 18 |
| ALTERA CORP | ALTR | 530 | 0.08 | 42 |
| INTERNATIONAL BUSINESS MACHINES | IBM | 150 | 0.75 | 112 |
| FEDERATED MAX-CAP INSTL | FISPX | 567 | 0.06 | 32 |
| WHOLE FOODS MKT INC. | WFM | 175 | 0.1 | 18 |
| DSW INC. | DSW | 270 | 2.15 | 581 |
| Q3 TOTAL DIVIDENDS | | | | 1034 |
|  |  |  |  |  |  |
| Quarter 4 | UNION PACIFIC CORP | UNP | 200 | 0.38 | 95 |
| EASTMAN CHEMICAL CO | EMN | 200 | 0.52 | 104 |
| ISHARES BARCLAYS BOND TRUST | TIP | 190 | 0.29 | 55 |
| INTERNATIONAL BUSINESS MACHINES | IBM | 150 | 0.75 | 113 |
| VANGUARD MIDCAP STK INV #859 | VIMSX | 5403.21 | 0.23 | 124 |
| ISHARES TR S&P GBL TELECOM ETF | IXP | 95 | 1.308 | 124 |
| Q4 TOTAL DIVIDENDS | | | | 615 |

TOTAL DIVIDENDS: $2,919