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Crummer SunTrust Portfolio Spring 2006

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CRUMMER GRADUATE SCHOOL OF BUSINESS



CRUMMER SUNTRUST PORTFOLIO

SPRING 2006

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Foreword

The Crummer SunTrust Investment Portfolio found its start in 1999 when SunTrust donated the first of five annual contributions of \$100,000 from the SunTrust Bank of Central Florida Foundation to the Crummer Graduate School of Business. Totalling to a \$500,000 endowment, this portfolio has two main purposes.

- To provide the distributions necessary to allow well-deserving students to become "SunTrust Scholars" and be awarded \$5,000 scholarships.
- To provide Crummer students the opportunity to gain real-world portfolio management experience through the active management of the portfolio.


The portfolio receives its guidance from the Rollins College Endowment Fund Pool Statement of Investment Objectives and Policies as well as the Crummer SunTrust Portfolio Investment Policy. The stated investment goal is:

"To provide a long-term, real total rate of return that will increase the purchasing power of the Crummer SunTrust Portfolio assets net of expenses and distributions. In order to achieve its investment goals the Crummer SunTrust Portfolio will adopt a strategic asset allocation that will achieve its long-term return goal with a prudent level of risk."

In obtaining this goal, the portfolio's management employed the application of modern portfolio theory, which seeks to find the best possible asset allocation so that risk is mitigated while allowing the portfolio to grow at the desired rates.

Analysts performed bottom-up analyses which focused on identifying investment opportunities in individual securities. The managing director maintained a holistic view of the portfolio which balanced the recommendations coming from the analysts with the needs of the portfolio to be well diversified among asset classes as well as in the proper industrial sectors to maximize the expected return.

I believe that the recommendations and analysis that went into this report were done with all due diligence and adherence to the principles of modern portfolio theory. I also believe that the strategy described within this report is a strategic reallocation which will enable the portfolio to outperform the market again in 2006.

A handwritten signature in blue ink that reads "Joseph Culhane".

Joseph Culhane
Managing Director



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History of the Crummer SunTrust Portfolio

The Crummer SunTrust Investment Portfolio found its start in 1999 when SunTrust donated the first of five annual contributions of \$100,000 from the SunTrust Bank of Central Florida Foundation to the Crummer Graduate School of Business. Totaling up to an endowment of \$500,000, this money is used to fund a scholarship program where well-deserving Crummer students can obtain \$5,000 in scholarships and be known as "SunTrust Scholars." The number of scholarships available is based on the performance of the portfolio in preceding years. Current policy is that 4.5 percent of the most recent three-year moving average is to be distributed to provide for the scholarships.

In addition to the benefits the endowment from SunTrust provides to deserving "SunTrust Scholars", the portfolio also provides students the exciting opportunity of gaining real-world knowledge and experience in portfolio management. The class which manages the endowment is the Portfolio Management/Theory and Applications course led by Dr. Moses. The class employs the methods of modern portfolio theory and is guided by the Rollins College Endowment Fund Pool Statement of Investment Objectives and Policies as well as the Crummer SunTrust Portfolio Investment Policy, which is revised by the class yearly.

Policy Guidelines

To aid in managing the portfolio, the asset classes below have been identified to help ensure proper diversification among equity, fixed income, and international segments. In addition, with the exception of mutual funds, it is required that no one asset may make up more than 5 percent of the portfolio.

<u>Asset Class</u>	<u>Minimum Weight</u>	<u>Benchmark</u>
Large Growth	5%	Fama-French Large Growth
Large Value	5%	Fama-French Large Value
Mid Cap	10%	Russell Mid Cap TR
Small Growth	5%	Fama-French Small Growth
Small Value	5%	Fama-French Small Value
International	5%	MSCI EAFE TR
Fixed Income	5%	US 30 Day T-Bill LB Gvt/Credit TR

Specific Functions of the Class and the Oversight Committee

Throughout the semester the class will perform security research and make recommendations to the managing director(s). They do however share important functions with the Oversight Committee which help ensure the portfolio is managed within the boundaries of a prudent investor. These functions are:

1. Establish the investment objectives.
2. Establish and review the spending policy.
3. Set the strategic asset allocation.
4. Establish and continue to update the investment policy.
5. Establish, monitor, and update the investment process.
6. Review investment performance in accordance with its performance measurement policy.
7. Review investment activity to insure compliance with investment policy.



Investment Goals

The Portfolio Investment Policy Statement gives us this goal:

“To provide a long-term, real total rate of return that will increase the purchasing power of the Crummer SunTrust Portfolio assets net of expenses and distributions. In order to achieve its investment goals the Crummer SunTrust Portfolio will adopt a strategic asset allocation that will achieve its long-term return goal with a prudent level of risk.”

With this in mind, a target rate of return has been established to quantify the expectations we hope to achieve. This target growth rate and its various components can be seen below:

Administration and Trading Expenses:	1/2	-	3/4%
Allowance for Inflation:	2	-	3%
Scholarship Distributions:	3 1/2	-	5 1/2%
Portfolio Real Growth:	2	-	2 1/2%
Target Total Return:	8	-	11 3/4%

The managing director(s) are given the task of reallocating the portfolio on a yearly basis. The changes made to the portfolio's allocations are maintained through the year, excluding material developments which require intervention when the next group of analysts and managing director(s) take over responsibility. Accordingly, the portfolio is managed each year by succeeding classes of students. In an effort to provide future classes with the flexibility required to sell and buy without loss of principal, the fund holds only liquid securities and no-load mutual funds.

Asset Allocation Methodology

The principal method used to analyze the security recommendations was a bottom-up approach. To ensure an organized research process, the analysts were assigned to teams that researched three distinct asset classes: Team One took up Large Cap, Team Two took up Small and Mid Cap, and lastly, Team Three took up Fixed Income and International segments.

Each team came up with unique screens that they believed were most suitable to their sector or industry. They based their recommendations by performing fundamental analysis, running pricing models such as FCF and DDM, as well as looking for catalysts within each company that could trigger larger than expected gains. The analysts reviewed all the current as well as the prospective securities which were to be added to the portfolio and came to a Buy, Hold, or Sell recommendation accordingly.

The managing director was in charge of the qualitative judgments such as the macro-economic outlook, sector allocations, as well as the asset class diversification and risk management. Once the analysts presented their findings to the managing director, the managing director began to construct the proposed portfolio, being mindful to stay internally consistent with the qualitative judgments that had been made. This became an iterative process, which was repeated time and time again, until the right asset mix and security allocations had been achieved.



Economic Analysis and Perspective

The economic analysis enabled the managing director to form some perspectives about the future direction of the macro-economic environment. This in turn impacted the proposed sector allocations as some sectors do better than others dependent upon the economic environment at the time. This analysis is reflected below.

Inflation and Real Interest Rates

The most heavily relied on measure of inflation is the Core CPI. This index, which excludes volatile food and energy prices, provides an excellent measure of the overall rate of inflation and is relied upon by the market to gauge price pressures as well as how well the Federal Reserve is containing those price risks. The Core CPI for the fourth quarter of 2005 was recently adjusted to 2.4%, which exceeds an accepted desirable tolerance level of 2%. Though this rate of inflation can be considered to be manageable, it does point to the fact that continued rate increases by the Federal Reserve should be expected as they continue efforts to prevent inflation from spreading throughout the economy.

Since June 2004, the FOMC has steadily raised the federal funds target rate to 4.75% and have done so with 15 consecutive 25 basis point increment increases. These rate hikes have been successful in that they have allowed controlled GDP growth while controlling inflation. Real interest rates have risen accordingly though at a slow pace. In 2004 and early 2005, real interest rates were at zero, and though the federal funds target rate has risen 375 basis points, current policy is still very accommodative as borrowing money is relatively inexpensive. It is predicted that the FOMC will raise the target rate at least once or perhaps two more times before reaching a neutral stance.

The Yield Curve

Though the rate increases have had a strong impact on short term rates, long term rates have only risen marginally. This has resulted in a slightly inverted to flattened yield curve. There are two observations which should be noted. First, given the yield curve, the market seems to project that long term inflation will remain low, essentially expressing their confidence with the Federal Reserve. As an illustration, by comparing the spread between nominal and inflation-indexed US treasuries; we can see an expectation of inflation which is fairly modest.

Second, we believe that the flattened yield curve will not lead to recession as many economists have feared. Though the Federal Reserve has been tightening monetary policy and is likely to continue to do so, the cost of borrowing is still relatively inexpensive. We do not see a credit crunch developing in the near future which would starve off consumption; rather we believe that the low long-term yields are the result of demand by foreign investors who want to invest their money in safe capital markets.

Global Interest Rates and Growth Expectations

Global prospects for economic growth abound for 2006 with European and Japanese economies improving after years of being in the doldrums as well as strong economic growth in India and China. The European Central Bank recently increased its expectations for both growth and inflation, and accordingly raised their target rate. Likewise, Japan is recovering from a decade's long bout with deflation and interest rates are beginning to rise. India and China are expected to maintain their stellar economic growth and business opportunities thrive in both countries.



The Dollar and Foreign Currencies

For years, investors around the world have invested their money into our economy seeking a safe haven with a good return on their investment. This flood of cash has stabilized the value of the U.S. Dollar by offsetting the large current account deficit, as well as raised demand for our treasuries and correspondingly reduced their effective yields. With prospects for strong foreign growth, a re-valuation of the USD may be in the works. Already the Japanese Yen has appreciated against the USD. This may put pressure on Japan's export economy, by making their products more expensive for their U.S. consumers. In addition, with Europe's growth prospects increasing and low long-term rates in the U.S., European investors may begin to hold back on some of their USD denominated assets.

U.S. Budget Deficit

The U.S. Congress recently approved a raise in the national debt limit to \$9 trillion. The current Federal Reserve Chairman, Ben Bernanke, as well as his predecessor Alan Greenspan, remarked that continued budget deficits pose long-term risks to the economy and the standards of living. As the nation's debts rise, foreign investors will begin to demand higher interest rates to compensate them for the additional risk or they will take their money to more attractive markets.

Energy

Energy prices, most notably crude oil, rose sharply in 2005. Though companies within this industry experienced record profits, consumers around the world were faced with escalating fuel costs. These additional costs reduced corporate profits as well as lowered household discretionary incomes. Though many companies chose to absorb the additional energy costs instead of passing them onto their end-customers, many analysts agree that their ability to absorb these additional costs is growing thin.

Housing Market

A cornerstone of recent economic growth, the housing market has appreciated at an exceptionally high rate as compared to other real assets. Home owners have taken advantage of this growth by drawing out some of their additional equity to finance their insatiable desire to consume more products. An argument could be made that this has been one of the primary drivers that has led to the savings rate being negative for the first time since the 1930s. The question becomes to what extent will consumer spending decrease so that consumers can maintain their household balance sheets if they can no longer rely on an appreciating housing market or their personal savings to finance their ongoing purchases. Even if the real estate market seemly levels off, this does not look appealing for additional discretionary consumer spending.

Real estate is inherently regional in nature; it is highly segmented with various regions performing quite differently than others. This undercuts our ability from making broad statements and predictions. Nonetheless, these trends are tremendously important to investors and borrowers alike, and to ignore them would be folly.



Sector Weighting and Forecasts

Though we are following a bottom-up analysis to identify individual asset recommendations, it is important to determine the proper sector weightings which will optimize the portfolio's returns within the macro-economic environment which we perceive. A sector was determined to be overweight if its desired allocation was greater than 1.5% of the S&P 500 sector weights, and underweight if the desired allocation was less than 1.5% from the S&P 500 sector weights. Here are our forecasts:

Consumer Staples: Overweight – The flat yield curve makes us a little cautious about the direction of the market for this year, and we are overweight in this sector as a result. Faced with evidence that we are now within a cycle of slowing corporate profits, this sector looks promising since historically, this sector has performed exceptionally well when profit margins have been squeezed. Regardless of the potential downturns, consumers will continue to purchase food and other basic necessities.

Consumer Discretionary: Underweight – We believe that in the coming year, discretionary household income will not be as robust. Since we project that consumers will have less cash to spend, this sector will not perform favorably. Looking at the slowing housing market as a potential cause, homeowners are no longer able to use their equity to finance their budgets.

Energy: Overweight – The energy sector experienced windfall profits in 2005 as a result of steep increases in the price of oil. Though supply fears continue to influence the market due to political uncertainties and production related concerns, we do not however project any deterioration in the price of oil. Since high energy costs show no sign of abating, there is no apparent reason this sector could not outperform again this year.

Financials: Equal Weight – We believe this sector will begin to improve its performance to match that of the overall market. Though the yield curve is flat, making it difficult for banks to make money off the spread, we believe that the yield curve will rise as the Federal Reserve approaches a neutral interest rate stance as investors begin to demand a higher return for their investment.

Healthcare: Overweight – This sector looks promising. Aging Baby Boomers will continue to rely on their products and services more each year, providing this sector with predictable rising revenue streams each year for the foreseeable future.

Industrials: Overweight – The success of companies within this sector is dependent on the cost of raw materials and oil as well as the strength of the US dollar for those domestic companies which export to other global markets. We believe that the overall cost structure has stabilized, and that this sector is poised for strong performance as companies take advantage of a strong export environment.

Materials: Equal Weight – Demand for raw materials remains high, and we expect to see marginal price increases as the market responds to these demands. We believe that expanded wealth and economic activity throughout the world will provide promising opportunities to open up additional markets and allow for expanded production and distribution.

Technology: Underweight – The success of this sector to a large extent will be driven by the amount of capital expenditures spent by corporations to upgrade their information technology. Though corporate balance sheets are very strong going into 2006, we believe that corporations will be operating with tight budgets and therefore we are underweight on this sector.

Telecommunications: Equal Weight – We believe that this sector will perform modestly well. Investment in infrastructure, both domestically as well as abroad, should provide these companies with healthy earnings so that the sector performs with the market.



Utilities: No Position – No company within this sector met the criteria set by our analysts as they screened for potential investments. Accordingly, we have no positions within this sector.

Proposed Allocation

In most cases the managing director followed the security recommendations as provided by the analysts though the managing director retained the discretion to decide which securities would be bought, sold, or simply held as well as the total volume movement for each position.

Proposed Actions

The actions proposed by the managing director are listed below. This table lists only the security positions which are being impacted by the proposed changes. It should be noted that the dollar value of securities sold roughly equals the dollar value on securities purchased. In the event that an entire position was liquidated the current value is reported as nil.

Name	% of Portfolio	Existing Shares	Sell	Buy	Hold (Total)	Value
Abercrombie & Fitch Co.	1.54%	-	-	100	100	5,835
Accenture Ltd	1.53%	100	-	100	200	5,790
Affiliated Computer Services, Inc.	1.59%	200	100	-	100	6,030
Allied Defense Group	0.00%	100	100	-	-	-
Allstate Corporation, The	1.35%	200	100	-	100	5,119
Altana AG (ADR)	3.20%	-	-	200	200	12,128
ATI Technologies, Inc.	3.09%	500	-	200	700	11,690
Bank of America Corporation	0.00%	67	67	-	-	-
Bob Evans Farms, Inc.	0.00%	200	200	-	-	-
BP plc (ADR)	2.87%	50	-	100	150	10,856
Callaway Golf Company	0.00%	500	500	-	-	-
Charming Shoppes, Inc.	1.55%	300	-	100	400	5,868
Covance Inc.	1.50%	-	-	100	100	5,696
Dow Chemical	3.18%	200	-	100	300	12,027
Fidelity Diversified International	7.98%	1,136	300	-	836	30,220
Fidelity Select Medical Delivery	0.00%	204	204	-	-	-
Flextronics International Ltd.	2.27%	500	-	300	800	8,608
Foster's Group Limited (ADR)	0.53%	-	-	500	500	2,020
General Electric	2.69%	200	-	100	300	10,164
H.J. Heinz Company	0.00%	163	163	-	-	-
Hennessy Cornerstone Growth	6.34%	2,047	1,000	-	1,047	23,994
Hewlett-Packard Company	1.76%	100	-	100	200	6,672
Home Depot, Inc.	2.21%	-	-	200	200	8,384
IndyMac Bancorp, Inc.	1.09%	-	-	100	100	4,137
ISHARES Global Healthcare	6.90%	395	-	100	495	26,121
Jackson Hewitt Tax Service Inc.	0.79%	-	-	100	100	3,005
Jacobs Engineering Group Inc.	2.36%	-	-	100	100	8,946
LaSalle Hotel Properties	1.09%	-	-	100	100	4,119
La-Z-Boy Incorporated	0.00%	200	200	-	-	-
Limited Brands, Inc.	0.00%	200	200	-	-	-
Lincoln National Corporation	1.52%	-	-	100	100	5,742
MAGNA INTL INC CL A SUB VTG SHS	2.00%	-	-	100	100	7,552
Marathon Oil Corporation	4.21%	100	-	100	200	15,932
McCormick & Company, Inc.	0.00%	50	50	-	-	-

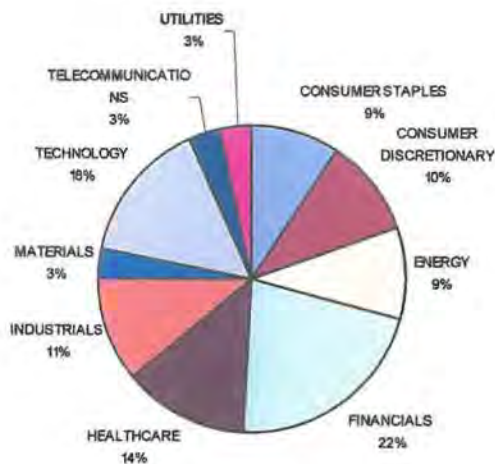


ML Semiconductors Holders Trust	1.95%	100	-	100	200	7,370
Movado Group, Inc.	0.58%	-	-	100	100	2,201
Occidental Petroleum Corporation	0.00%	60	60	-	-	-
Park Electrochemical Corp	0.00%	300	300	-	-	-
Pixar	0.00%	200	200	-	-	-
Procter & Gamble	6.04%	200	-	200	400	22,852
Robert Half International Inc.	1.02%	-	-	100	100	3,867
Rockwell Collins, Inc.	0.00%	100	100	-	-	-
Royce Special Equity Inv	6.55%	3,231	2,000	-	1,231	24,789
Sherwin-Williams Company	0.00%	100	100	-	-	-
Sysco Corporation	2.50%	100	-	200	300	9,465
Teekay Shipping Corp.	1.01%	200	100	-	100	3,820
Telecom Corp of New Zealand (ADR)	1.49%	-	-	200	200	5,646
Teva Pharmaceutical Industries Ltd (ADR)	2.10%	-	-	200	200	7,946
The J.M. Smucker Company	0.00%	100	100	-	-	-
The Reader's Digest Association, Inc.	0.00%	100	100	-	-	-
The Student Loan Corp.	9.43%	50	-	100	150	35,700
United Overseas Bank Ltd. (ADR)	1.03%	-	-	200	200	3,880
UTStarcom, Inc.	0.00%	500	500	-	-	-
Vodafone Group Plc (ADR)	1.15%	-	-	200	200	4,338

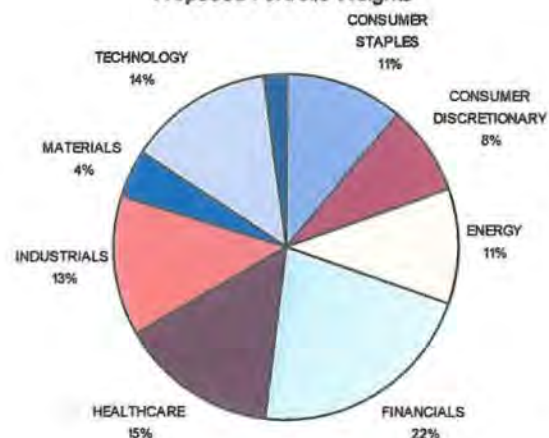
Sector Composition

The S&P 500 serves as the primary benchmark for the Crummer SunTrust Portfolio, and accordingly the proposed security allocations were grouped into their respective industry sectors so that a comparison between the S&P 500 and the proposed portfolio could be performed. This comparison can be seen below.

S&P 500 (Market) Weights



Proposed Portfolio Weights



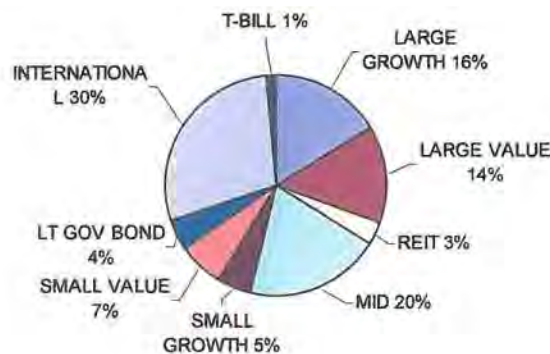


Corresponding back to the earlier section on “Sector Weighting and Forecasts”, the table below summarizes the specific allocations determined for each economic sector and a comparison to the weightings found within the S&P 500.

Sector	Proposed Portfolio Weights	S&P 500 (Market) Weights	Overweight/Underweight
CONSUMER STAPLES	11.22%	9.42%	Overweight by 1.8%
CONSUMER DISCRETIONARY	8.09%	10.35%	Underweight by 2.26%
ENERGY	11.08%	9.48%	Overweight by 1.6%
FINANCIALS	21.52%	21.18%	Market Weight
HEALTHCARE	14.87%	13.37%	Overweight by 1.5%
INDUSTRIALS	12.98%	11.28%	Overweight by 1.7%
MATERIALS	4.35%	2.98%	Market Weight
TECHNOLOGY	13.54%	15.34%	Underweight by 1.8%
TELECOMMUNICATIONS	2.35%	3.26%	Market Weight
UTILITIES	0.00%	3.36%	No Position

Asset Class Composition

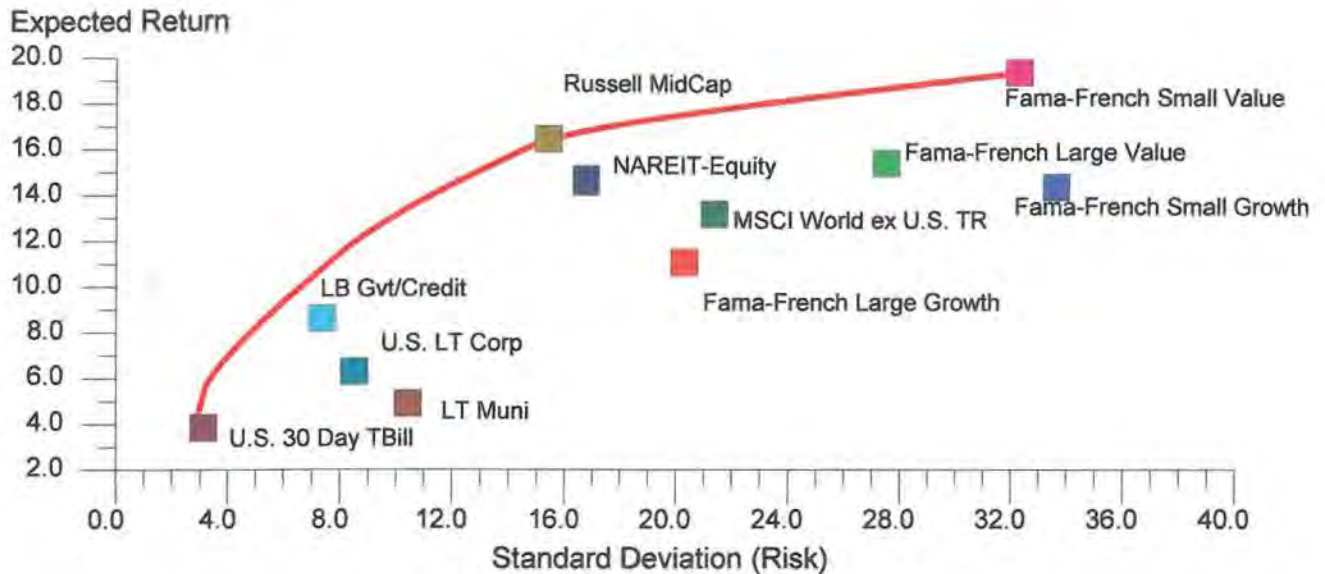
The recommended asset class composition is seen below. As is clearly visible, the portfolio is invested in a well diversified portfolio comprised of many asset classes. Obtaining this composition did not happen randomly; rather, it was obtained by making strategic decisions about expected risk and desired return as well as the expected performance of these asset classes in the coming year.



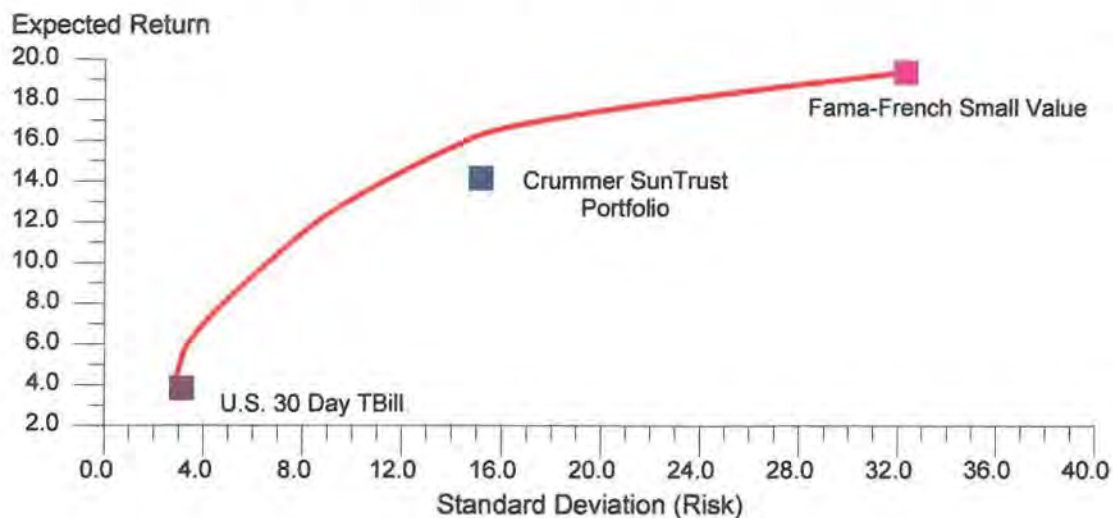
The asset class composition has tremendous implications when determining the expected return and the risk (standard deviation) of a portfolio. Modern portfolio theory employs quantitative measures such as mean-variance optimization (MVO) to calculate the highest possible expected returns at any given level of risk. The model can find this point of highest possible returns at a given risk level by cycling through virtually all the asset class combinations available to find which set will perform the best for any given level of risk. When this model is run for a whole series of risk points, the efficient frontier is generated which marks the highest

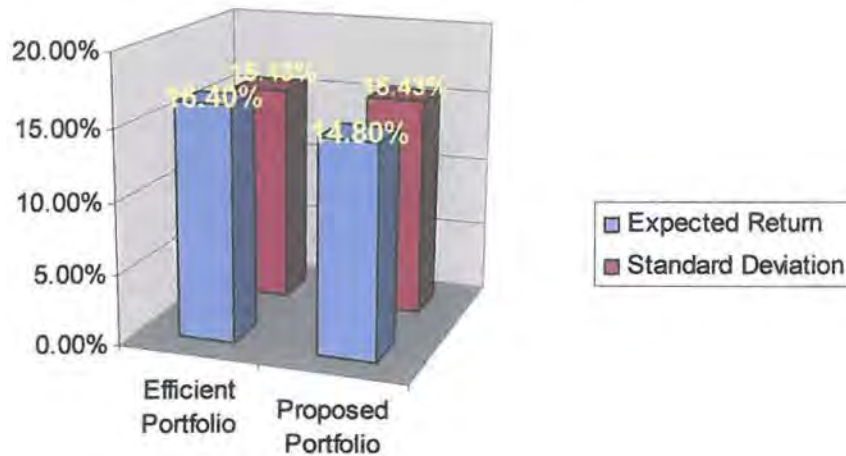


expected return available to investors for any series of asset combinations. Below is a reasonable estimation of that frontier as well as the plot points of many of the asset classes available in the investment community.



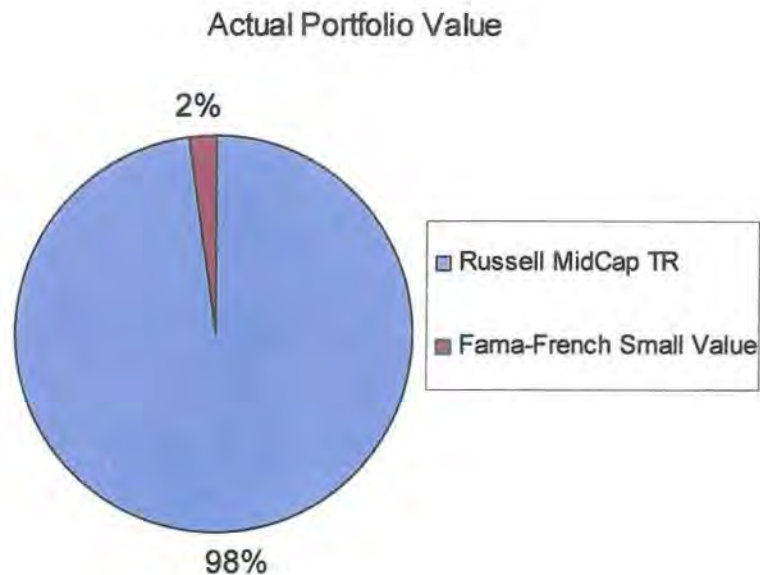
Below is a representation of where the Crummer SunTrust Portfolio lies on the efficient frontier. It should be noted that the proposed portfolio does not lie on the efficient frontier, but rather just below it. The location of the proposed Crummer SunTrust Portfolio on this graph was derived by allocating the chosen asset class selections and percentages into their respective benchmarks. The historical returns and standard deviations for each benchmark were then calculated for the period of January 1979 through January 2006 to provide us a graphical representation of how our chosen portfolio would have done had we been invested in our benchmarks within this same period of time. We believe that the period from January 1979 through January 2006, provides enough time for a wide range of scenarios to have been absorbed into the model and accordingly have a high degree of confidence in the resulting risk and return relationship.





Though lying on the efficient frontier will provide you the highest expected return for any given level of risk, it is not common practice to do so. The efficient frontier is not designed to tell investors a precise combination of asset classes in which to put their money; after all, it is a mathematical model not an investment advisor. Portfolios on the efficient frontier usually result in portfolios which are not well diversified.

We believe that the proposed Crummer SunTrust Portfolio is reasonably close to the efficient frontier and that accordingly we have done an excellent job of mitigating the risk profile while maintaining high levels of expected return. If the proposed portfolio was on the efficient frontier at the same given level of risk, the proposed asset class composition would not be diversified at all. This point is demonstrated in the chart below where that asset class allocation is presented.





Expected Portfolio Performance

Historical Perspective

The chart below details the historical asset class returns for the time period in which the model was run. It is from these compiled returns and standard deviations that our model has provided us with an expected return of 14.80 percent in the coming year with a standard deviation of 15.43 percent.

Asset Class	January 1979 to Present	
	Return	Risk
LARGE GROWTH	14.19%	18.83%
LARGE VALUE	15.64%	17.57%
REIT	16.11%	15.19%
MID	17.04%	19.03%
SMALL GROWTH	14.48%	27.62%
SMALL VALUE	20.96%	22.28%
LT GOV BOND	9.16%	6.71%
INTERNATIONAL	13.03%	18.65%
T-BILL	6.08%	0.97%
Crummer SunTrust Portfolio	14.80%	15.43%

Anticipated Performance

Repeating this performance in 2006 is unlikely however especially given the volatility of the market. To come to a judgment about the expected performance of the market in the coming year, each sector was independently analyzed to gauge the most likely return each sector would provide.

Large Growth and Value – We believe these asset classes will perform very well in the coming year. It would seem as though we are entering into an environment that favors defensive plays and large cap tends to perform favorably within those environments.

REIT – We do not favor REITs and have restricted our exposure to them. Though opportunities exist in the commercial real estate market, the residential market will peak in the coming months.

Mid Cap – We feel as though this asset class will perform well, but that it will be very important to be able to select good investments within this class to experience above average returns.

Small Growth and Value – We do not favor this asset class and have significantly reduced our exposure within it. Though many individual small cap companies may perform admirably, we feel that there is too much risk here to be heavily invested.

Fixed Income – We believe that though the yield curve is currently flat, long term rates will eventually rise. Short term rates should also rise another 50 basis points within the next year. We expect slightly better returns in this asset class than in recent years.

International – We heavily favor this asset class. We believe there are definitive signs that the global economy is rebounding and will outperform the domestic equity market. Our portfolio weight was adjusted accordingly as this is our most concentrated segment.



Below is a chart detailing the anticipated growth rates for the Year 2006 detailed by asset class. Based on this analysis, we believe the most reasonable expectation for growth in the coming year for the proposed portfolio is 10.57 percent.

Asset Class	Portfolio Weights	Forecasted E(X)
LARGE GROWTH	16.26%	11.00%
LARGE VALUE	14.41%	12.00%
REIT	3.14%	6.50%
MID	19.69%	9.00%
SMALL GROWTH	4.99%	8.00%
SMALL VALUE	6.78%	8.00%
LT GOVT BOND	4.35%	6.50%
INTERNATIONAL	29.06%	13.00%
T-BILL	1.32%	5.50%
Expected Return		10.57%

Conclusion

The managing director believes that the recommendations and analysis that went into this report and its accompanying presentation were done with all due diligence and adherence to the principles of modern portfolio theory. Furthermore, we believe the portfolio has been strategically repositioned to outperform the market again in 2006.

Both the managing director and the analysts would like to thank Dr. Moses for his leadership and guidance, SunTrust for their proven dedication to the Crummer School of Business, as well as the investment professionals who offered advice and support.

The Team

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Analyst Recommendations

The pages to follow are the one page summaries of the security recommendations researched by the analysts. They have been ordered by asset class in the following order:

Large Cap
Mid Cap
Small Cap
International

These forms were designed to capture the most vital elements of the security analysis process while balancing the need to be concise. To achieve this goal the forms were setup to address these areas:

1. General Information
2. Key Statistics
3. Key Justifications for Recommendation
4. Profile
5. Graph of Historical Return

GENERAL INFORMATION

The Home Depot
Currently held: NO
Recommendation: MODERATE BUY

NYSE: HD
 Conglomerate
 S&P 500, Dow Jones Industrials
 Market Cap: \$90.32 B – Large Value

KEY STATISTICS

Stock Data

Current Price: 42.30
 52-Week Price Range: 34.56 – 43.98
 EPS – Current: 2.72
 EPS – Historical
 Beta (Bloomberg, ValueLine): 1.44
 Dividends: .60
 Dividend yield: 1.40%
 P/E (12 mo. Forward and Trailing): 12.46 (forward),
 15.46 (trailing)
 5 yr. range, industry
 P/B (e.g., financials, insurance): 3.39
 P/E to Growth: .96

Target Price

DDM: 49.79
 Required Return: $.05 + (.105 - .05) * 1.44 = 12.92\%$
 Expected Return: 17.7%

Financial Data

Revenues: \$73 billion
 Net Income: \$5 billion
 EBITDA: \$7.9 billion
 Total Assets: \$39 billion
 Current /Quick Ratio: 1.19, 0.3
 Debt/Equity: .152
 DuPont Analysis –
 $21.70 \text{ (ROE)} = 12.5 \text{ (ROA)} * 1.736 \text{ (EM)}$
 ROE (5 Year History): 20.7%, 19.2%, 18.5%,
 16.8%, 17.2%
 Sales and Earnings Growth Rates
 (Historical and Projected):
 Short Term: 13.33%
 Long Term: 13.70%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Expected Return of 17.17%
- Home ownership at a record level
- Expected to outperform the market

PROFILE / BUSINESS SEGMENT DESCRIPTION

The Home Depot, Inc. operates as a home improvement retailer in the United States, Canada, and Mexico. The company provides its products and services through home depot and EXPO design center stores. Its home depot stores sell a range of building materials, home improvement products, and lawn and garden products, as well as provide various installation services. The EXPO design center stores offer various interior design products and installation services for kitchens, baths, appliances, and flooring, as well as products for lighting, decorating, and storage and organization projects. These stores also provide project management and installation services. As of July 31, 2005, the company operated 1,955 stores. It offers its products and services to homeowners, professional remodelers, general contractors, repairmen, and tradesmen. In addition, the company distributes plumbing; heating, ventilation, and air conditioning appliances; and other related products primarily to trade and mechanical contractors. The Home Depot, Inc. was founded in 1978 and is based in Atlanta, Georgia.
<http://www.finance.yahoo.com>

1 YEAR CHART

Trey McPherson, rmcpherson@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Accenture Ltd.

Currently held: Yes

Quantity: 100

Recommendation: Buy 50 Shares

NYSE: ACN

Services

S&P 500

Market Cap: \$18.15B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Earnings estimate increase
- Annual dividend payment began last quarter
- Expected return higher than required return
- Higher margins
- Leadership position in outsourcing and consulting fields

KEY STATISTICS

Stock Data

Current Price: \$30.07

52-Week Price Range: \$21.00 - \$33.05

EPS – \$1.59

EPS Prior Year– \$1.23

Beta: 1.30

Dividends: \$0.30 (first time dividend)

Dividend yield: 0.93%

P/E 12 mo. Forward: 20.8

P/E Trailing: 20.2

P/E industry: 33.9

PEG: 1.5

Target Price: \$45 (in 3 years)

Annual Expected return 14.38%

Annual Required return: 12.15%

Financial Data

Revenues: \$17.56B

Net Income: \$940.5M

EBITDA: \$2.38B

Total Assets: \$8.957B

Total Equity: \$1.696B

Current Ratio: 1.37

Quick Ratio: 0.97

Debt/Equity: 0.04

Profit Margin: 4.84%

Asset Turnover: 2.0

Equity Multiplier: 6.02

ROE (5 Year Average): 70.05%

ROA (5 Year Average): 8.90%

Sales Growth Rates

Historical: 6.75%

Projected: 13.0%

Earnings Growth Rates

Historical: 14.5%

Projected: 13.0%

PROFILE

Accenture is a leading provider of management consulting, IT outsourcing, and systems integration services to firms worldwide. The firm's business is broadly divided into five operating groups: communications and high-tech, financial services, products, resources, and government. Roughly 40% of revenues are generated in North America, while Europe accounts for nearly half of all sales.

1-YEAR RETURNS

Zach Hedge, zhedge@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Allstate Corp

Currently held: Yes

Quantity: 200

Recommendation: Sell 100 Shares

NYSE: ALL

Financial

S&P 100 & 500

Market Cap: \$35.20B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Aggressive stock repurchase program
- Projected earnings per share of \$6.25 in 2006
- Huge losses due to hurricanes which could continue in future hurricane seasons

KEY STATISTICS

Stock Data

Current Price: \$52.11

52-Week Price Range: \$49.90 - \$63.22

EPS – \$2.40

EPS Prior Year– \$4.41

Beta: 0.9

Dividends: \$1.24

Dividend yield: 2.4%

P/E 12 mo. Forward: 9.0

P/E Trailing: 18.3

P/E industry: 17.6

PEG: 0.99

Target Price: \$70 (in 3 years)

Annual Expected return 10.34%

Annual Required return: 9.9%

Financial Data

Revenues: \$35.3B

Net Income: \$1.87B

EBITDA: \$2.7B

Total Assets: \$156B

Total Equity: \$19.4B

Current Ratio: -

Quick Ratio: -

Debt/Equity: 0.25

Profit Margin: 5.3%

Asset Turnover: 0.2

Equity Multiplier: 8.0

ROE (5 Year Average): 10.35%

ROA (5 Year Average): 1.54%

Sales Growth Rates

Historical: 2.0%

Projected: 4.5%

Earnings Growth Rates

Historical: 0.5% (last 5 years)

Projected: 12.0%

PROFILE

On the basis of premium sales, Allstate is the second-largest U.S. personal-lines property-casualty insurer. Personal auto and homeowner insurance make up more than 75% of Allstate's sales. Allstate Financial's life insurance, mutual funds, and annuities contribute 10% of sales. Allstate products are sold in North America by more than 13,000 company agents, independent agents, banks, and brokers.

1-YEAR RETURNS

Zach Hedge, zhedge@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Anheuser-Busch

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: BUD

Consumer Goods

S&P 100 & 500

Market Cap: \$37.00B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Low risk
- High profit margin relative to industry
- Strong international presence, especially China
- Planned price increase

KEY STATISTICS

Stock Data

Current Price: \$42.77

52-Week Price Range: \$40.15 - \$48.49

EPS – \$2.50

EPS Prior Year– \$2.46

Beta: 0.6

Dividends: \$1.02

Dividend yield: 2.5%

P/E 12 mo. Forward: 17.3

P/E Trailing: 16.6

P/E industry: 29.7

PEG: 2.1

Target Price: \$60 (in 3 years)

Annual Expected return 11.94%

Annual Required return: 8.30%

Financial Data

Revenues: \$15.04B

Net Income: \$1.97B

EBITDA: \$4.2B

Total Assets: \$16.44B

Total Equity: \$3.28B

Current Ratio: 1.0

Quick Ratio: 0.5

Debt/Equity: 2.4

Profit Margin: 13.10%

Asset Turnover: 0.9

Equity Multiplier: 5.0

ROE (5 Year Average): 63.54%

ROA (5 Year Average): 13.17%

Sales Growth Rates

Historical: 2.1%

Projected: 4.0%

Earnings Growth Rates

Historical: 10.5%

Projected: 5.5%

PROFILE

Anheuser-Busch Companies, Inc., through its subsidiaries, engages in the manufacture and distribution of beer in the United States and internationally. It also distributes three non-alcohol beverages, O'Doul's, Busch NA, and O'Doul's Amber. In addition, the company manufactures beverage cans and beverage can lids. It also owns nine theme parks located in Florida, Virginia, Texas, California, and Pennsylvania. Further, the company engages in the development of real estate properties; and ownership and operation of The Kingsmill Resort and Conference Center in Williamsburg, Virginia, as well as a transportation service business. Anheuser-Busch Companies was founded in 1852 and is based in St. Louis, Missouri.

1-YEAR RETURNS

Zach Hedge, zhedge@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Automatic Data Processing

Currently held: Yes

Quantity: 200

Recommendation: Hold

NYSE: ADP

Technology

S&P 500 & 1500 Super Comp

Market Cap: \$26.50B - Large Core

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Solid profit margins
- Double-digit revenue growth
- Interest income likely to increase 20%-25%
- High earnings predictability

KEY STATISTICS

Stock Data

Current Price: \$45.68

52-Week Price Range: \$40.37 - \$48.11

EPS - \$1.84

EPS Prior Year- \$1.56

Beta: 0.95

Dividends: \$0.62

Dividend yield: 1.6%

P/E 12 mo. Forward: 21.7

P/E Trailing: 24.6

P/E industry: 21.9

PEG: 1.85

Target Price: \$65 (in 3 years)

Annual Expected return: 12.48%

Annual Required return: 10.23%

Financial Data

Revenues: \$8.5B

Net Income: \$1.05B

EBITDA: \$2.03B

Total Assets: \$27.6B

Total Equity: \$5.78B

Current Ratio: 1.59

Quick Ratio: 1.03

Debt/Equity: 0.013

Profit Margin: 12.1%

Asset Turnover: 0.3

Equity Multiplier: 4.31

ROE (5 Year Average): 19.02%

ROA (5 Year Average): 4.9%

Sales Growth Rates

Historical: 11.5%

Projected: 10.0%

Earnings Growth Rates

Historical: 12.0%

Projected: 10.5%

PROFILE

ADP is one of the largest providers of computerized transaction processing, data communication, and information services. Its payroll processing unit serves roughly one in six private sector workers in the U.S. It also provides human resources and benefit administration products and services, comprehensive outsourcing services, and payroll tax filing services. Its brokerage services segment offers back-office transaction processing and investor communications services.

1-YEAR RETURNS

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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Danaher Corp.

Currently held: Yes

Quantity: 100

Recommendation: Buy 50 shares

NYSE: DHR

Conglomerates

S&P 500

Market Cap: \$18.00B – Large Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Strong EPS
- Strong organic growth and growth through acquisition
- Movement towards Chinese market
- Low debt/equity ratio

KEY STATISTICS

Stock Data

Current Price: \$63.55

52-Week Price Range: \$48.32 - \$62.38

EPS – \$3.10

EPS Prior Year– \$2.75

Beta: 1.0

Dividends: \$0.07

Dividend yield: 0.1%

P/E 12 mo. Forward: 17.52

P/E Trailing: 23.1

P/E industry: 26.5

PEG: 1.3

Target Price: \$95 (in 3 years)

Annual Expected return 14.34%

Annual Required return: 10.5%

Financial Data

Revenues: \$7.70B

Net Income: \$863.8M

EBITDA: \$1.39B

Total Assets: \$9.02B

Total Equity: \$4.994B

Current Ratio: 1.27

Quick Ratio: 0.75

Debt/Equity: 0.21

Profit Margin: 11.22%

Asset Turnover: 0.9

Equity Multiplier: 5.44

ROE (5 Year Average): 14.63%

ROA (5 Year Average): 7.53%

Sales Growth Rates

Historical: 18.3%

Projected: 13.4%

Earnings Growth Rates

Historical: 22.6%

Projected: 15.0%

PROFILE

Danaher is a diversified manufacturer, housing more than 40 industrial brands in three segments. Its professional instrumentation segment produces electronic, medical, and water-test equipment. Its industrial technology segment produces precision motors and controls, product-identification equipment, and other niche products. Its tool and component division makes Sears' Craftsman line of hand tools, Matco tools for professional mechanics, and other store-branded tools.

1-YEAR RETURNS

Zach Hedge, zhedge@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Dell Inc

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: DELL

Technology

S&P 100 & 500 and Nasdaq 100

Market Cap: \$68.56B - Large Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Aggressive stock repurchase program
- Projected earnings of 15%
- Developing greater number of high-margin computer systems

KEY STATISTICS

Stock Data

Current Price: \$29.76

52-Week Price Range: \$28.62 - \$41.99

EPS - \$1.55

EPS Prior Year- \$1.29

Beta: 1.2

Dividends: n/a

Dividend yield: n/a

P/E 12 mo. Forward: 17.7

P/E Trailing: 19.9

P/E industry: 29.2

PEG: 1.1

Target Price: \$45 (in 3 years)

Annual Expected return 14.78%

Annual Required return: 11.60%

Financial Data

Revenues: \$54.18B

Net Income: \$3.23B

EBITDA: \$4.74B

Total Assets: \$22.87B

Total Equity: \$4.82B

Current Ratio: 1.15

Quick Ratio: 0.93

Debt/Equity: 0.10

Profit Margin: 5.96%

Asset Turnover: 2.47

Equity Multiplier: 4.0

ROE (5 Year Average): 45.09%

ROA (5 Year Average): 13.1%

Sales Growth Rates

Historical: 30.4%

Projected: 11.3%

Earnings Growth Rates

Historical: 15.0%

Projected: 15.5%

PROFILE

Dell designs and distributes computer systems and offers a variety of technology services to its customers. The company markets its products directly to its customers, which include corporate, government, and education accounts, as well as small businesses and individuals. Dell also offers a line of low-end business servers, network-storage products, printers, and a growing line of consumer electronics such as flat-panel televisions and digital music players.

1-YEAR RETURNS

Zach Hedge, zhedge@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

DOW Chemical Co.

Currently held: Yes

Quantity: 200

Recommendation: Hold

NYSE: DOW

Basic Materials

S&P 500, Dow Jones Industrials

Market Cap: \$42.00B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Strong technically
- Strong demand especially from emerging markets
- Price increases
- Well diversified

KEY STATISTICS

Stock Data

Current Price: \$40.60

52-Week Price Range: \$40.18 - \$56.75

EPS – \$4.72

EPS Prior Year– \$2.72

Beta: 1.15

Dividends: \$1.34

Dividend yield: 3%

P/E 12 mo. Forward: 8.84

P/E Trailing: 9.45

P/E industry: 13.04

PEG: 1.07

Target Price: \$47

Expected return 18.5%

Required return: 11.3%

Financial Data

Revenues: \$46B

Net Income: \$4.5B

EBITDA: \$8.49B

Total Assets: \$46B

Total Equity: \$15.3B

Current Ratio: 1.6

Quick Ratio: 1.1

Debt/Equity: .6

Profit Margin: 9.8%

Asset Turnover: 1.01

Equity Multiplier: 3

ROE (5 Year Average): 15.2%

ROA (5 Year Average): 4.0%

Sales Growth Rates

Historical: 4.5%

Projected: 8%

Earnings Growth Rates

Historical: 5%

Projected: 19.5%

PROFILE

The Dow Chemical Company (DOW) is a science and technology company that provides chemical, plastic and agricultural products and services to many consumer markets. The Company is engaged in the manufacture and sale of chemicals, plastic materials, agricultural and other specialized products and services. Dow serves customers in more than 175 countries and a range of markets, including food, transportation, health and medicine, personal and home care, and building and construction, among others. The Company has 156 manufacturing sites in 37 countries and supplies more than 3,200 products.

1-YEAR RETURNS

Carlos Sayde, csayde@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Exxon Mobil

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: XOM

Basic Materials

S&P 500, Dow Jones Industrials

Market Cap: \$372.00 – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Benefiting from macro economic conditions
- Establishing strong presence in China
- Strong profit margins
- Strong financials with \$33B in cash

KEY STATISTICS

Stock Data

Current Price: \$60.98

52-Week Price Range: \$52.78 - \$65.96

EPS – \$5.72

EPS Prior Year– \$3.89

Beta: .85

Dividends: \$1.14

Dividend yield: 2%

P/E 12 mo. Forward: 11.03

P/E Trailing: 10.67

P/E industry: 9.29

PEG: 1.58

Target Price: 69\$

Expected return 15.1%

Required return: 9.7%

Financial Data

Revenues: \$332B

Net Income: \$36B

EBITDA: \$70.98B

Total Assets: \$208B

Total Equity: \$111 B

Current Ratio: 1.6

Quick Ratio: 1.2

Debt/Equity: .06

Profit Margin: 11%

Asset Turnover: 1.6

Equity Multiplier: 1.87

ROE: 32.5%

ROA: 17.3%

Sales Growth Rates

Historical: 5.5%

Projected: 10.5%

Earnings Growth Rates

Historical: 5%

Projected: 12.5%

PROFILE

ExxonMobil Corporation through its affiliates is engaged in exploration for, and production of, crude oil and natural gas, manufacture of petroleum products and transportation and sale of crude oil, natural gas and petroleum products. ExxonMobil is a manufacturer and marketer of commodity petrochemicals, including olefins, aromatics, polyethylene and polypropylene plastics and a range of specialty products. ExxonMobil also has interests in electric power generation facilities. Affiliates of ExxonMobil conduct extensive research programs in support of these businesses. Average capital employed: 47% upstream, 25% downstream, 14% Corp, 14% chemicals.

1-YEAR RETURNS

Carlos Sayde, csayde@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

General Electric

Currently held: Yes

Quantity: 200

Recommendation: Moderate Buy

NYSE: GE

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$350.00B - Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Strong growth in all business areas for the next couple years
- Strong fundamentals
- Double digit earnings growth rate over next several years
- Large order backlog (\$24b)

KEY STATISTICS

Stock Data

Current Price: \$34.76

52-Week Price Range: \$32.21- \$37.34

EPS - \$1.72

EPS Prior Year- \$1.60

Beta: 1.06

Dividends: \$.88

Dividend yield: 2.8%

P/E 12 mo. Forward: 14.69

P/E Trailing: 21.45

P/E industry: 19.39

PEG: 1.52

Target Price: 40\$

Expected return 18.2%

Required return: 10.8%

Financial Data

Revenues: \$148B

Net Income: \$18.27B

EBITDA: \$30.99B

Total Assets: \$750B

Total Equity: \$110B

Current Ratio: .6

Quick Ratio: .5

Debt/Equity: 1.93 (Industry 1.23)

Profit Margin: 12.1%

Asset Turnover: .20

Equity Multiplier: 6.8

ROE: 16%

ROA: 2.5%

Sales Growth Rates

Historical: 9%

Projected: 6%

Earnings Growth Rates

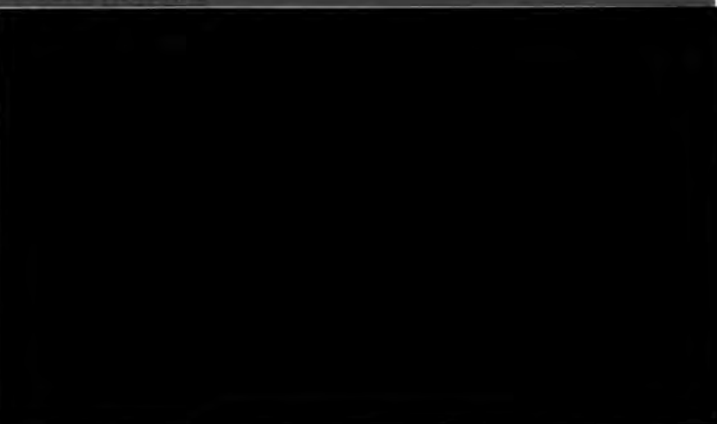
Historical: 12.5%

Projected: 7%

PROFILE

General Electric Company engages in the development, manufacture, and marketing of various products for the generation, transmission, distribution, control, and utilization of electricity. The six businesses are GE Infrastructure (20% of operating profits), GE Industrial (21%), GE Commercial Financial Services (21%), GE NBC Universal (12%), GE healthcare (11%) and GE consumer finance (15%). The company has operations in North America, Europe, Asia, and South America. General Electric was founded in 1892 and is based in Fairfield, Connecticut. Foreign sales account for 50% of revenues.

1-YEAR RETURNS



Carlos Sayde, csayde@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Heinz

Currently held: Yes

Quantity: 163

Recommendation: Moderate Sell

NYSE: HNZ

Consumer Goods

S&P 500, Dow Jones Industrials

Market Cap: \$12.81 – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Spin-off of underperforming divisions
- Proceeds from divestiture will be used to share buyback and pay down debt
- Increased pressure from major shareholders (Mr. Nelson Peltz)
- Higher commodity prices hurting margins

KEY STATISTICS

Stock Data

Current Price: \$38.23

52-Week Price Range: \$33.42- \$38.77

EPS – \$2.15

EPS Prior Year– \$2.3

Beta: .7

Dividends: \$1.17

Dividend yield: 3.6%

P/E 12 mo. Forward: 15.54

P/E Trailing: 19.32

P/E industry: 16.06

PEG: 2.27

Target Price: 40\$

Expected return 7.2%

Required return: 8.85%

Financial Data

Revenues: \$9.3B

Net Income: \$.7B

EBITDA: \$1.64B

Total Assets: \$10.6B

Total Equity: \$2.6B

Current Ratio: 1.5

Quick Ratio: .8

Debt/Equity: 2.46 (Industry .71)

Profit Margin: 7.5%

Asset Turnover: .877

Equity Multiplier: 4.04

ROE: 27%%

ROA: 6.3%

Sales Growth Rates

Historical: 2%

Projected: 4.5%

Earnings Growth Rates

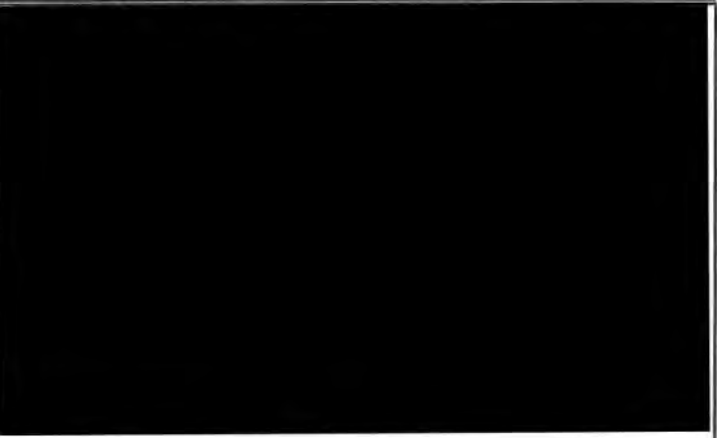
Historical: 3.5%

Projected: 6%

PROFILE

H. J. Heinz Company manufactures and markets a line of processed food products throughout the world. The Company's principal products include ketchup, condiments and sauces, frozen food, soups, beans and pasta meals, tuna and other seafood products, infant food and other processed food products. The Company operates in five segments: North American Consumer Products, U.S. Foodservice, Europe, Asia/Pacific and Other Operating Entities. Foreign operations accounted for about 53% of total sales in 2004.

1-YEAR RETURNS



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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Hewlett-Packard

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: HPQ

Technology

S&P 500, Dow Jones Industrials

Market Cap: \$94.38 – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Improved focus with new CEO Mark Hurd
- Expanding product line
- Restructuring-related cost savings will improve profit margin
- HPQ seeing growth in PC and Printing Business

KEY STATISTICS

Stock Data

Current Price: \$32.90

52-Week Price Range: \$19.57- \$34.52

EPS – \$.82

EPS Prior Year– \$1.20

Beta: 1.4

Dividends: \$.32

Dividend yield: 1%

P/E 12 mo. Forward: 15.1

P/E Trailing: 35.96

P/E industry: 38.55

PEG: 1.38

Target Price: 37\$

Expected return 13.6%

Required return: 12.7%

Financial Data

Revenues: \$87B

Net Income: \$2.68B

EBITDA: \$7.6B

Total Assets: \$77B

Total Equity: \$37 B

Current Ratio: 1.4

Quick Ratio: 1.0

Debt/Equity: .09

Profit Margin: 3%

Asset Turnover: 1.13

Equity Multiplier: 2.08

ROE: 7.2%

ROA: 3.1%

Sales Growth Rates

Historical: 9.5%

Projected: 9%

Earnings Growth Rates

Historical: 6.5%

Projected: 15.5%

PROFILE

Hewlett-Packard Company provides computing and imaging solutions and services. Its offerings span enterprise storage and servers; multi-vendor services, including technology support and maintenance; consulting and integration, and managed services; personal computing and other access devices, and imaging and printing-related products and services. HPQ Operates in six segments (% of operating profit): Imaging & printing (53%), Personal systems (11%), Enterprise storage & servers (13%), HP services (19%), Financing (4%), Software (1%).

1-YEAR RETURNS



Carlos Sayde, csayde@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

iShares TR Cohen & Steers Realty

Currently held: Yes

Quantity: 200

Recommendation: Moderate Sell

AMEX: ICF

Specialty-Real Estate

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Slow down in Realty due to higher material prices and higher interest rates
- Cap rates at all time lows
- Majority of holdings are in commercial real estate companies.

KEY STATISTICS

ISHARES

Price: \$85.90

Morningstar Rating- 4 Star

Equity Style: High Med Cap Value

NAV: \$1.9B

Expense Ratio: .35%

Sharpe ratio (3 yr.): 1.71

Beta: .77

Alpha: 16.7

Sector Holdings: 99.5 Financial Services, .5% Cash

Yield: 3.63%

Price/Prospective Earnings: 16.9

Annual Turnover: 28

NAV Return (3 year annualized): 32.3%

PROFILE

To represent relatively large & liquid Real Estate Investment Trusts(REITs)that may benefit from future consolidation and securitization of US real estate industry. The index is weighted according to total market value of each REIT's outstanding shares and is adjusted quarterly so that no REIT represents more than 8% of index.

Major Holdings:

SIMON PROPERTY GROUP INC REIT 8.10%

EQUITY OFFICE PROPERTIES TRUST REIT 7.20%

VORNADO REALTY TRUST REIT 6.75%

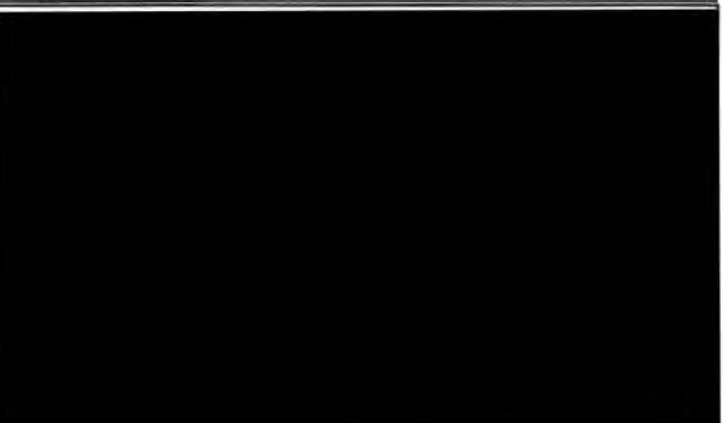
EQUITY RESIDENTIAL REIT 6.39%

PROLOGIS REIT 6.03%

GENERAL GROWTH PROP INC REIT 6.02% PUBLIC

STORAGE INC REIT 5.22%.

1-YEAR RETURNS



Carlos Sayde, csayde@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Bank of America

Currently held: Yes

Quantity: 135

Recommendation: Hold

NYSE: BAC

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$180.80 B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Merger with MBNA will lead to new sources of business
- Value Line expects appreciation in the next couple of years (target price 55-75 by 2008-2010)

KEY STATISTICS

Stock Data

Current Price:	\$45.54
52-Week Price Range:	\$41.13/\$47.44
EPS – Current:	\$4.15
EPS – Prior Year:	\$3.76
Beta:	0.43
Dividends:	\$2.00
Dividend yield:	4.40%
P/E 12 mo. Forward:	10.40
P/E 12 mo. Trailing:	10.80
P/E Industry:	14.47
P/B:	1.80
P/E to Growth:	1.19

Target Price

DDM:	\$49.75
Expected return:	9.24%
Required return:	7.37%

Financial Data

Revenues:	\$65.45B
Net Income:	\$14.14B
EBITDA:	\$36.27B
Total Assets:	\$1.11B
Current Ratio:	N/A
Quick Ratio:	N/A
Debt/Equity:	0.99
ROE:	16.80%
ROA:	1.40%
Equity Multiplier:	12.00
ROE (5 Year Average):	17.00%
Sales and Earnings Growth Rates (Historical and Projected):	
Short Term:	28.70%
Long Term:	5.39%

PROFILE / BUSINESS SEGMENT DESCRIPTION

Bank of America is one of the largest financial institutions in the world. Bank of America has over 25,000 locations (5,800 banks and over 16,700 ATMs) in 44 states, the District of Columbia, and 34 foreign countries. The company has been merging lately with various companies. In April of 2004, Bank of America merged with FleetBoston Financial Corporation. In October 2004, Bank of America acquired National Processing Inc. In January 2006, Bank of America acquired MBNA Corporation.

1-YEAR RETURNS

Trey McPherson, rmcpherson@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

iShares Global Healthcare

Currently held: Yes

Quantity: 395

Recommendation: Hold

AMEX: IXJ

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$65.33B - ETF

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Favorable companies are in the index
- Positive outlook for the next year
- Good diversification in the industry

KEY STATISTICS

Profile - The iShares S&P Global Healthcare Sector Index Fund tracks the Standard & Poor's global healthcare sector of the economy.

Morningstar Rating:	★★
Equity/Fixed Income Style:	(see right)
NAV:	\$53.28
Expense Ratio:	0.65%
Min. Investment:	\$0.00
Sharpe ratio (3 yr.):	1.00
Beta:	0.53
Alpha:	1.73
Portfolio Composition:	
% Assets in Top 10:	51.08%
USA:	67.01%
Switzerland:	11.60%
United Kingdom:	10.70%

Sector Holdings:

Pharmaceuticals and Healthcare:	71.89%
Healthcare Equipment & Services:	27.95%

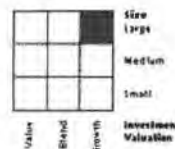
Identify Sector Breakdowns

Information:	0.00%
Service:	99.50%
Manufacturing:	0.50%

Individual Holdings Analysis:

No individual security in the index accounts for more than 10% of the index.

PROFILE / BUSINESS SEGMENT DESCRIPTION



The iShares S&P Global Healthcare Sector Index Fund tracks the Standard & Poor's global healthcare sector of the economy. 71.89% of the index is invested in pharmaceuticals and biotechnology. The remaining 27.95% of the index is in healthcare equipment and services.

1-YEAR RETURNS

Trey McPherson, rmcpherson@rollins.edu

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Marathon Oil Corporation

Currently held: Yes

Quantity: 100

Recommendation: Moderate Buy

NYSE: MRO

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$22.50B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Increased capacity by 3%
- Possibility for 25-30% more oil from exploration and production by 2008-2010
- Global energy prices

KEY STATISTICS

Stock Data

Current Price:	\$76.17
52-Week Price Range:	\$43.49/77.82
EPS – Current:	\$6.19
EPS – Prior Year:	\$3.75
Beta:	0.90
Dividends:	\$1.03
Dividend yield:	2.10%
P/E 12 mo. Forward:	7.50
P/E 12 mo. Trailing:	10.10
P/E Industry:	11.10
P/B:	2.49
P/E to Growth:	1.11

Target Price:

DDM:	\$86.21
Expected return:	13.18%
Required return:	9.95%

Financial Data

Revenues:	\$45.14B
Net Income:	\$1.26B
EBITDA:	\$3.58B
Total Assets:	\$23.42B
Current Ratio:	1.20
Quick Ratio:	0.70
Debt/Equity:	0.35
ROE:	20.60%
ROA:	8.50%
Equity Multiplier:	2.42
ROE (5 Year Average):	11.98%
Sales and Earnings Growth Rates:	
Short Term:	43.60%
Long Term:	12.77%

PROFILE / BUSINESS SEGMENT DESCRIPTION

Marathon Oil is an energy company based in Houston. According to Value Line, Marathon Oil is now one of the top five refiners in the country. The company currently operates in three segments: exploration and production (EP); refining, marketing, and transportation (RMT); and integrated gas (IG). The company has increased its capacity by 3% over the past year and is looking to boost the refining capacity by 20% by the end of the decade, according to Value Line.

1-YEAR RETURNS



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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Merck & Co.

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: MRK

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$73.20 B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Very high gross margins are above industry average
- Return on equity higher than the industry average
- 4.5% dividend yield plus expected share price appreciation

KEY STATISTICS

Stock Data

Current Price:	\$35.23
52-Week Price Range:	\$25.50/\$36.65
EPS – Current:	\$2.10
EPS – Prior Year:	\$2.62
Beta:	0.85
Dividends:	\$1.52
Dividend yield:	4.50%
P/E 12 mo. Forward:	15.10
P/E 12 mo. Trailing:	14.00
P/E Industry:	23.68
P/B:	4.33
P/E to Growth:	5.13

Target Price

DDM:	\$38.97
Expected return:	10.62%
Required return:	9.675%

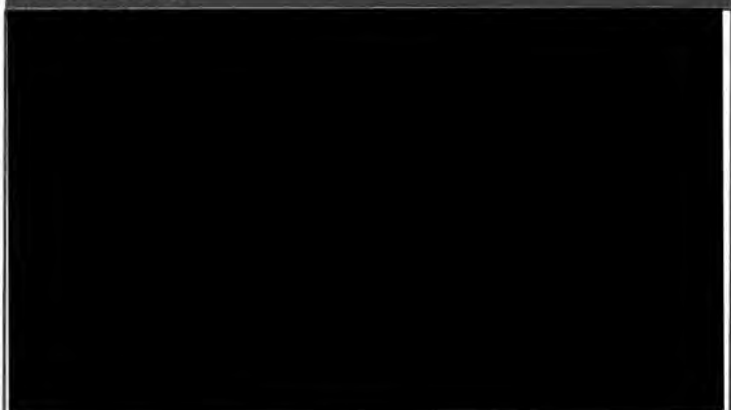
Financial Data

Revenues:	\$22.94B
Net Income:	\$5.81B
EBITDA:	\$8.07B
Total Assets:	\$42.57B
Current Ratio:	1.60
Quick Ratio:	1.50
Debt/Equity:	0.29
ROE:	25.90%
ROA:	10.50%
Equity Multiplier:	2.47
ROE (5 Year Average):	41.64%
Sales and Earnings Growth Rates:	
Short Term:	-2.20%
Long Term:	-14.42%

PROFILE / BUSINESS SEGMENT DESCRIPTION

Merck is a large pharmaceutical company based in the United States. The company develops, produces, and distributes its products for both humans and animals. Merck competes against other firms like Pfizer, Johnson & Johnson, Glaxosmithkline, and Novartis. Each of these firms has market capitalizations of over \$100 billion. Litigation is an ongoing risk to the company. According to Value Line, \$253.4 million was awarded by a Texas jury to a Vioxx user. However, the company has won a case and had a hung jury in another.

1 YEAR CHART



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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Occidental Petroleum

Currently held: Yes

Quantity: 60

Recommendation: Hold

NYSE: OXY

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$38.22 B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Global energy market condition
- 5 yr gross margins and net profit margin above industry competitors
- Net income growth is greater than industry competitors

KEY STATISTICS

Stock Data

Current Price:	\$92.65
52-Week Price Range:	\$64.05/\$97.99
EPS – Current:	12.90
EPS – Prior Year:	13.08
Beta:	0.90
Dividends:	\$1.44
Dividend yield:	1.40%
P/E 12 mo. Forward:	8.90
P/E 12 mo. Trailing:	9.11
P/E Industry:	16.54
P/B:	2.54
P/E to Growth:	0.86

Target Price:

DDM:	\$102.74
Expected return:	10.89%
Required return:	9.95%

Financial Data

Revenues:	\$15.21B
Net Income:	\$5.28B
EBITDA:	\$7.86B
Total Assets:	\$26.11B
Current Ratio:	1.50
Quick Ratio:	1.30
Debt/Equity:	0.19
ROE:	35.10%
ROA:	20.20%
Equity Multiplier:	1.74
ROE (5 Year Average):	23.56%
Sales and Earnings Growth Rates:	
Short Term:	44.10%
Long Term:	0.53%

PROFILE / BUSINESS SEGMENT DESCRIPTION

Occidental Petroleum has two main business components. The oil and gas segment explores for, develops, and markets crude oil and natural gas. The chemical segment makes and markets basic chemicals, vinyls, and performance chemicals. The company operates in the United States, Columbia, Ecuador, Libya, Oman, Pakistan, Qatar, Russia, the United Arab Emirates, Yemen, and the Gulf of Mexico. In January 2006 the company merged with Vintage Petroleum and made it a wholly owned subsidiary.

1-YEAR RETURN



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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Pfizer

Currently held: Yes

Quantity: 160

Recommendation: Hold

NYSE: PFE

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$193.8 B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Net income growth rate over the last 5 years has been better than industry
- Dividend growth rate over the last 5 years has been greater than the industry
- Winning legal battles

KEY STATISTICS

Stock Data

Current Price:	\$24.92
52-Week Price Range:	\$20.27/\$29.21
EPS – Current:	1.09
EPS – Prior Year:	1.10
Beta:	0.85
Dividends:	\$0.96
Dividend yield:	3.90%
P/E 12 mo. Forward:	13.10
P/E 12 mo. Trailing:	11.80
P/E Industry:	23.68
P/B:	2.96
P/E to Growth:	2.30

Target Price:

DDM:	\$30.20
Expected return:	14.65%
Required return:	9.68%

Financial Data

Revenues:	\$51.30B
Net Income:	\$8.09B
EBITDA:	\$20.50B
Total Assets:	\$117.57B
Current Ratio:	1.50
Quick Ratio:	1.10
Debt/Equity:	0.10
ROE:	12.40%
ROA:	6.90%
Equity Multiplier:	1.80
ROE (5 Year Average):	25.10%
Sales and Earnings Growth Rates:	
Short Term:	-8.90%
Long Term:	13.86%

PROFILE / BUSINESS SEGMENT DESCRIPTION

Pfizer is a global pharmaceutical company that focuses on developing prescription medicines for humans and animals. The company operates in the human health, consumer healthcare, and animal health business segments.

1-YEAR RETURN



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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

PNC Financial Services

Currently held: Yes

Quantity: 200

Recommendation: Hold

NYSE: PNC

Financials

S&P 500

Market Cap: \$20.80B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- PNC owns 70% of BlackRock which recently agreed to merge with Merrill Lynch's investment management business.
- Share buybacks and increased dividends are expected.

KEY STATISTICS

Stock Data

Current Price:	\$67.31
52-Week Price Range:	\$49.35/\$71.42
EPS – Current:	\$4.63
EPS – Prior Year:	\$4.57
Beta:	0.79
Dividends:	\$2.00
Dividend yield:	3.13%
P/E 12 mo. Forward:	12.68
P/E 12 mo. Trailing:	15.57
P/E Industry:	15.15
P/B:	2.37
P/E to Growth:	1.49

Target Price

DDM:	\$76.65
Expected return:	13.88%
Required return:	10.68%

Financial Data

Revenues:	\$2.75B
Net Income:	\$1.20B
EBITDA:	N/A
EV/EBITDA:	N/A
Total Assets:	\$79.72B
Current Ratio:	N/A
Debt/Equity:	N/A
ROE (5 Year History):	14.78%
ROE:	16.02%
ROA:	1.50%
Equity Multiplier:	10.67
Growth Rates:	
Sales (Historical):	-5.32%
Sales (Projected):	7.00%
Earnings (Historical):	3.10%
Earnings (Projected):	8.45%

PROFILE / BUSINESS SEGMENT DESCRIPTION

The PNC Financial Services Group, Inc., along with its subsidiaries, operates as a diversified financial services company in the United States. It provides regional community banking services, including deposit, lending, and cash management services, as well as investment services. The company also offers wholesale banking services and offers mutual fund transfer agency and accounting and administration services. The company serves customers primarily in Pennsylvania, New Jersey, Delaware, Ohio, and Kentucky, as well as in Ireland and Luxembourg. As of September 30, 2005, it operated 830 branch offices and 3,770 ATM's. The PNC Financial Services Group was founded in 1922 and is headquartered in Pittsburgh, Pennsylvania.

1-YEAR RETURNS (INDEXED)



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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Procter & Gamble

Currently held: Yes

Quantity: 200

Recommendation: Hold

NYSE: PG

Consumer Goods

S&P 500, Dow Jones Industrials

Market Cap: \$203.73B - Large Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The merger with Gillette has created more growth potential
- Favorable financial ratios
- Ranked No. 3 in FORTUNE's survey of the World's Most Admired Companies

KEY STATISTICS

Stock Data

Current Price:	\$57.63
52-Week Price Range:	\$51.86/\$62.09
EPS - Current:	\$2.83
EPS - Prior Year:	\$2.68
Beta:	0.19
Dividends:	\$1.09
Dividend yield:	1.88%
P/E 12 mo. Forward:	20.58
P/E 12 mo. Trailing:	22.66
P/E Industry:	22.32
P/S 12 mo. Trailing:	3.25
P/E to Growth:	2.00

Target Price

DDM:	\$63.54
Expected return:	10.26%
Required return:	7.60%

Financial Data

Revenues:	\$56.74B
Net Income:	\$7.26B
EBITDA:	\$14.42B
EV/EBITDA:	15.83
Total Assets:	\$61.53B
Current Ratio:	0.81
Debt/Equity:	1.39
ROE (5 yr. Historical Avg):	32.41%
ROE:	41.52%
ROA:	11.79%
Equity Multiplier:	3.52
Growth Rates:	
Sales (Historical):	6.39%
Sales (Projected):	6.50%
Earnings (Historical):	13.55%
Earnings (Projected):	10.64%

PROFILE/BUSINESS SEGMENT DESCRIPTION

The Procter & Gamble Company engages in the manufacture and marketing of various consumer products worldwide. The company operates in five segments: P&G Beauty, Health Care, Baby Care and Family Care, Fabric Care and Home Care, and Snacks and Coffee. The company's customers include merchandisers, grocery stores, membership club stores, and drug stores. It markets approximately 300 branded products in approximately 160 countries. The Procter & Gamble Company was founded by William Procter and James Gamble in 1837. The company is headquartered in Cincinnati, Ohio.

1-YEAR RETURNS (INDEXED)

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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Semiconductors HLDRS Trust

Currently held: Yes

Quantity: 100

Recommendation: Hold

AMEX: SMH

Technology

Market Cap: \$1.50B – Large Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Technology sector has outperformed the market over the past year
- Industry revenues and profit expected to rise in 2006
- Continuing advances in Nanotechnology
- Shift towards “fabless” manufacturing

KEY STATISTICS

Stock Data

Current Price:	\$36.32
52-Week Price Range:	\$29.88/\$40.64
EPS – Current:	N/A
EPS – Prior Year:	N/A
Beta:	1.41
Dividends:	N/A
Dividend yield:	0.40%
P/E – Industry:	30.27

Target Price

DDM: N/A

Financial Data

Revenues:	N/A
Net Income:	N/A
EBITDA:	N/A
EV/EBITDA:	N/A
Total Assets:	N/A
Current Ratio:	N/A
Debt/Equity:	N/A
ROE (5 Year History):	N/A
ROE:	N/A
ROA:	N/A
Equity Multiplier:	N/A
Growth Rates:	N/A

PROFILE / BUSINESS SEGMENT DESCRIPTION

Semiconductor HOLDRS Trust issues depository receipts called Semiconductor HOLDRS. The trust holds shares of common stock issued by specified companies that, when initially selected, were involved in the semiconductor business. There are currently 20 companies included in the Semiconductor HOLDRS.

Lot Size: 100

Fee: \$2.00

Issuance Fee: \$10.00

Cancellation Fee: \$10.00

CURRENT HOLDINGS

Company Name	Ticker	% Net Assets
Intel	INTC	23.19%
Texas Instruments	TXN	18.35%
Applied Materials	AMAT	12.50%
Analog Devices	ADI	6.65%
Maxim Integrated Products	MXIM	5.67%
Linear Technology	LLTC	5.43%
National Semiconductor	NSM	3.92%
KLA-Tencor	KLAC	3.89%
Xilinx	XLNX	3.80%
Altera	ALTR	3.53%

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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Software HLDRS Trust

Currently held: Yes

Quantity: 100

Recommendation: Hold

AMEX: SWH

Technology

Market Cap: \$161.7M – Large Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Technology sector has outperformed the market over the past year
- PC market is expected to grow 4% annually through 2008
- Video gaming market is providing a significant source of growth

KEY STATISTICS

Stock Data

Current Price:	\$37.61
52-Week Price Range:	\$32.74/\$39.51
EPS – Current:	N/A
EPS – Prior Year:	N/A
Beta:	1.19
Dividends:	N/A
Dividend yield:	0.50%
P/E 12 mo. Forward:	N/A
P/E 12 mo. Trailing:	N/A
P/E Industry:	32.90

Target Price

DDM: N/A

Financial Data

Revenues:	N/A
Net Income:	N/A
EBITDA:	N/A
EV/EBITDA:	N/A
Total Assets:	N/A
Current Ratio:	N/A
Debt/Equity:	N/A
ROE (5 Year History):	N/A
ROE:	N/A
ROA:	N/A
Equity Multiplier:	N/A
Growth Rates:	N/A

PROFILE / BUSINESS SEGMENT DESCRIPTION

Software HOLDRS Trust issues depository receipts called Software HOLDRS. The investment holds securities traded on U.S. stock markets that, when initially selected, were issued by companies involved in the software industry. There are currently 18 companies included in the Software HOLDRS.

Lot Size: 100

Fee: \$2.00

Issuance Fee: \$10.00

Cancellation Fee: \$10.00

CURRENT HOLDINGS

Company Name	Ticker	% Net Assets
Microsoft	MSFT	21.81%
SAP AG ADR	SAP	20.29%
Computer Associates International	CA	13.67%
Adobe Systems	ADBE	10.04%
Oracle	ORCL	9.28%
Symantec	SYMC	5.04%
Check Point Software Technologies	CHKP	4.83%
BMC Software	BMC	3.69%
Intuit	INTU	3.48%
Mercury Interactive	MERQ.PK	2.25%

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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Sysco Corporation

Currently held: **Yes**

Quantity: **100**

Recommendation: **Buy 50 Shares**

NYSE: **SYY**

Services

S&P 500

Market Cap: \$18.35B – Large Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Named “Best Managed Company” by Forbes Magazine for the Food Markets industry
- Engaged in several acquisitions to expand domestically
- Positioned for global expansion

KEY STATISTICS

Stock Data

Current Price:	\$32.05
52-Week Price Range:	\$29.58/\$38.04
EPS – Current:	\$1.44
EPS – Prior Year:	\$1.42
Beta:	0.51
Dividends:	\$0.62
Dividend yield:	2.10%
P/E 12 mo. Forward:	17.96
P/E 12 mo. Trailing:	20.79
P/E Industry:	21.40
P/S:	0.59
P/E to Growth:	1.49

Target Price

DDM:	\$36.97
Expected return:	15.34%
Required return:	8.83%

Financial Data

Revenues:	\$30.28B
Net Income:	\$0.96B
EBITDA:	\$1.87B
EV/EBITDA:	10.92
Total Assets:	\$8.27B
Current Ratio:	1.16
Debt/Equity:	0.50
ROE (5 Year History):	31.84%
ROE:	34.83%
ROA:	11.62%
Equity Multiplier:	3.00
Growth Rates:	
Sales (Historical):	10.46%
Sales (Projected):	9.00%
Earnings (Historical):	17.89%
Earnings (Projected):	12.90%

PROFILE/BUSINESS SEGMENT DESCRIPTION

Sysco Corporation, through its subsidiaries, engages in the distribution and marketing of food and related products primarily to the foodservice industry in the United States and Canada. Its customers include restaurants, hospitals and nursing homes, schools and colleges, hotels and motels, and industrial caterers, as well as regional and national hamburger, sandwich, pizza, chicken, steak, and other chain operators. As of July 2, 2005, the company operated 170 facilities throughout the United States and Canada. The company was founded in 1969 and is headquartered in Houston, Texas.

1-YEAR RETURNS (INDEXED)

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SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

3M Corporation

Currently held: Yes

Quantity: 100

Recommendation: HOLD

NYSE: MMM

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$55.46B – Large Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Significant financial strength with above-average dividend yield
- Increasing dividends in 2006
- Pricing power will help protect from inflationary pressures

KEY STATISTICS

Stock Data

Current Price:	\$72.27
52-Week Price Range:	\$69.71/\$87.45
EPS – Current:	\$4.23
EPS – Prior Year:	\$4.28
Beta:	0.67
Dividends:	\$1.68
Dividend yield:	2.36%
P/E 12 mo. Forward:	14.42
P/E 12 mo. Trailing:	17.72
P/E Industry:	20.09
P/S:	2.61
P/E to Growth:	1.46

Target Price

DDM:	\$75.14
Expected Rate of Return:	12.56%
Required Rate of Return:	9.72%

Financial Data

Revenues:	\$20.01B
Net Income:	\$2.99B
EBITDA:	\$5.99B
EV/EBITDA:	9.58
Total Assets:	\$20,708
Current Ratio:	1.44
Debt/Equity:	0.27
ROE:	28.81%
ROA:	14.44%
Equity Multiplier:	2.00
ROE (5 Yr Historical Avg):	29.36%
Growth Rates	
<i>Sales (Historical):</i>	4.43%
<i>Sales (Projected):</i>	8.00%
<i>Earnings (Historical):</i>	10.95%
<i>Earnings (Projected):</i>	10.15%

PROFILE/BUSINESS SEGMENT DESCRIPTION

3M Company operates as a diversified technology company. It has seven segments: Health Care; Industrial; Display and Graphics; Consumer and Office; Safety, Security, and Protection; Electro and Communications; and Transportation. 3M sells its products directly, as well as through wholesalers, retailers, jobbers, distributors, and dealers worldwide. 3M was founded in 1902. It was formerly known as Minnesota Mining and Manufacturing Company and changed its name to 3M Company in 2002. 3M is headquartered in St. Paul, Minnesota.

1-YEAR RETURNS (INDEXED)

Kim Pruitt, kpruitt@rollins.edu

GENERAL INFORMATION

Lincoln Financial Group Inc

Currently held: No

Recommendation: BUY

NYSE: LNC

Financial Services: Life Insurance

S&P 500

Market Cap: \$9.565B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$75.69
52-Week Price Range:	\$69.71/\$87.45
EPS – Current:	\$4.23
EPS – Prior Year:	\$4.28
Beta:	0.67
Dividends:	\$1.68
Dividend yield:	2.36%
P/E 12 mo. Forward:	14.42
P/E 12 mo. Trailing:	17.72
P/E Industry:	20.09
P/S:	2.61
P/E to Growth:	1.46

Target Price

DDM:	\$83.97
Expected Rate of Return:	10.95%
Required Rate of Return:	9.52%

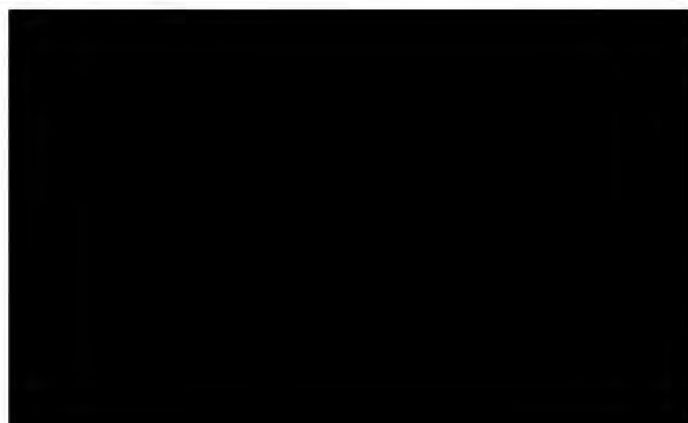
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<i>Earnings (Projected):</i>	10.15%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Gross and Operating Margins significantly higher than Industry (40.12%vs30.52% and 20.97%vs11.16%)
- Trading at a discount to the Industry
- Two upgrades in less than 90 days
- Positioned to benefit greatly from Baby Boomers' retirement income and estate planning needs.

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

Lincoln National Corporation, through its subsidiaries, offers multiple insurance and investment management products and services in the United States and the United Kingdom. The company operates in four segments: Lincoln Retirement, Life Insurance, Investment Management, and Lincoln UK. Lincoln Retirement segment offers fixed and variable annuities, such as individual annuities and employer-sponsored annuities. Life Insurance segment provides life insurance products, such as universal life, variable universal life, interest-sensitive whole life, corporate owned life insurance, and term insurance to the high net worth and rich markets. Investment Management segment provides various investment products and services, such as mutual funds, retirement plan services, and other investment products, including managed accounts and college savings plans to retail investors. This segment also provides investment advisory services and products to institutional clients, such as pension funds, foundations, endowment funds, and trusts. The Lincoln UK segment offers unit-linked life and pension products in the United Kingdom. The company was founded in 1904 and is headquartered in Philadelphia, Pennsylvania.

GENERAL INFORMATION

**Teva Pharmaceutical
Industries Ltd.**

Currently held: No

Recommendation: BUY

NYSE: TEVA

Healthcare: Drug Manufacturer

Nasdaq 100

Market Cap: \$24.92B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$41.11
52-Week Price Range:	\$29.40 – \$45.91
EPS – Current	\$1.58
EPS – 2001	\$.53
Beta (MSN Money)	.57
Dividends	\$.29
Dividend yield	.7%
P/E	
12 mo. Trailing	26.3
12 mo. Forward	18.11
Industry:	24.77
5 yr. range:	14.4 – 69.3
P/B:	4.76
Industry P/B:	3.08
PEG 5yr forward:	1.07
Industry PEG 5yr forward:	1.26

Target Price

DDM:	\$52.67
Required Rate of Return:	8.14%
Expected Rate of Return:	20.89%

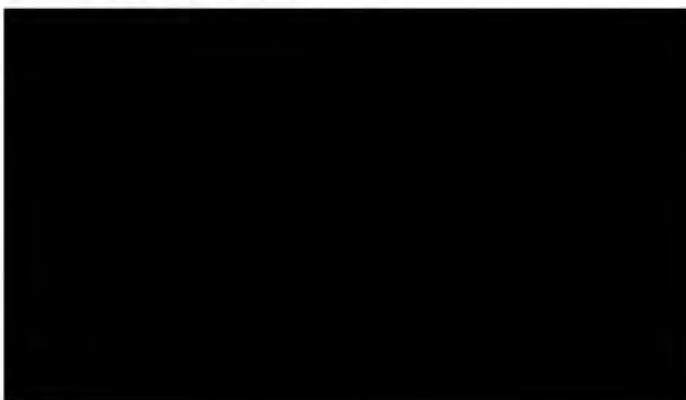
Financial Data

Revenues:	\$5.25B
Net Income:	\$1.07B
EBITDA:	\$1.54B
EV/EBITDA:	16.34
Total Assets:	\$9.63B
Current / Quick Ratio:	2.0 / 1.5
Debt/Equity:	.27
ROE:	19.3%
ROA:	11.11%
Equity Multiplier:	1.79
Sales Qtrly Growth Rate:	5.9%
Earnings Qtrly Growth Rate:	9.4%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Growing faster than the S&P
- PEG attractive compared to Industry / S&P (1.07 vs 1.26 / 1.41)
- Portfolio is currently underweight in the Healthcare sector vs the S&P
- Trading at the lower multiple relative to the 5 year range.

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

Teva Pharmaceutical Industries Limited, a pharmaceutical company, engages in the development, manufacture, and marketing of generic and human drugs worldwide. Its generic pharmaceutical products include tablets, capsules, ointments, creams, liquids, and injectables. The company's active pharmaceutical ingredients include peptide active pharmaceutical ingredients. It also develops technologies, such as fermentation processes. The company has strategic alliances with Biovail Corporation International, Savient Pharmaceuticals, Inc., Impax Laboratories, Inc., and Andrx Corporation. Teva Pharmaceutical Industries Limited was founded in 1901 and is headquartered in Petach Tikva, Israel.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Abercrombie & Fitch

Currently held: No

Recommendation: BUY

NYSE: ANF

Consumer Discretionary

S&P 400 Mid Cap

Market Cap: \$4.96B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	56.62
52-Week Price Range:	44.17 - 74.10
EPS – Current:	3.66
Beta:	1.45
Dividends:	0.70
Dividend Yield:	1.20%
P/E	
12 Month Trailing:	15.47
12 Month Forward:	11.17
P/B:	5.06
PEG 5 Year Forward:	0.66

Target Price

DDM:	69.02
Required Rate of Return:	14.57%
Expected Rate of Return:	21%

Financial Data

Revenues:	2.78B
Net Income:	333.98M
EBITDA:	663.89M
EV/EBITDA:	6.751
Total Assets:	
Current /Quick Ratio:	1.953
Debt/Equity:	0.0
ROE:	40.13%
ROA:	21.68%
Sales Quarterly Growth Rate:	39.90%
Earnings Quarterly Growth Rate:	57.90%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Strong brand and excellent customer service.
- The company is testing a new retail-concept, REUHL, which targets an older demographic.
- Started paying dividends in 2004.

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Abercrombie & Fitch Co. operates as a specialty retailer of casual apparel in the United States. It operates stores that sell casual apparel for men, women, and kids under the Abercrombie & Fitch, abercrombie, Hollister, and RUEHL brands. The company offers polos, humor tees, logo tees, athletic tees, sleeveless tees, shirts, shorts, surf or active shorts, pants, woven shirts, denim, outerwear, underwear, belts, jewelry, adjustable caps, stretch fit caps, flip flops, and cologne for men. As of May 5, 2005, the company operated 351 Abercrombie & Fitch stores, 167 abercrombie stores, 260 Hollister Co. stores, and 5 RUEHL stores in 49 states and the District of Columbia. It also operates e-commerce Web sites, through which it sells its products. Abercrombie & Fitch was established in 1892 and is headquartered in New Albany, Ohio.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Affiliated Computer Services

Currently held: Yes

Quantity: 200

Recommendation: HOLD

NYSE: ACS

Technology

S&P 400MidCap

Market Cap: \$7.9B - Mid Cap

KEY STATISTICS

Stock Data

Current Price:	63.23
52-Week Price Range:	45.81 - 63.66
EPS - Current:	3.30
Beta:	0.68
Dividends:	N/A
Dividend Yield:	N/A
P/E	
12 Month Trailing:	19.16
12 Month Forward:	16.13
P/B:	2.66
P/B (industry):	4.5
PEG 5 Year Forward:	1.15

Target Price

FCF:	78.29
Required Rate of Return:	9.31%
Expected Rate of Return:	14.14%

Financial Data

Revenues:	4.94B
Net Income:	422.96M
EBITDA:	934.16M
EV/EBITDA:	9.307
Total Assets:	4,851
Current /Quick Ratio:	1.5
Debt/Equity:	19.6
ROE:	15.3
ROA:	9.5
Sales Quarterly Growth Rate:	31.20%
Earnings Quarterly Growth Rate:	7.30%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Expended in Europe through the acquisition of a transportation service business
- Demand for outsourcing services remains strong
- Used cash to buy back shares
- Company currently undervalued

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Affiliated Computer Services, Inc. provides business process and information technology outsourcing solutions to commercial and government clients. It operates through two segments, Commercial and Government. Commercial segment offers business process outsourcing services, including administration, human resources and related consulting, finance and accounting, customer care, and payment services. The Government segment provides child support payment processing services; designs, develops, implements, and operates medicaid, child and pharmacy benefit management programs, and the information technology solutions; electronic toll collection, motor vehicle services, commercial vehicle operations and transportation related enforcement programs. Affiliated Computer Services was founded in 1988 and is based in Dallas,

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Allied Defense Group

Currently held: Yes

Quantity: 100

Recommendation: SELL

NYSE: ADG

Aerospace & Defense

Industrials

Market Cap: 132M – Small Cap

KEY STATISTICS

Stock Data

Current Price:	23.00
52-Week Price Range:	19.80-25.80
EPS – Current:	-1.35
Beta:	-.66
Dividends:	NA
Dividend Yield:	NA
P/E	
12 Month Trailing:	NA
12 Month Forward:	13.86
P/B:	1.28
P/B (industry):	3.81
PEG 5 Year Forward:	NA

Target Price

FCF:	19.04-20.86
Discount Rate	13%
Growth Rate (Short)	-1% to -3%
Growth Rate (Long)	4%

Financial Data

Revenues:	93M
Net Income:	-13M
EBITDA:	-14M
EV/EBITDA:	-20.753
Total Assets:	196.3M
Current Ratio:	2.171
Debt/Equity:	0.083
ROE:	-7.10%
ROA:	-3.93%
5yr. Sales Growth Rate:	4.49%
5yr Earnings Growth Rate:	NA

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Decreasing cash flow
- Operating Income has fallen 50%
- % Long-term debt of Capitalization is up
- SP has negative outlook on the industry

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

The Allied Defense Group, Inc. engages in the ownership and management of a portfolio of defense and security businesses worldwide. The company operates in four segments: Ordnance and Manufacturing (OM), Electronic Security (ES), Environmental Safety and Security (ESS), and Software, Training, and Simulation (STS). The OM segment designs, develops, manufactures, and sells ammunition and light weapons for military use. This segment also offers various ammunition and grenades in the medium caliber, artillery, anti-tank, and anti-personnel categories. The ES segment manufactures access control, intrusion protection, fire detection, and video systems; and installs security systems and networked video surveillance systems. It also develops microwave surveillance systems used in law enforcement, port security, border security, airport security, high-end commercial security, and citywide surveillance applications and defense applications.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

ATI Technologies

Currently held: Yes (500)

Recommendation: HOLD

NYSE: ATYT

Computer Peripherals

Nasdaq 100

Market Cap: \$3.63B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	14.45
52-Week Price Range:	10.47 - 18.17
EPS – Current:	-0.15
EPS – Historical:	0.07
Beta:	1.35
Dividends:	N/A
Dividend Yield:	N/A
P/E	
12 Month Trailing:	N/A
12 Month Forward:	14.45
P/B:	3.49
P/B (industry):	6.24
PEG 5 Year Forward:	1.04

Target Price

FCF:	18.22
Required Rate of Return:	13.89%
Expected Rate of Return:	22.52%

Financial Data

Revenues:	2,223
Net Income:	16.9
EBITDA:	107.01M
EV/EBITDA:	28.284
Total Assets:	1,743
Current /Quick Ratio:	2.0
Debt/Equity:	2.8%
ROE:	1.7
ROA:	1.0
Sales Quarterly Growth Rate:	-3.80%
Earnings Quarterly Growth Rate:	-91.40%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Gross margin improved to 28.7% from 9% in the previous quarter.
- Digital TV continues to be a growth opportunity
- PC revenues were up 24% sequentially, to \$466 million

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

ATI Technologies, Inc. produces 3D graphics processing products and digital media silicon solutions for desktop and notebook PCs, mobile phones, personal digital assistants, digital televisions (including set-top boxes), and video game consoles. The company's products increase the speed and complexity of the images that can be displayed on PC monitors. 2005 revenue breakdown: PC, 80%; Consumer, 20%. On March 11, 2006, ATI announced the acquisition of Shanghai-based XGI Technology Alliance Company. With this acquisition ATI increases its presence in China, a country that is emerging as the next big technology market.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Bob Evans Farms

Currently held: Yes (200)

Recommendation: SELL

NYSE: BOBE

Services - Restaurants

S&P 400 Mid Cap

Market Cap: \$850M - Small Cap

KEY STATISTICS

Stock Data

Current Price:	29.71
52-Week Price Range:	19.91 - 30.13
EPS - Current:	\$1.12
Beta:	0.63
Dividends:	\$0.48
Dividend Yield:	1.70%
P/E	
12 Month Trailing:	31.1
12 Month Forward:	19.67
P/B:	1.53
P/B (industry):	4.1
PEG 5 Year Forward:	1.93

Target Price

DDM:	26.78
Required Rate of Return:	8.97%
Expected Rate of Return:	5.62%

Financial Data

Revenues:	1.57B
Net Income:	37M
EBITDA:	146.28M
EV/EBITDA:	9.979
Total Assets:	1184M
Current /Quick Ratio:	0.474
Debt/Equity:	0.36
ROE:	5.98%
ROA:	3.80%
Sales Quarterly Growth Rate:	4.90%
Earnings Quarterly Growth Rate:	110.60%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Customer traffic at restaurants has been declining for several years
- Negative free cash flow for the last 3 years
- Same-store sales declined 1.5% from the same period a year ago in February despite an average 2.6% increase in menu prices

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Bob Evans Farms, Inc. owns and operates 585 Bob Evans Restaurants in 19 states. Bob Evans Restaurants are primarily located in the Midwest, mid-Atlantic Southeast regions of the United States. The company also operates 99 Mimi's Café Restaurants in 16 states, primarily in California and other western states. Also manufactures and distributes pork sausage and other food products under the Bob Evans Farms and Owes Farms brand names.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Brooks Automation Inc

Currently held: Yes (444)

Recommendation: HOLD

NYSE: BRKS

Technology, Semiconductor Equipment & Materials

S&P 600 Small Cap

Market Cap: \$1.11B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	14.89
52-Week Price Range:	11.25 - 17.83
EPS – Current:	-0.41
Beta:	2.15
Dividends:	N/A
Dividend Yield:	N/A
P/E	
12 Month Trailing:	N/A
12 Month Forward:	18.85
P/B:	1.42
P/B (industry):	
PEG 5 Year Forward:	1.15
PEG 5 Year Forward (industry):	

Target Price

FCF:	17.02
Required Rate of Return:	19.35
Expected Rate of Return:	22.89

Financial Data

Revenues:	473.69M
Net Income:	-6.54M
EBITDA:	28.92M
EV/EBITDA:	30.72
Total Assets:	624M
Current /Quick Ratio:	3.7
Debt/Equity:	0.36
ROE:	-3.35%
ROA:	0.63%
Sales Quarterly Growth Rate:	8.50%
Earnings Quarterly Growth Rate:	N/A

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Market leader in factory automation
- Increased its share of the 300mm factory automation market
- The acquisition of Helix Corp is becoming profitable
- The semiconductor industry is recovering

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Brooks Automation, Inc. supplies automation products and solutions to semiconductor market. It offers hardware, software, and services to chip manufacturers and original equipment manufacturers of semiconductor devices manufacturing equipment. Over the years, BRKS's product line has expanded considerably, from individual robots used to transfer semiconductor wafers to fully integrated tool and software solution to control the flow of resources to factory. The company operates in two segments, Hardware and Software. The company acquired Helix Corp in October of '05 and PRI Automation in March of '02. Foreign sales account for about 50% of the total.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Callaway Golf

Currently held: Yes (500)

Recommendation: SELL

NYSE: ELY

Consumer Discretionary, Recreational Products

S&P 400 Mid Cap

Market Cap: \$1.29B– Mid Cap

KEY STATISTICS

Stock Data

Current Price:	16.85
52-Week Price Range:	10.60 - 16.90
EPS – Current:	0.19
EPS – Historical:	
Beta:	1.36
Dividends:	0.28
Dividend Yield:	1.70%
P/E	
12 Month Trailing:	87.76
12 Month Forward:	14.40
P/B:	2.13
P/B (industry):	2.9
PEG 5 Year Forward:	1.46
PEG 5 Year Forward (industry):	

Target Price

FCF:	9.76
Required Rate of Return:	13.96%
Expected Rate of Return:	6.86%

Financial Data

Revenues:	998.09M
Net Income:	13.28M
EBITDA:	71.95M
EV/EBITDA:	16.949
Total Assets:	764M
Current /Quick Ratio:	3.128
Debt/Equity:	0.0
ROE:	2.25%
ROA:	2.81%
Equity Multiplier:	
Sales Quarterly Growth Rate:	7.00%
Earnings Quarterly Growth Rate:	N/A

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The key to growth in 2006 is cost cutting
- The current P/E is 87.76 compared to 12 months forward P/E of 14.40
- Weak underlying fundamentals

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Callaway Golf is best known for its Great Big Bertha and Big Bertha lines of oversized clubs and its Top-Flite branded golf balls. The company designs, manufactures, and sells what it considers high quality golf clubs and golf balls and it also sells related accessories. The company designs its products to be technologically advanced, necessitating considerable investments in R&D annually.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Charming Shoppes

Currently held: Yes

Quantity: 300

Recommendation: HOLD

NYSE: CHRS

Consumer Discretionary, Apparel Retail

Market Cap: \$1.609B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	14.87
52-Week Price Range:	7.00 - 14.07
EPS – Current:	0.54
EPS – Historical:	0.35
Beta:	1.03
Dividends:	N/A
Dividend Yield:	N/A
P/E	
12 Month Trailing:	20.97
12 Month Forward:	16.80
P/B:	2.03
P/B (industry):	-7.83
PEG 5 Year Forward:	0.69

Target Price

DDM:	17.06
Required Rate of Return:	11.7%
Expected Rate of Return:	22.40%

Financial Data

Revenues:	2.54B
Net Income:	129m
EBITDA:	231.19M
EV/EBITDA:	7.204
Total Assets:	1,304M
Current /Quick Ratio:	2.4
Debt/Equity:	23.1
ROE:	20.1
ROA:	10.4
Sales Quarterly Growth Rate:	22.40%
Earnings Quarterly Growth Rate:	69.40%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The plus-size women market is underserved by competitors.
- Future strategy to become a “lifestyle player for women” and a one-point shopping destination for plus-size customers

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Charming Shoppes, Inc. operates as a multibrand, multichannel specialty apparel retailer specializing in women's plus-size apparel. The company merchandises sportswear, dresses, coats, and intimate apparel, as well as accessories and casual footwear. As of January 28, 2006, it operated 2,236 stores in 48 states under the names LANE BRYANT, FASHION BUG, FASHION BUG PLUS, and CATHERINES PLUS SIZES. In addition, the company, through its subsidiary, Crosstown Traders, Inc., operates as a direct marketer of women's apparel, footwear, accessories, and specialty gifts.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Commerce Bancorp

Currently held: No

Recommendation: BUY

NYSE: CBH

Financials, Regional Banks

S&P 400 Mid Cap

Market Cap: \$6.31B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	36.61
52-Week Price Range:	26.87 – 36.54
EPS – Current:	1.61
Beta:	0.65
Dividends:	0.48
Dividend Yield:	1.32
P/E	
12 Month Trailing:	22.40
12 Month Forward:	16.40
P/B:	2.81
PEG 5 Year Forward:	1.25

Target Price

DDM:	38.90
Required Rate of Return:	9.11%
Expected Rate of Return:	12.31%

Financial Data

Revenues:	1.58B
Net Income:	282.94M
EBITDA:	N/A
EV/EBITDA:	N/A
Total Assets:	N/A
Current /Quick Ratio:	N/A
Debt/Equity:	N/A
ROE:	14.24%
ROA:	0.82%
Sales Quarterly Growth Rate:	6.90%
Earnings Quarterly Growth Rate:	-37.50%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Goal of having 700 offices (currently 342) and \$104 billion in assets by 2009.
- Opened 49 branches in '04 (46 in '03).
- Acquired Palm Beach County Bank and entered Florida market
- The company is currently undervalued.

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Commerce Bancorp, Inc. operates as a multibank holding company that provides retail and commercial banking services, as well as corporate trust services for consumers, and small and mid-sized companies in the United States. As of September 30, 2005, Commerce Bancorp operated 342 banking offices that served New Jersey, Pennsylvania, Delaware, and New York. The company was founded in 1973 and is headquartered in Cherry Hill, New Jersey.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Constellation Brands

Currently held: Yes

Quantity: 260

Recommendation: HOLD

NYSE: STZ

Consumer Goods, Beverages

S&P 400

Market Cap: \$5.2B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	26.95
52-Week Price Range:	21.15 - 31.60
EPS – Current:	1.32
Beta:	0.19
Dividends:	N/A
Dividend Yield:	N/A
P/E	
12 Month Trailing:	20.39
12 Month Forward:	15.31
P/B:	2.06
PEG 5 Year Forward:	1.23

Target Price

FCF:	33.72
Required Rate of Return:	5.97%
Expected Rate of Return:	15.23%

Financial Data

Revenues:	4.59B
Net Income:	304.90M
EBITDA:	829.56M
EV/EBITDA:	10.774
Total Assets:	7,804M
Current /Quick Ratio:	2.4
Debt/Equity:	50.3
ROE:	10.3
ROA:	4.1
Sales Quarterly Growth Rate:	16.70%
Earnings Quarterly Growth Rate:	12.50%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Net sales are expected to advance 16%
- Sustained growth in global wine sales
- The company enhanced its fine wines portfolio with the acquisition of Mondavi in 2004
- Key statistics

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Constellation Brands, Inc., engages in producing and marketing beverage alcohol brands in a portfolio of wine, imported beer, and spirits categories worldwide. The company operates in two divisions: Constellation Wines, and Constellation Beers and Spirits. Constellation Wines division produces and markets wine worldwide. Constellation Beers and Spirits division imports and markets a line of beer, as well as produces, bottles, imports, and markets a line of distilled spirits. The company distributes its products through wholesale distributors in North America; and directly to retail chains, hotels and restaurants, and large wholesalers in Australia and United Kingdom. It also distributes branded products, such as distilled spirits, cider, beer, water products, and soft drinks. It was founded in 1945 and is headquartered in Fairport, New York.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Covance Inc.

Currently held: No

Recommendation: Buy

NYSE: CVD

Services

Research Services

Market Cap: \$3.61B - Mid Cap Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Leading contract research organization.
- Positioned to benefit from increased outsourcing from pharmaceuticals and biotech firms.
- \$1.67B in backlog.

KEY STATISTICS

Stock Data

Current Price:	\$57.30
52-Week Price Range:	\$42.45-\$58.52
EPS – Current:	\$1.88
EPS – Historical:	\$.79-\$1.52
Beta (ValueLine):	.70
Dividends:	None
Dividend yield:	None
P/E	
12 Mo. Forward:	25.16
12 Mo. Trailing:	27.33
Industry:	38.96
P/S:	2.91
P/E to Growth:	1.47

Target Price

FCF:	\$58.17
Required Rate of Return:	8.17%
Expected Rate of Return:	8.50%

Financial Data

Revenues:	\$1.25B
Net Income:	\$119.62M
EBITDA:	\$223.66M
EV/EBITDA:	15.553
Total Assets:	\$1.056B
Current Ratio:	2.163
Debt/Equity:	0
DuPont Analysis –	
ROE:	17.47
Equity Multiplier:	1.44
ROE (5 Year History):	16.4
Growth Rates	
Sales (Historical):	18.4%
Sales (Projected):	11.0%
Earnings (Historical):	23.8%
Earnings (Projected):	21.9%

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Covance, Inc. operates as a drug development services company. It offers a range of early stage and late stage product development services primarily to the pharmaceutical, biotechnology, and medical device industries worldwide. The company also offers laboratory testing services to the chemical, agrochemical, and food industries. Covance offers a range of early development services, including preclinical and Phase I clinical service offerings that involve toxicology services, pharmaceutical chemistry, and bioanalytical and related services. Its late-stage development services include central laboratory services, clinical development services, periapproval services, central electrocardiogram diagnostic services, and healthcare economic and reimbursement services. Covance was founded in 1987 and is headquartered in Princeton, New Jersey.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Fidelity Select Medical Delivery

Currently held: **Yes**

Recommendation: **HOLD**

Fund: FSHCX

Healthcare

KEY STATISTICS

Morningstar Return Rating:	Above average
Year to Date Return:	0.77%
5-Year Average Return:	17.76%
Number of Years Up:	13
Number of Years Down:	6
Best 1-Yr Total Return (1991):	77.83%
Worst 1-Yr Total Return (1999):	-29.59%
Best 3-Yr Total Return (89-91):	48.38%
Worst 3-Yr Total Return (97-99):	-7.41%

5 Years

Statistic	FSHCX	Category
Alpha (against Standard Index)	15.62	1.47
Beta (against Standard Index)	0.18	0.76
Mean Annual Return	17.76	0.38
R-squared (against Standard Index)	2	49.81
Standard Deviation	17.88	15.53
Sharpe Ratio	0.88	N/A
Treynor Ratio	86.78	N/A

Value

Blend

Growth

Size
Large

Medium

Small

Investment
Valuation

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Medical will continue to be strong in the coming year
- Aging population
- Diversified Healthcare

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

The investment seeks capital appreciation. The fund normally invests at least 80% of assets in securities of companies engaged in the ownership or management of hospitals, nursing homes, health-maintenance organizations, and other companies specializing in the delivery of health-care services. The fund may invest up to 25% of assets in one issuer and up to 5% of assets in debt securities rated below investment-grade. The fund is nondiversified.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Helmerich & Payne

Currently held: Yes
 Quantity Held: 200
 Recommendation: Moderate Buy
 NASDAQ: HP
 Energy
 Oil and Gas Drilling
 Market Cap: \$4.0B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	\$61.95
52-Week Price Range:	\$36.75 - \$79.21
EPS – Current:	\$2.45
EPS – Historical:	\$.32 – \$1.61
Beta (ValueLine):	.85
Dividends:	\$.33
Dividend yield:	.4
P/E	
12 Mo. Forward:	9.86
12 Mo Trailing:	23.6
Industry:	32.38
P/S:	3.61
P/E to Growth:	.19

Target Price

DDM:	\$63.40
Required Rate of Return:	8.92%
Expected Rate of Return:	9.43%

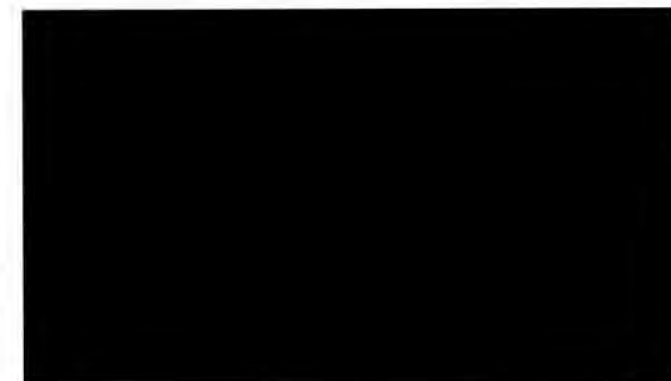
Financial Data

Revenues:	\$801M
Net Income:	\$128M
EBITDA:	\$326.41M
EV/EBITDA:	9.44
Total Assets:	\$1.663B
Current :	4.708
Debt/Equity:	.175
DuPont Analysis –	
ROE:	5.95%
Equity Multiplier:	13.23
ROE (5 Year History):	27.5
Growth Rates	
Sales (Historical):	15.3%
Sales (Projected):	20.6%
Earnings (Historical):	27.5%
Earnings (Projected):	35.0%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Building 54 new rigs, all of which are under contract
- Build new rigs in exchange for long-term contracts.
- FY06 EPS of \$4.40 and FY07 EPS \$6.33.

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

Helmerich & Payne, Inc. is primarily engaged in contract drilling of oil and gas wells for others. It is also engaged in the ownership, development and operation of commercial real estate. The Company is organized into two separate operating entities: contract drilling and real estate. The Company's contract drilling business is composed of three business segments: United States land drilling, United States offshore platform drilling and international drilling. The Company's United States land drilling is conducted primarily in Oklahoma, Texas, Wyoming, Colorado, and Louisiana, and offshore from platforms in the Gulf of Mexico and California. The Company also operated in seven international locations during the fiscal year ended September 30, 2005: Venezuela, Ecuador, Colombia, Argentina, Bolivia, Equatorial Guinea and Hungary. In addition, the Company is providing drilling consulting services for one customer in Russia. Its real estate investments are located in Tulsa, Oklahoma.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Hennessy Cornerstone Growth

Currently held: **Yes**

Recommendation: **HOLD**

Fund: **HFCGX**

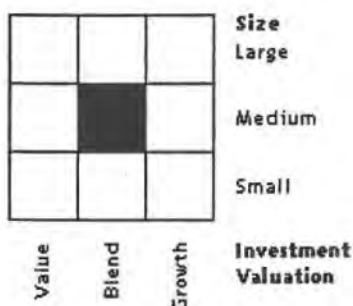
Small Blend

KEY STATISTICS

Morningstar Return Rating:	High
Year to Date Return:	9.30%
5-Year Average Return:	17.15%
Number of Years Up:	8
Number of Years Down:	1
Best 1-Yr Total Return (2003):	45.82%
Worst 1-Yr Total Return (2002):	-4.71%
Best 3-Yr Total Return (2003-5):	23.95%
Worst 3-Yr Total Return (2000-2):	4.01%

5 Years

Statistic	HFCGX	Category
Alpha (against Standard Index)	14.31	9.33
Beta (against Standard Index)	0.84	1.00
Mean Annual Return	17.15	1.06
R-squared (against Standard Index)	46	64.18
Standard Deviation	17.74	17.85
Sharpe Ratio	0.86	N/A
Treynor Ratio	17.56	N/A



KEY JUSTIFICATIONS FOR RECOMMENDATION

- Strengthens the small cap portion of the portfolio
- Very few down years
- Higher returns & lower beta relative to the category

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Hennessy Cornerstone Growth Fund seeks long-term growth of capital. The fund normally invests in approximately 50 common stocks. Management selects stocks that generally possess the following criteria: annual earnings that are higher than the previous year, and price-to-sales ratios below 1.5. The stocks are selected from a universe of approximately 9,600 issuers with market capitalizations in excess of \$134 million.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

IndyMac BancCorp Inc.

Currently held: No

Recommendation: BUY

NYSE: NDE

S&L, Savings Banks

Financials

Market Cap: 2.5B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	38.73
52-Week Price Range:	32.83-46.25
EPS – Current:	4.55
Beta:	0.2
Dividends:	1.76
Dividend Yield:	4.60%
P/E	
12 Month Trailing:	8.52
12 Month Forward:	7.24
P/B:	1.62
P/B (industry):	1.86
PEG 5 Year Forward:	0.62

Target Price

DDM:	46.89-55.16
Discount Rate	11.50%
Growth Rate (Short)	20%-22%
Growth Rate (Long)	2%

Financial Data

Revenues:	1.6B
Net Income:	284M
EBITDA:	NA
EV/EBITDA:	NA
Total Assets:	21.4B
Current Ratio:	NA
Debt/Equity:	NA
ROE:	21.52%
ROA:	1.57%
5yr. Sales Growth Rate:	17.78%
5yr Earnings Growth Rate:	16.81%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Entirely electronic, loan process, all online
- Thrift Hybrid/Mortgage loans withstand changes in the interest rate better
- Strong Sales growth

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

IndyMac Bancorp, Inc. operates as the holding company for IndyMac Bank, F.S.B., a thrift/mortgage bank, which provides mortgage products and services in Los Angeles County. The bank operates through two segments: Mortgage Banking and Thrift. The Mortgage Banking segment offers various products, such as adjustable-rate mortgages, fixed-rate mortgages, construction-to-permanent loans, subprime mortgages, and reverse mortgages. It originates or purchases mortgage loans through its relationships with mortgage brokers, mortgage bankers, and financial institutions. This segment offers its products to consumers through direct mail, Internet leads, online advertising, affinity relationships, and real estate professionals, as well as through its southern California retail banking branches. The Thrift segment principally invests in single-family residential mortgage loans; construction financing for single-family residences or lots provided directly to individual consumers; builder construction financing facilities for larger residential subdivision loans; home equity lines of credit; and mortgage-backed securities. It also provides short-term revolving warehouse lending facilities to small-to-medium size mortgage bankers and brokers to finance mortgage loans. In addition, the bank acquires and develops single-family homes through its e-MITS platform that automates underwriting, risk-based pricing, and rate locking through the Internet. It serves homebuilders, commercial builders, and mortgage brokers and bankers. As of December 31, 2005, the bank operated through a network of 26 branches in southern California. IndyMac Bancorp was founded in 1985 and is headquartered in Pasadena, California.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

iShares NASDAQ Biotech Index Fund

Currently held: Yes

Quantity: 50

Recommendation: Hold

AMEX: IBB

Specialty – Health

Market Cap: \$1.9B – Small Cap

KEY STATISTICS

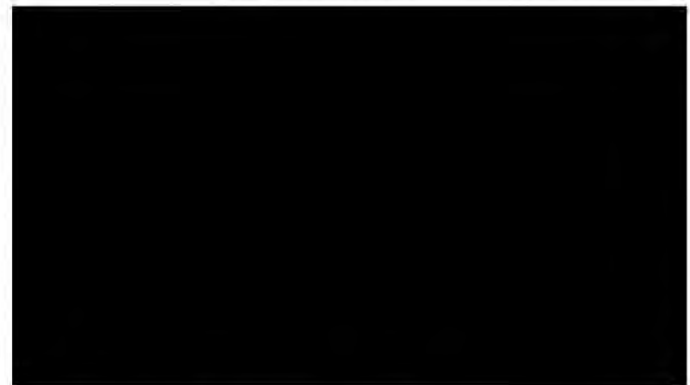
Mutual Funds

Morningstar Rating:	2 Stars
Equity Style:	Medium Growth
NAV:	\$82.70
NAV Return (3 year annualized):	20.58%
Expense Ratio:	.50%
Sharpe ratio (3 yr.):	.96
Beta:	1.51
Alpha:	-2.74
Sector Holdings:	100% Healthcare
Yield:	8.89%
Annual Turnover:	14%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- 33% gain since April 2005.
- Approaching all time high of \$85.00 (April 2004)
- 15.8% holding in Amgen.

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

iShares NASDAQ Biotechnology Fund (the Fund) is an index fund that seeks investment results that correspond generally to the price and yield of the NASDAQ Biotechnology Index (the Index), an equity market index compiled by the NASDAQ Stock Market, Inc. Barclay's Global Fund Advisors (BGFA) is the investment advisor of the Fund. BGFA uses a passive or indexing approach to achieve the Fund's investment objective. The Index contains securities of NASDAQ-listed companies that are either biotechnology or pharmaceutical. The Fund will invest at least 90% of its assets in the securities of the Index or in American depository receipts (ADRs), or other depository receipts representing securities in the Index. As of May 31, 2005, the Index was concentrated in the healthcare sector, which comprised 100% of its market capitalization.

Major Holdings:	
Amgen	15.83%
Gilead Sciences	5.34%
Teva Pharma Ind	3.71%
Genzyme Corp	3.39%
Biogen Idec Inc.	3.34%
Celgene CP	3.04%

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Jackson Hewitt Tax Service

Currently held: No

Recommendation: BUY

NYSE: JTX

Services

Market Cap: \$1.05B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	30.20
52-Week Price Range:	17.65 - 31.58
EPS – Current:	1.48
Beta:	1.09
Dividends:	0.32
Dividend Yield:	1.10%
P/E	
12 Month Trailing:	20.05
12 Month Forward:	16.25
P/B:	3.24
PEG 5 Year Forward:	0.88

Target Price

DCF:	42.60
Required Rate of Return:	11.98%
Expected Rate of Return:	12.93%

Financial Data

Revenues:	253.34M
Net Income:	54.55M
EBITDA:	108.79M
EV/EBITDA:	11.592
Total Assets:	675M
Current /Quick Ratio:	2.5
Debt/Equity:	28.8
ROE:	13.6
ROA:	7.9
Sales Quarterly Growth Rate:	29.90%
Earnings Quarterly Growth Rate:	39.40%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Profitable and fairly low risk business model (36.7% operating margins)
- EPS are expected to grow 19% in 06 and 15% in 07
- Expected office growth of 16%
- It does not offer IRA brokerage accounts

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Jackson Hewitt Tax Service, Inc., through its subsidiaries, provides computerized preparation of federal and state personal income tax returns for the customers in the United States. The company uses its ProFiler software to prepare customers' tax returns, as well as checks tax returns through its systems before electronically filing the customers' tax returns with the Internal Revenue Service and the state departments of revenue. As of July 31, 2005, it offered its services through a network of 4,871 franchised offices and 613 company-owned offices. Its wholly owned subsidiary, Jackson Hewitt, Inc., owns Tax Services of America, Inc., which operates the company-owned offices. The company was founded in 1985 and is headquartered in Parsippany, New Jersey.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Jacobs Engineering Group Inc.

Currently held: No

Recommendation: Buy

NYSE: JEC

Industrials

Construction and Engineering

Market Cap: \$5.0B - Mid Cap

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Trend of increased capital spending in engineering and construction projects.
- Increased revenue growth based on jump in Federal programs and petroleum projects.
- Raising Fed. programs from 15% to 40%.

KEY STATISTICS

Stock Data

Current Price:	\$81.76
52-Week Price Range:	\$47.51-\$88.00
EPS - Current:	\$2.57
EPS - Historical:	\$1.61-\$2.25
Beta (ValueLine):	1.00
Dividends:	None
Dividend yield:	None
P/E	
12 Mo. Forward:	14.99
12 Mo. Trailing:	35.62
Industry	27.30
P/S:	.77
P/E to Growth:	1.73

Target Price

FCF:	\$86.57
Required Rate of Return:	9.67%
Expected Rate of Return:	10.99%

Financial Data

Revenues:	\$6.04B
Net Income:	\$165.18M
EBITDA:	\$308.1M
EV/EBITDA:	14.946
Total Assets:	\$2.353B
Current Ratio:	1.715
Debt/Equity:	.084
DuPont Analysis -	
ROE:	14.62
Equity Multiplier:	2.06
ROE (5 Year History):	15.3
Growth Rates	
Sales (Historical):	22.7%
Sales (Projected):	22.3%
Earnings (Historical):	14.6%
Earnings (Projected):	16.8%

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

Jacobs Engineering Group Inc. (Jacobs) is a professional services firm that focuses on providing a range of technical, professional and construction services to a large number of industrial, commercial and governmental clients worldwide. The Company provides project services, which include engineering, design, architectural and similar services; process, scientific and systems consulting services; operations and maintenance services, and construction services, which include direct-hire construction and construction management services. Jacobs concentrates its services on selected industry groups and markets, including oil and gas exploration, production and refining; United States federal programs; pharmaceuticals and biotechnology; chemicals and polymers; buildings, which includes projects in the fields of healthcare and education, as well as civic, governmental and other buildings; infrastructure; technology and manufacturing, and pulp and paper, among others.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Kenneth Cole

Currently held: Yes

Quantity:

Recommendation: BUY

NYSE: KCP

Footwear

Market Cap: \$550M – Small Cap

KEY STATISTICS

Stock Data

Current Price:	27.70
52-Week Price Range:	23.81 - 35.29
EPS – Current:	1.65
Beta:	1.37
Dividends:	0.72
Dividend Yield:	2.60%
P/E	
12 Month Trailing:	16.38
12 Month Forward:	17.44
P/B:	2.27
PEG 5 Year Forward:	1.71

Target Price

DDM:	32.74
Required Rate of Return:	14.03%
Expected Rate of Return:	22.60%

Financial Data

Revenues:	518.04M
Net Income:	33.53M
EBITDA:	54.37M
EV/EBITDA:	8.087
Total Assets:	305M
Current /Quick Ratio:	4.3
Debt/Equity:	N/A
ROE:	17.4
ROA:	12.4
Sales Quarterly Growth Rate:	-2.20%
Earnings Quarterly Growth Rate:	-19.40%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The company is undertaking a brand restructuring
- According to the DDM model the company is undervalued. It shows long term appreciation potential
- Undergoing an international expansion

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Kenneth Cole Productions, Inc. designs footwear, handbags, apparel, and accessories primarily under its Kenneth Cole New York, Kenneth Cole Reaction, Unlisted.com, and Bongo brand names. Products are marketed through more than 7,500 department and specialty stores, outlet shops, licensed partners, a catalog, and an Internet site. Derived 54% of 2004 sales from wholesale business. Has about 1,600 employees.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

LaSalle Hotel Properties

Currently held: No

Recommendation: BUY

NYSE: LHO

REIT – Hotel/Motel

Financials

Market Cap: 1.60B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	40.65
52-Week Price Range:	27.34-41.90
EPS – Current:	0.67
Beta:	0.9
Dividends:	1.20
Dividend Yield:	2.90%
P/E	
12 Month Trailing:	60.85
12 Month Forward:	12.17
P/B:	1.81
P/B (industry):	2.32
PEG 5 Year Forward:	1.27

Target Price

DDM:	49.35-58.34
Discount Rate	8.00%
Growth Rate (Short)	15%-17%
Growth Rate (Long)	2%

Financial Data

Revenues:	387M
Net Income:	35M
EBITDA:	109.2M
EV/EBITDA:	19.75
Total Assets:	1.5B
Current Ratio:	1.155
Debt/Equity:	0.694
ROE:	5.19%
ROA:	3.20%
5yr. Sales Growth Rate:	30.55%
5yr Earnings Growth Rate:	NA

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Positive outlook on Lodging REITs over the next 12 months
- “attractive geographic concentration”
- Hotel rates are on going up, giving REITs more pricing power

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

LaSalle Hotel Properties, a real estate investment trust (REIT), engages in the purchase, ownership, and lease of upscale and luxury hotels located in convention, resort, and urban business markets in the United States. As of February 22, 2006, it owned interests in 27 hotels consisting of approximately 8,500 guest rooms in 11 states and the District of Columbia. The company has elected to be taxed as a REIT under sections 856 through 860 of the Code. As a REIT, it would not be subject to federal income tax purposes, provided that it distributes at least 90% of its REIT taxable income to its shareholders. LaSalle Hotel Properties was founded in 1998 and is based in Bethesda, Maryland.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

La-Z-Boy Incorporated

Currently held: Yes

Quantity Held: 200

Recommendation: Sell

NYSE: LZB

Consumer Goods

Home Furnishings and Fixtures

S&P 600 Small Cap

Market Cap: \$.857B - Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$15.76
52-Week Price Range:	\$10.13 - \$17.21
EPS - Current:	\$0.63
EPS - Historical:	\$.88-\$1.67
Beta (ValueLine):	1.10
Dividends:	\$.44
Dividend yield:	2.8
P/E	
12 Mo. Forward:	29.29
12 Mo. Trailing:	16.08
Industry:	22.9
P/S:	.41
P/E to Growth:	2.47

Target Price

DDM:	\$16.87
Required Rate of Return:	10.17%
Expected Rate of Return:	11.77%

Financial Data

Revenues:	\$2.048B
Net Income:	\$37.12M
EBITDA:	\$86.00M
EV/EBITDA:	11.684
Total Assets:	\$1.03B
Current Ratio:	2.67
Debt/Equity:	.41
DuPont Analysis -	
ROE:	5.06%
Equity Multiplier:	1.95
ROE (5 Year History):	8.3%
Growth Rates	
Sales (Historical):	9.5%
Sales (Projected):	3%
Earnings (Historical):	-.5%
Earnings (Projected):	5%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Hit hard by polyurethane shortage and two hurricanes shutting down manufacturing plants..
- Residential furniture business rebound may not be enough to offset 2005 slowdown.
- Ongoing cost restructuring.

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

La-Z-Boy Incorporated is a manufacturer of reclining-chairs and upholstered furniture. The Company also manufactures and imports casegoods (wood) furniture products from outside the United States for resale in North America. It markets furniture for every room of the home, as well as for hospitality, healthcare and assisted-living industries. The Company is divided into two segments: the Upholstery Group, which manufactures and distributes upholstered furniture, and the Casegoods Group, which manufactures, imports and distributes wood furniture. The La-Z-Boy Upholstery Group's operating units are Bauhaus, Clayton Marcus, England, La-Z-Boy (including Retail), La-Z-Boy UK and Sam Moore. The La-Z-Boy Casegoods Group's operating units are American Drew, American of Martinsville, Hammery, Kincaid, Lea and Pennsylvania House. During the fiscal year ended March 31, 2005, La-Z-Boy acquired La-Z-Boy Furniture Galleries store operations.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Limited Brands

Currently held: Yes

Recommendation: Sell

NYSE: LTD

Consumer Discretionary

Apparel Retail

Market Cap: \$9.2B – Mid Cap

KEY STATISTICS

Stock Data

Current Price:	\$23.97
52-Week Price Range:	\$18.81 - \$25.50
EPS – Current:	\$1.47
EPS – Historical:	\$.96-\$1.36
Beta (ValueLine):	1.20
Dividends:	\$.60
Dividend yield:	2.6
P/E	
12 Mo. Forward:	15.35
12 Mo. Trailing:	17.49
Industry:	24.45
P/S:	.96
P/E to Growth:	1.2

Target Price

DDM:	\$23.68
Required Rate of Return:	10.67%
Expected Rate of Return:	10.39%

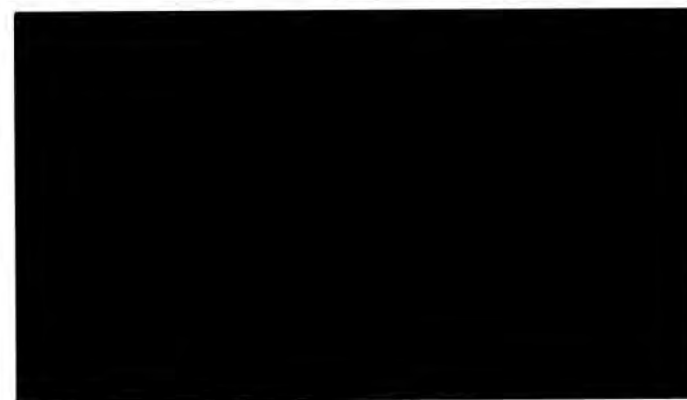
Financial Data

Revenues:	\$9.41B
Net Income:	\$705M
EBITDA:	\$1.26B
EV/EBITDA:	8.691
Total Assets:	\$6.089B
Current Ratio:	1.6
Debt/Equity:	0.8
DuPont Analysis –	
ROE:	15.41%
Equity Multiplier:	2.59
ROE (5 Year History):	5.95
Growth Rates	
Sales (Historical):	1.9%
Sales (Projected):	3.4%
Earnings (Historical):	-16.5%
Earnings (Projected):	10.8%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Expect operating loss from Limited Stores.
- Future of LTD is with its Bath and Body Works and Victoria Secret stores.
- Mature store base and concepts.

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

Limited Brands, Inc. sells women's intimate apparel, personal care and beauty products, and women's and men's apparel through its retail stores (primarily mall-based) and direct response (catalogue and e-commerce) businesses. The Company operates in three segments: Victoria's Secret, which derives its revenues from the sales of women's intimate and other apparel, personal care and beauty products, and accessories marketed under the Victoria's Secret brand name, and sold through its stores and direct response (catalogue and e-commerce) businesses; Bath & Body Works, which derives its revenues from the sale of personal care products and accessories, and home fragrance products marketed under the Bath & Body Works, and White Barn Candle Company brand names, as well as from sales of third-party brands, and the Apparel segment, which derives its revenues from the sale of women's and men's apparel through Express and Limited Stores.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

McCormick & Co

Currently held: Yes

Recommendation: Hold

NYSE: MKC

Consumer Staples

Packaged Foods and Meats

Market Cap: \$3.7B – Mid Cap Value

KEY STATISTICS

Stock Data

Current Price:	\$33.18
52-Week Price Range:	\$28.95-\$38.38
EPS – Current:	1.56
EPS – Historical:	.99 – 1.56
Beta (ValueLine):	.50
Dividends:	\$.72
Dividend yield:	2.3
P/E	
12 Mo. Forward:	20.42
12 Mo. Past:	25.6 – 18.35
Industry:	19.05
P/S:	1.73
P/E to Growth:	2.29

Target Price

DDM:	\$34.75
Required Rate of Return:	7.17%
Expected Rate of Return:	8.21%

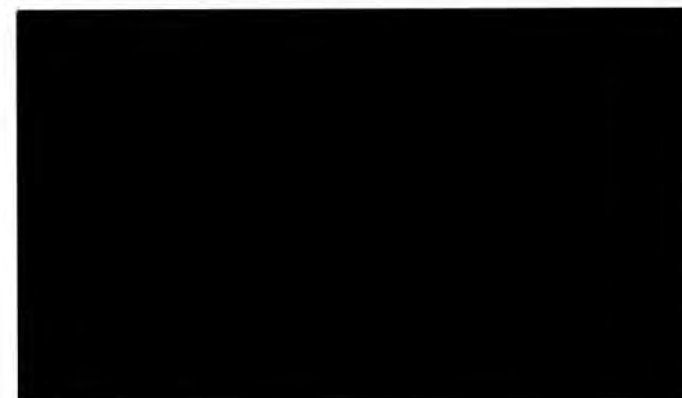
Financial Data

Revenues:	\$2.59B
Net Income:	\$214.9M
EBITDA:	\$440.9M
EV/EBITDA:	11.189
Total Assets	\$2.27B
Current Ratio:	1.145
Debt/Equity:	0.713
DuPont Analysis	
ROE:	25.44
Equity Multiplier:	2.91
ROE (5 Year History)	28.6
Sales and Earnings Growth Rates	
Sales (Historical):	2.6%
Sales (Projected):	3.7%
Earnings (Historical):	4.4%
Earnings (Projected):	9.8%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Projected 9-11% annual EPS growth.
- Financial strength and FCF improving.
- Leader in market share – Over 45% in US and over 20% in Europe.
- Recent cost cutting initiative to consolidate manufacturing and reduce inventory.

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

McCormick & Company, Inc. is a diversified specialty food company engaged in the manufacture, marketing, and distribution of spices, herbs, seasonings and other flavors to the food industry. The Company operates in two business segments: consumer and industrial. The consumer segment sells seasoning blends, spices, herbs, extracts, sauces, marinades and specialty foods to the consumer food market. The industrial segment sells blended seasonings, spices and herbs, condiments, compound flavors and extracts, and coating systems to food processors, restaurants, distributors, warehouse clubs and institutional operations. On November 1, 2004, McCormick purchased C.M. van Sillevoldt B.V. (Silvo). Silvo sells spices, herbs and seasonings under the Silvo brand in the Netherlands, and the India brand, as well as private-label store brands in Belgium.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Movado Group

Currently held: No

Recommendation: BUY

NYSE: MOV

Apparel, Accessories & Luxury Goods

Consumer Discretionary

Market Cap: 379M – Small Cap

KEY STATISTICS

Stock Data

Current Price:	20.58
52-Week Price Range:	15.24-22.84
EPS – Current:	1.18
Beta:	1.04
Dividends:	0.20
Dividend Yield:	1.00%
P/E	
12 Month Trailing:	17.38
12 Month Forward:	14.19
P/B:	1.62
P/B (industry):	1.92
PEG 5 Year Forward:	1.15

Target Price

DDM:	25.37-29.22
Discount Rate	13.5%
Growth Rate (Short)	9%-11%
Growth Rate (Long)	7%

Financial Data

Revenues:	465M
Net Income:	31M
EBITDA:	59.2M
EV/EBITDA:	9.141
Total Assets:	476M
Current Ratio:	3.12
Debt/Equity:	0.284
ROE:	9.95%
ROA:	5.37%
5yr. Sales Growth Rate:	7.64%
5yr Earnings Growth Rate:	10.56%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- S&P has positive outlook on the industry
- Partnerships with “high growth premium brands” – Hugo Boss, Juicy Couture
- 3 new boutique stores this year

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Movado Group, Inc. engages in the design, manufacture, distribution, and retail of watches, as well as proprietary jewelry, and tabletop and accessory products. It sells its watches under the brands, Movado, Ebel, Concord, ESQ, Coach, and Tommy Hilfiger in the exclusive, luxury, premium, moderate, and fashion market categories. The company operates boutiques that sell watches, as well as proprietary jewelry, tabletop and accessory products. It also operates outlet stores, which sell discontinued models and factory seconds of the company's watches, jewelry, and tabletop and accessory products. As of July 31, 2005, the company operated 27 boutiques and 28 outlet stores. Movado Group operates in the United States, Switzerland, France, Germany, the United Kingdom, Hong Kong, Canada, Japan, Singapore, and Bermuda. The company was founded by Gedalio Grinberg in 1961. It was formerly known as North American Watch Corporation and changed its name to Movado Group, Inc. in 1996. Movado Group is based in Paramus, New Jersey.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Olin Corporation

Currently held: **Yes**

Quantity Held: **300**

Recommendation: **Hold**

NYSE: OLN

Materials

Diversified Chemicals

Market Cap: \$1.5B - Small Cap

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Expected record profits from the chlor-alkali business.
- Operating near 100% capacity.
- Recently awarded ammunitions contract from US Army.

KEY STATISTICS

Stock Data

Current Price:	\$21.00
52-Week Price Range:	\$16.65-\$25.35
EPS - Current:	\$1.74
EPS - Historical:	\$.74-\$1.80
Beta (ValueLine):	1.00
Dividends:	\$.80
Dividend yield:	4.3
P/E:	
12 Mo. Forward:	14.99
12 Mo. Trailing:	10.6
Industry:	20.8
P/S:	.64
P/E to Growth:	1.54

Target Price

DDM:	\$21.37
Required Rate of Return:	9.67%
Expected Rate of Return:	10.09%

Financial Data

Revenues:	\$1.99B
Net Income:	\$51M
EBITDA:	\$281M
EV/EBITDA:	5.21
Total Assets:	\$1.62B
Current Ratio:	2.38
Debt/Equity:	.61
DuPont Analysis -	
ROE:	35.71%
Equity Multiplier:	4.54
ROE (5 Year History):	10.68
Growth Rates	
Sales (Historical):	-6.5%
Sales (Projected):	5%
Earnings (Historical):	1.8%
Earnings (Projected):	1.8%

PERFORMANCE



PROFILE / BUSINESS SEGMENT DESCRIPTION

Olin Corporation is a manufacturing company that operates three principal business units, such as Chlor Alkali Products, Metals and Winchester, which accounted for 22%, 62% and 16%, respectively, of the Company's sale during the year ended December 31, 2004. The Chlor Alkali Products business manufactures chlorine and caustic soda, sodium hydrosulfite, hydrochloric acid and bleach products, and potassium hydroxide. The Metals business manufactures copper and copper alloy sheet, strip, plate, foil, brass rod and other metal products, including aluminum and stainless steel products. The Winchester business develops, manufactures and distributes sporting ammunition, canister powder, reloading components, small-caliber military ammunition and industrial cartridges. The Company operates predominantly in the United States.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Park Electrochemical

Currently held: Yes

Quantity: 300

Recommendation: Sell

NYSE: PKE

Technology: Printed Circuit Boards

S&P 600 SmallCap, S&P 1500 Super Comp

Market Cap: \$593.76M

KEY STATISTICS

Stock Data

Current Price:	\$29.71
52-Week Price Range:	\$19.07 – \$30.05
EPS – Current*:	\$1.83
EPS – Historical:	\$1.35
Beta:	1.59
Dividends:	\$0.32
Dividend Yield:	1.44%
P/E	
P/E Ratio	17.60
12 Month Trailing:	22.50
12 Month Forward:	18.67
P/B**:	2.44
P/B (industry):	2.70
PEG 5 Year Forward:	1.87

Target Price

DDM:	\$24.58
Required Rate of Return:	16.35%
Expected Rate of Return:	9.84%

Financial Data*

Revenues*:	\$216.49M
Net Income*:	\$26.08M
EBITDA*:	\$34.99M
EV/EBITDA*:	10.52
Current Ratio**:	4.30
Debt/Equity**:	0.00
ROE*:	10.92%
ROA*:	4.86%
Quarterly Earnings Growth***:	26.70%

*Trailing twelve months

**Most recent quarter

***Year over year

KEY JUSTIFICATIONS FOR RECOMMENDATION

- DDM considers security overvalued
- Price has peaked
- Low expected rate of return
- Zero debt
- High beta

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Park Electrochemical Corp. (Park), through its subsidiaries, engages in the design, development, production, and marketing of digital and radio frequency/microwave printed circuit materials, and composite materials. It produces a line of printed circuit materials used to fabricate complex multilayer printed circuit boards and other electronic interconnect systems, including backplanes, wireless packages, high speed/low loss multilayers, and high density interconnects. The company's multilayer printed circuit board materials include copper-clad laminates and prepregs. Park's customers primarily include independent printed circuit board fabricators, electronic manufacturing service companies, electronic contract manufacturers, electronic original equipment manufacturers in the computer, networking, electronics, telecommunications, transportation, military, aerospace, and instrumentation industries. It primarily operates in North America, Europe, and Asia.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Perrigo Co

Currently held: Yes
 Quantity: 295
 Recommendation: Hold
 NASDAQ: PRGO
 Healthcare: Drug Related Products
 S&P 400 MidCap, S&P 1500 Super Comp
 Market Cap: \$1.49B

KEY STATISTICS

Stock Data

Current Price:	\$16.08
52-Week Price Range:	\$12.76 - \$19.79
EPS - Current*:	\$0.49
EPS - Historical:	\$0.93
Beta:	0.68
Dividends:	\$.16
Dividend Yield:	1.22%
P/E	
P/E Ratio	36.60
12 Month Trailing:	40.00
12 Month Forward:	20.90
P/B**:	2.45
P/B (industry):	4.70
PEG 5 Year Forward:	1.83

Target Price

DDM:	\$17.31
Required Rate of Return:	9.63%
Expected Rate of Return:	12.75%

Financial Data*

Revenues*:	\$1.22B
Net Income*:	\$-348.12M
EBITDA*:	\$153.28M
EV/EBITDA*:	13.77
Current Ratio**:	1.74
Debt/Equity**:	1.08
ROE*:	-58.97%
ROA*:	5.43%
Quarterly Earnings Growth***:	60.20%

*Trailing twelve months

**Most recent quarter

***Year over year

KEY JUSTIFICATIONS FOR RECOMMENDATION

- DDM considers security undervalued
- Earnings rebounding
- Growing dividend yield
- New product approved and cleared by FDA

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Perrigo Company, through its wholly owned subsidiaries, engages in the manufacture and sale of consumer healthcare products, generic prescription drugs, active pharmaceutical ingredients (API), and consumer products primarily in the United States, Israel, Europe, and Mexico. The company operates in three segments; Consumer Healthcare, Rx Pharmaceuticals, and Active Pharmaceutical Ingredients. The Consumer Healthcare segment offers over-the-counter pharmaceutical and nutritional products in the United States, the United Kingdom, and Mexico. This segment offers analgesic, cough/cold/allergy/sinus, gastrointestinal, smoking cessation, first aid, vitamin, and nutritional supplement products. The Rx Pharmaceuticals segment engages in the development, manufacture, and sale of generic prescription drug products in the United States. This segment provides creams, ointments, lotions, gels, and solutions, as well as nasal sprays, foams, and transdermal devices.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Pixar

Currently held: Yes
Quantity: 200
Recommendation: Sell
NASDAQ: PIXR
 Technology: Multimedia & Graphics Software
 Nasdaq 100
 Market Cap: \$7.90B

KEY STATISTICS

Stock Data

Current Price:	\$65.29
52-Week Price Range:	\$40.80 - \$66.17
EPS - Current*:	\$1.15
EPS - Historical:	\$1.19
Beta:	1.00
Dividends:	N/A
Dividend Yield:	N/A
P/E	
P/E Ratio	41.50
12 Month Trailing:	50.90
12 Month Forward:	29.89
P/B**:	5.27
P/B (industry):	4.60
PEG 5 Year Forward:	2.41

Target Price

FCF:	\$49.41
Revenue Growth Rate:	9.50%
WACC:	11.99%

Financial Data*

Revenues*:	\$289.12M
Net Income*:	\$152.94M
EBITDA*:	\$216.86M
EV/EBITDA*:	33.23
Current Ratio**:	20.57
Debt/Equity**:	0
ROE*:	11.49%
ROA*:	9.74%
Quarterly Earnings Growth***:	-43.90%

*Trailing twelve months

**Most recent quarter

***Year over year

KEY JUSTIFICATIONS FOR RECOMMENDATION

- FCF considers security overvalued
- Declining earnings
- 2.3 share for share exchange in \$7.4B deal with Disney
- No collar agreement, so Pixar will fall/rise with Disney's price

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Pixar, a digital animation studio, creates animated feature films and related products worldwide. It produces and distributes various animated films and related products, such as video products, toys, interactive games, and other merchandise. The company also produces short films and sells RenderMan, software of visual effects. As of December 31, 2005, it created and produced six full-length computer-animated feature films.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Reader's Digest Association

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: RDA

Services: Publishing Books

S&P 400 MidCap, S&P 1500 Super Comp

Market Cap: \$1.44B

KEY STATISTICS

Stock Data

Current Price:	\$14.59
52-Week Price Range:	\$13.84 - \$18.00
EPS - Current*:	\$0.79
EPS - Historical:	\$0.68
Beta:	1.17
Dividends:	\$0.40
Dividend Yield:	3.13%
P/E	
P/E Ratio:	20.98
12 Month Trailing:	N/A
12 Month Forward:	15.50
P/B**:	7.48
P/B (industry):	205.00
PEG 5 Year Forward:	1.34

Target Price

DDM:	\$17.53
Required Rate of Return:	13.25%
Expected Rate of Return:	16.74%

Financial Data*

Revenues*:	\$2.38B
Net Income*:	\$-250.30M
EBITDA*:	\$175.80M
EV/EBITDA*:	11.27
Current Ratio**:	0.92
Debt/Equity**:	3.33
ROE*:	-72.30%
ROA*:	3.48%
Quarterly Earnings Growth***:	N/A

*Trailing twelve months

**Most recent quarter

***Year over year

KEY JUSTIFICATIONS FOR RECOMMENDATION

- DDM considers security undervalued
- Earnings rebounding after decline
- Growing dividend yield
- Negative NI & earnings primarily due to expansion to UAE
- Low P/B compared to industry

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

The Reader's Digest Association, Inc. engages in the publication, marketing, and delivery of magazines, books, recorded music collections, and home videos. It publishes magazine under the name of Reader's Digest, a monthly general interest magazine consisting of original articles published in 48 editions and 19 languages. The company also publishes reference books, cookbooks, 'how-to' and 'do-it-yourself' books, and children's books. It publishes books on history, travel, religion, health, nature, home, computers, and puzzles. The company's music collections span a range of musical styles ranging from classical to pop and from local folk to relaxation music. The company sells its products through direct mail solicitations to households on customer lists, as well as to customer lists rented or purchased from third parties. It operates in North America, Bulgaria, Kazakhstan, Lithuania, and United Arab Emirates. Reader's Digest Association has a partnership with Motivate Publishing to launch a book-publishing business in the United Arab Emirates.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

ROBERT HALF INTL INC.

Currently held: No

Recommendation: Buy

NYSE: RHI

Industrials:

Human Resources & Employment Services

Market Cap: \$6.2B - Mid Cap

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Temporary worker markets picking up.
- Increased need for internal accounting controls in US corporations aiding growth.
- Forecasting 15% revenue growth and increased margins.

KEY STATISTICS

Stock Data

Current Price:	\$37.60
52-Week Price Range:	\$23.95-\$39.86
EPS - Current:	\$1.36
EPS - Historical:	\$.01-\$1.00
Beta (ValueLine):	1.50
Dividends:	\$.32
Dividend yield:	.9%
P/E:	
12 Mo. Forward:	26.54
12 Mo. Trailing:	20.22
Industry:	27.41
P/S:	1.84
P/E to Growth:	1.17

Target Price

DDM:	\$40.98
Required Rate of Return:	12.17%
Expected Rate of Return:	14.15%

Financial Data

Revenues:	\$3.34B
Net Income:	\$237.87M
EBITDA:	\$432.55M
EV/EBITDA:	13.3
Total Assets:	\$1.318B
Current Ratio:	3.02
Debt/Equity:	.003
DuPont Analysis -	
ROE:	25.27%
Equity Multiplier:	1.36
ROE (5 Year History):	12.4
Growth Rates	
Sales (Historical):	24.8%
Sales (Projected):	15.5%
Earnings (Historical):	71.3%
Earnings (Projected):	14.8%

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Robert Half International Inc. provides specialized staffing and risk consulting services. Through its Accountemps, Robert Half Finance & Accounting, and Robert Half Management Resources divisions, the Company is a specialized provider of temporary, full-time project professionals in the fields of accounting and finance. OfficeTeam specializes in skilled temporary administrative support personnel. Robert Half Technology provides information technology professionals. Robert Half Legal provides temporary, project and full-time staffing of attorneys and specialized support personnel within law firms and corporate legal departments. The Creative Group provides project staffing in the advertising, marketing, and Web design fields. Protiviti provides business and technology risk consulting and internal audit services.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Rockwell Collins, Inc.

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: COL

Industrial Goods: Aerospace/Defense Products

S&P 500, S&P 1500 Super Comp

Market Cap: \$9.15B

KEY STATISTICS

Stock Data

Current Price:	\$53.10
52-Week Price Range:	\$42.88 - \$54.44
EPS - Current*:	\$2.29
EPS - Historical:	\$2.20
Beta:	0.92
Dividends:	\$0.48
Dividend Yield:	1.11%
P/E	
P/E Ratio:	24.10
12 Month Trailing:	23.84
12 Month Forward:	18.26
P/B**:	9.34
P/B (industry):	9.8
PEG 5 Year Forward:	1.52

Target Price

DDM:	\$51.37
Required Rate of Return:	11.40%
Expected Rate of Return:	5.05%

Financial Data*

Revenues*:	\$3.56B
Net Income*:	\$410.00M
EBITDA*:	\$695.00M
EV/EBITDA*:	13.17
Current Ratio**:	1.65
Debt/Equity**:	0.20
ROE*:	36.38%
ROA*:	12.35%
Quarterly Earnings Growth***:	15.60%

*Trailing twelve months

**Most recent quarter

***Year over year

KEY JUSTIFICATIONS FOR RECOMMENDATION

- DDM considers security overvalued
- Low expected return
- Growing earnings
- Increases in business from Honeywell's boost in Chinese growth

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Rockwell Collins, Inc. engages in the design, production, and support of communications and aviation electronics for military and commercial customers worldwide. The company operates through two segments, Government Systems and Commercial Systems. The Government Systems segment supplies defense communications systems and products, as well as defense electronics systems and products to the U.S. Department of Defense, other government agencies, civil agencies, defense contractors, and foreign ministries of defense. The company also provides equipment repair and overhaul, service parts, field service engineering, training, technical information services, and aftermarket used equipment.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Flextronics International

Currently held: Yes

Quantity Held: 500

Recommendation: Hold

NASDAQ: FLEX

Information Technology

Electronic Manufacturing Services

Market Cap: \$6.0B - Mid Cap Growth

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Growing end product demand for electronic manufacturing services.
- Favorable industry position – leadership, breadth of services provided and low-cost production facilities.

KEY STATISTICS

Stock Data

Current Price:	\$10.29
52-Week Price Range:	\$8.97-\$14.44
EPS – Current:	\$.29
EPS – Historical:	\$.53-\$(.46)
Beta (ValueLine)	2.05
Dividends:	None
Dividend yield:	None
P/E	
12 Mo. Forward:	14.99
12 Mo. Trailing:	35.62
Industry:	27.30
P/S:	.44
P/E to Growth:	.69

Target Price

FCF:	\$12.15
Required Rate of Return:	14.92%
Expected Rate of Return:	19.40%

Financial Data

Revenues:	\$15.9B
Net Income:	\$340M
EBITDA:	\$833M
EV/EBITDA:	7.77
Total Assets:	\$11B
Current Ratio:	1.25
Debt/Equity:	.28
DuPont Analysis –	
ROE:	7.4%
Equity Multiplier:	2.11
ROE (5 Year History):	5.95
Growth Rates	
Sales (Historical):	19.5%
Sales (Projected):	7.5%
Earnings (Historical):	7.5%
Earnings (Projected):	22.5%

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Flextronics International Ltd. (Flextronics) is a provider of advanced electronics manufacturing services to original equipment manufacturers (OEMs) in various industries, such as handheld devices, computer and office automation, communications infrastructure, consumer devices, information technology (IT) infrastructure, among others. The Company provides a range of vertically integrated global supply chain services, through which it designs, builds and ships packaged products for its OEM customers. Service offerings include design services, printed circuit board (PCB) and flexible circuit fabrication, systems assembly and manufacturing, logistics, and after-market services. As of March 31, 2005, Flextronics operates in over 30 countries. Net sales in the Americas, Europe and Asia represented 17%, 35% and 48% of its total net sales, respectively.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Sherwin-Williams

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: SHW

Industrial Goods: General Building Materials

S&P 500, S&P 1500 Super Comp

Market Cap: \$6.16B

KEY STATISTICS

Stock Data

Current Price:	\$46.03
52-Week Price Range:	\$37.40 - \$54.12
EPS - Current*:	\$3.28
EPS - Historical:	\$2.72
Beta:	0.64
Dividends:	\$1.00
Dividend Yield:	2.34%
P/E	
P/E Ratio:	15.20
12 Month Trailing:	13.86
12 Month Forward:	11.78
P/B**:	3.88
P/B (industry):	13.30
PEG 5 Year Forward:	1.27

Target Price

DDM:	\$48.16
Required Rate of Return:	9.33%
Expected Rate of Return:	10.65%

Financial Data*

Revenues*:	\$7.19B
Net Income*:	\$463.26M
EBITDA*:	\$902.00M
EV/EBITDA*:	7.42
Current Ratio**:	1.22
Debt/Equity**:	0.36
ROE*:	27.43%
ROA*:	10.97%
Quarterly Earnings Growth***:	-8.90%

*Trailing twelve months

**Most recent quarter

***Year over year

KEY JUSTIFICATIONS FOR RECOMMENDATION

- DDM considers security undervalued
- Solid earnings growth
- Strong dividend yield
- Increased paint store sales and improved expense controls has raised profit outlook

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

The Sherwin-Williams Company engages in the manufacture, distribution, and sale of coatings and related products to professional, industrial, commercial, and retail customers primarily in North and South America. The company operates through four segments: Paint Stores, Consumer, Automotive Finishes, and International Coatings.. The Consumer segment develops, manufactures, and distributes various paints, coatings, and related products to third party customers and the Paint Stores segment. The Automotive Finishes segment develops, manufactures, and distributes various motor vehicle finish, refinish, and touch-up products. The Automotive Finishes segment operated 200 automotive branches, as of December 31, 2004. The International Coatings segment develops, licenses, manufactures, and distributes various paints, coatings, and related products worldwide through 76 company-operated specialty paint stores, as of the above date, and by outside selling functions to other dealers and distributors.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

J.M. Smucker Company

Currently held: Yes

Quantity: 100

Recommendation: Hold

NYSE: SJM

Consumer Goods: Processed & Packaged Goods

S&P 400 MidCap, S&P 1500 Super Comp

Market Cap: \$2.34B

KEY STATISTICS

Stock Data

Current Price:	\$39.68
52-Week Price Range:	\$37.15 - \$51.04
EPS - Current*:	\$2.26
EPS - Historical:	\$2.21
Beta:	0.70
Dividends:	\$1.08
Dividend Yield:	2.99%
P/E	
P/E Ratio:	18.07
12 Month Trailing:	18.07
12 Month Forward:	14.72
P/B**:	1.34
P/B (industry):	5.30
PEG 5 Year Forward:	1.67

Target Price

DDM:	\$43.86
Required Rate of Return:	9.77%
Expected Rate of Return:	5.91%

Financial Data*

Revenues*:	\$2.14B
Net Income*:	\$134.44M
EBITDA*:	\$321.15M
EV/EBITDA*:	8.43
Current Ratio**:	2.27
Debt/Equity**:	0.27
ROE*:	7.86%
ROA*:	6.00%
Quarterly Earnings Growth***:	-13.30%

*Trailing twelve months

**Most recent quarter

***Year over year

KEY JUSTIFICATIONS FOR RECOMMENDATION

- DDM considers security undervalued
- Strong dividend yield
- Increased operating costs (transportation and reduced customer inventories) caused profits to miss targets
- Strong earnings outlook (\$2.70)

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

The J. M. Smucker Company engages in the manufacture and marketing of various food products worldwide. Its products include peanut butter, shortening and oils, fruit spreads, flour and baking ingredients, baking mixes and ready-to-spread frostings, potato mixes, fruit and vegetable juices, beverages, dessert toppings, syrups, pickles and condiments, and frozen sandwiches. The company sells its products to food retailers, food wholesalers, club stores, mass merchandisers, and military commissaries through brokers, retail channels, other food manufacturers, and health and natural food stores.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Teekay Shipping

Currently held: Yes

Quantity: 200

Recommendation: SELL

NYSE: TK

Oil and Gas Storage and Transportation

Energy

Market Cap: 2.81B– Mid Cap

KEY STATISTICS

Stock Data

Current Price:	37.65
52-Week Price Range:	36.50-48.19
EPS – Current:	6.83
Beta:	.79
Dividends:	.21
Dividend Yield:	2.23%
P/E	
12 Month Trailing:	5.51
12 Month Forward:	12.34
P/B:	1.31
P/B (industry):	1.67
PEG 5 Year Forward:	NA

Target Price

DDM:	22.42-27.27
Discount Rate	7.50%
Growth Rate (Short)	3%-5%
Growth Rate (Long)	4%

Financial Data

Revenues:	1.95B
Net Income:	570.9M
EBITDA:	712.14M
EV/EBITDA:	6.988
Total Assets:	5.5B
Current Ratio:	1.356
Debt/Equity:	1.088
ROE:	25.52
ROA:	5.87
5yr. Sales Growth Rate:	28.91%
5yr Earnings Growth Rate:	21.53%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Revenues are expected to fall about 17%
- Neutral outlook on the industry
- Older fleet of tankers
- Falling earnings

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Teekay Shipping Corporation provides international crude oil and petroleum product transportation services to oil companies, oil traders, and government agencies worldwide. The company's Spot Tanker segment includes its conventional crude oil tankers, and product carriers operating on the spot market. Its Fixed-Rate Tanker segment comprises shuttle tanker operations; floating storage and off-take vessels; a liquid petroleum gas carrier; and certain conventional crude oil, methanol, and product tankers on long-term fixed-rate time-charter contracts or contracts of affreightment. The company's Fixed-Rate Liquefied Natural Gas (LNG) segment includes LNG carriers, including newbuildings on long-term fixed-rate time charter contracts. As of April 20, 2005, Teekay Shipping operated a fleet of approximately 145 tankers. The company was founded in 1973 by J. Torben Karlshoej and is headquartered in Nassau, Bahamas.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

The Student Loan Corp.

Currently held: Yes

Quantity: 50

Recommendation: HOLD

NYSE: STU

Consumer Financial Services
Financials

Market Cap: 4.52B – Mid Cap

KEY STATISTICS

Stock Data

Current Price: 226.03

52-Week Price Range: 181.00-243.22

EPS – Current: 15.45

Beta: .387

Dividends: 4.32

Dividend Yield: 1.90%

P/E

12 Month Trailing: 14.63

12 Month Forward: NA

P/B: 3.29

P/B (industry): 3.25

PEG 5 Year Forward: NA

Target Price

DDM: 233.00-284.40

Discount Rate 9%

Growth Rate (Short) 14%-15%

Growth Rate (Long) 4%

Financial Data

Revenues: 635.71M

Net Income: 303.49M

EBITDA: NA

EV/EBITDA: NA

Total Assets: 25.4B

Current Ratio: 2.266

Debt/Equity: 17.609

ROE: 24.20%

ROA: -1.18%

5yr. Sales Growth Rate: 2.14%

5yr Earnings Growth Rate: 24.76%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Growing Earnings & Dividends
- The government is reducing support for student loan programs, making more room for STU
- Growing ROE and ROA

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

The Student Loan Corporation engages in the origination, management, and servicing of student loans guaranteed under the Federal Family Education Loan program. The company's loans include subsidized Federal Stafford, unsubsidized Federal Stafford, federal parent loans to undergraduate students (PLUS), and federal consolidation loans. It also provides CitiAssist loans for students, who do not qualify for government student loan programs or need additional financial assistance beyond that available through government programs. In addition, the company owns a portfolio of health education assistance loans (HEAL) composed of guaranteed student loans for borrowers in designated health professions under a federally insured loan program administered by the U.S. Department of Health and Human Services. Additionally, it participates in the secondary student loan market through purchase of loans that consist of subsidized Federal Stafford loans, unsubsidized Federal Stafford loans, PLUS loans, federal consolidation loans, and HEAL loans. The company was incorporated in Delaware in 1992 and is headquartered in Stamford, Connecticut. The Student Loan Corporation is an 80% owned subsidiary of Citibank, N.A., an indirect wholly owned subsidiary of Citigroup, Inc.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Urban Outfitters

Currently held: Yes

Quantity: 200

Recommendation: HOLD

NYSE: URBN

Apparel Retail

Consumer Discretionary

Market Cap: 4.6B- Mid Cap

KEY STATISTICS

Stock Data

Current Price:	24.66
52-Week Price Range:	21.32-33.77
EPS - Current:	.77
Beta:	1.33
Dividends:	NA
Dividend Yield:	NA
P/E	
12 Month Trailing:	32.03
12 Month Forward:	20.21
P/B:	7.25
P/B (industry):	3.92
PEG 5 Year Forward:	.97

Target Price

FCF:	31.28-37.36
Discount Rate	14%
Growth Rate (Short)	12%-14%
Growth Rate (Long)	8%

Financial Data

Revenues:	1.9B
Net Income:	571M
EBITDA:	247.04M
EV/EBITDA:	15.664
Total Assets:	556M
Current Ratio:	2.885
Debt/Equity:	NA
ROE:	25.60%
ROA:	11.00%
5yr. Sales Growth Rate:	28.91%
5yr Earnings Growth Rate:	21.53%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- S&P predicts 3yr. sales growth of 25%
- Strong brands, with few stores
- Mixed private label and branded merchandise stores

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

Urban Outfitters, Inc., a lifestyle merchandising company, operates specialty retail stores in the United States, Europe, and Canada. The company operates through two segments, Retail and Wholesale. The Retail segment consists of Urban Outfitters stores, which offer women's and men's fashion apparel, footwear, and accessories, as well as an eclectic mix of apartment wares and gifts, including rugs, pillows, shower curtains, books, candles, and novelties; and Anthropologie stores, which provide women's casual apparel and accessories, and gifts and decorative items, as well as home furnishings, such as furniture, rugs, lighting, antiques, table top items, bedding, and gifts. These stores offer merchandise through the company's direct-to-consumer operations, which consist of a catalog and Web site. The Wholesale segment consists of its Free People wholesale division, which manufactures and distributes apparel to the retail segment and to specialty retailers worldwide. The Free People stores offer its merchandise through Web site. As of November 10, 2005, the company operated approximately 84 Urban Outfitters, 73 Anthropologie, and 5 Free People stores; 3 catalogs; and 3 Web sites. The company was co-founded by Richard A. Hayne and Scott A. Belair in 1970. Urban Outfitters is based in Philadelphia, Pennsylvania.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006
CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

UT Starcom

Currently held: Yes

Quantity: 500

Recommendation: SELL

NYSE: UTSI

Communications Equipment

Information Technology

Market Cap: 753M – Small Cap

KEY STATISTICS

Stock Data

Current Price:	6.24
52-Week Price Range:	5.19-13.31
EPS – Current:	-4.07
Beta:	2.40
Dividends:	NA
Dividend Yield:	NA
P/E	
12 Month Trailing:	NA
12 Month Forward:	NA
P/B:	.75
P/B (industry):	1.70
PEG 5 Year Forward:	NA

Target Price

DDM:	0.73-4.77
Discount Rate	14.5%
Growth Rate (Short)	-4% to -6%
Growth Rate (Long)	0%

Financial Data

Revenues:	3.01B
Net Income:	-469.57M
EBITDA:	-56.9M
EV/EBITDA:	-12.819
Total Assets:	3.3B
Current Ratio:	1.816
Debt/Equity:	0.51
ROE:	-39.67%
ROA:	-3.85%
5yr. Sales Growth Rate:	59.62%
5yr Earnings Growth Rate:	NA

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Weak business model built on WLAN tech.
- Negative net income
- Declining revenues

PERFORMANCE

PROFILE / BUSINESS SEGMENT DESCRIPTION

UTStarcom, Inc. engages in the design, manufacture, sale, and installation of a suite of Internet protocol (IP)-based wireline, wireless, optical, and switching solutions for the transportation of voice, data, and video traffic for telecommunications service providers. It operates in three divisions: Wireless Infrastructure, Broadband Infrastructure, and Handsets and Customer Premise Equipment. The Wireless Infrastructure division offers personal access wireless access system, and CDMA, time division CDMA, wideband CDMA, and time division SCDMA wireless mobile systems. Its time division CDMA wireless infrastructure product family includes base stations, radio network controllers, and gateway general packet radio service support nodes. It also offers the MovingMedia 2000 wireless voice and data communication product family, which includes IP base stations, media and signaling gateways, and packet data server nodes. The Broadband Infrastructure division provides IP-based digital subscriber line access multiplexers; iAN-8000 multiservice broadband access node platform; and optical access systems, which enables service providers to offer fiber to the premises broadband access. In addition, it offers NetRing, a voice and data transport product; and mVision, a television over IP system. The Handsets and Customer Premise Equipment division offers handsets and customer premise equipment featuring single, dual, and multimode handsets with cameras, video recorders and players, color displays, multiple ring tones, bilingual short message service, and Internet access and email capability. The customer premise equipment product line comprises single and multipoint digital subscriber line modems, set-top boxes, and voice over IP analog telephone adapters. It offers its products and services in China, North America, Africa, Asia, Central and Latin America, and the Middle East. UTStarcom was founded in 1991 and is headquartered in Alameda, California.

GENERAL INFORMATION

Altana AG

Currently held: No

Recommendation: MODERATE BUY

NYSE: AAA

German pharmaceutical company

Dax Index

Market Cap: \$7.52 B – International Large Cap

KEY STATISTICS

Stock Data

Current Price: EUR51.14/ \$62.07

ADR info: 1 ADR = 1 Ord

FX USD/EUR .8331

52-Week Price Range \$47.70 - \$69.53

EPS – EUR 2.88

Beta .55

Dividends EUR .95

Dividend yield 2.11%

P/E 14.38x

P/B 3.94x

EV/EBITDA 8.58x

Target Price

Target Price EUR 56.41/ US\$69.94

Price Appreciation 10.57%

Dividend Yield 2.11%

Total Return 12.68%

Financial Data as of year end 12/2004

Revenues EUR 2.96 billion

Net Income EUR 391 million

EBITDA EUR 751 million

EV/EBITDA 8.58x

Total Assets EUR 2.652 billion

Current /Quick Ratio 2.47/1.68

Net Debt/ Equity .33x

Historical 4 year CAGR

Sales 6.45%

EPS 12.8%

Projected 3 year

Sales 6.33%

EPS 4.9%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Spin off of Chemical business
- €1 bln earmarked for further investment in languishing pharma business
- Bolt on acquisitions to Chemical unit
- Announcements related to pipeline, which show favorable data and subsequent approval by EU or FDA.

STORY

Altana has not had the best performing pipeline in the pharmaceuticals business and although the mainstay Protonix is doing well, this won't last forever and they desperately need to shore up their business. They're committed to investing the necessary money to this business and improve via licensing, acquisition or JV. The chemical business has done well and is very profitable for them; they've recently added a very fitting pigments business with Eckart in addition to a handful of other bolt on acquisition. Management realizes what they need to do before this split happens in mid-2006 and they're doing what makes sense. Furthermore, they wouldn't be listing if they weren't confident in the quality of the underlying businesses. The stock has had a lot of bad news priced in and now the opportunities have arisen to really surprise the market. By separating the Chemical business from the Pharmaceutical business, the stock will re-rate as \$40 million in annual corporate costs disappear.

PROFILE / BUSINESS SEGMENT DESCRIPTION

Altana develops and manufactures pharmaceutical, diagnostic and chemical products. The pharma division markets OTC products for respiratory, stomach, cardio and nervous system disorders. Altana also produces chemical additives, lacquers and coating materials.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

BP p.l.c.

Currently held: **Yes**

Recommendation: **HOLD**

NYSE: BP

Conglomerate

Market Cap: \$235.52B - ADR

KEY STATISTICS

Stock Data

Current Price:	\$68.94
52-Week Price Range:	\$57.95-72.88
EPS - Current	\$6.27
EPS - 5 yr. Historical growth	23.9%
Beta (Bloomberg, ValueLine)	.85
Dividends	\$2.25
Dividend yield	3.40%
P/E:	
(12 mo. Forward and Trailing)	10.02, 10.55
(Industry)	10.00
P/B	2.84
P/E to Growth	1.18

Target Price

12-Month Target Price	\$80.00
Expected Return:	21.0%
Required Return:	12%

Financial Data

Revenues	\$253.01B
Net Income	\$22.16B
EBITDA	\$41.82B
Total Assets	\$98.74B
Current /Quick Ratio	0.98/0.72
Debt/Equity	0.24
DuPont Analysis -	
NI/Sales	.077
Sales/Assets	2.89
Assets/Equity	1.24
ROE (5 Year History Avg.)	15.35
ROA:	
Company	10.80
Industry	15.92
Sales (5 yr. Growth Rate)	27.81%
6.0 Shares Per ADR	

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The price should rise 21%, to \$80.00, in 2007.
- Further international exacerbations will increase the price of oil.
- Key statistics
- Above-average oil and gas production.

1 YEAR COMPARISON: BP vs. S&P500



PROFILE / BUSINESS SEGMENT DESCRIPTION

BP p.l.c. engages in oil and natural gas exploration, and field development and production, as well as in the management of crude oil and natural gas pipelines, processing and export terminals, and liquefied natural gas (LNG) processing facilities worldwide. As of December 31, 2004, the company had interests in four LNG plants in Australia, Indonesia, and Trinidad, as well as operated the Trans Alaska Pipeline System, and the Forties Pipeline System and the Central Area Transmission System pipeline both in the United Kingdom sector of the North Sea. As of the above date, its total hydrocarbon proved reserves comprised 14,626 million barrels of oil and natural gas equivalent.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Fidelity Diversified International

Currently held: Yes

Recommendation: SELL

NYSE: FDIVX

Mutual Fund

Market Cap: \$36.76B

KEY STATISTICS

Stock Data

Current Price:	\$35.82
52-Week Price Range:	\$27.8-34.9
Beta (Bloomberg, ValueLine)	0.98
Dividends	\$0.28
Dividend yield:	
(Company)	0.80%
(Peers)	0.84%
P/E:	
(12 mo. Forward and Trailing)	N/A
(Industry)	15.78
P/B	3.01

Target Price

12-Month Target Price	\$36.00
Expected Return	6.7%

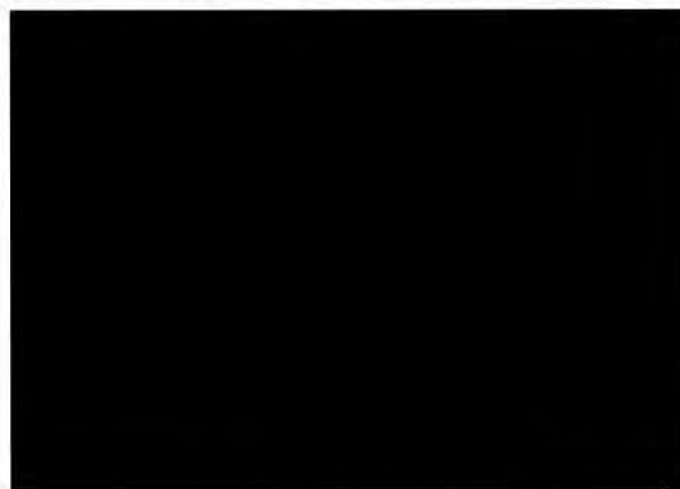
Mutual Funds

Morningstar Rating	4 Stars
Equity/Fixed Income Style	Large Growth
Int'l	
NAV	\$33.73
12b-1 Fees	0.0%
Expense Ratio	1.07
Peers Expense Ratio	1.52
Min. Investment	\$2,500
Sharpe ratio (3 yr.):	
(Company)	2.53
(Industry)	2.21
Beta	0.98
Alpha	0.07
No. of Holdings	396
Portfolio Turnover	41.00%
Peers Turnover	67.21%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The fund has reached its maximum potential for the next 12 months.
- Dividend yield is lower than its peers.
- Key statistics
- Fund is very vague in its method of investment.

1 Yr. COMPARISON FDIVX vs. S&P500



PROFILE / BUSINESS SEGMENT DESCRIPTION

Fidelity Diversified International Fund seeks capital appreciation. The fund normally invests in non-U.S. securities. It primarily invests in common stocks and allocates investments across countries and regions while considering the size of the market relative to size of the international market as a whole. Bower is a co-manager of Advisor Global Equity Fund, which he has managed since December 2005. He also manages Fidelity Diversified International Fund and is interim manager of Fidelity Aggressive International Fund, Fidelity Advisor International Capital Appreciation Fund and VIP International Capital Appreciation Portfolio.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Foster's Group Ltd

Currently held: No

Recommendation: MODERATE BUY

NYSE: FBRWY

Australian brewer

Australian Stock Exchange 200 Index

Market Cap: \$7.7 B – International Large Cap

KEY STATISTICS

Stock Data

Current Price:	A\$5.31/ US\$3.79
ADR info:	1 ADR = 1 Ord
FX	USD/AUD 1.3436
52-Week Price Range	\$3.82 - \$4.50
EPS –	A\$.23
Beta	.85
Dividends	A\$.205
Dividend yield	5.33%
P/E	22.3x
P/B	2.1x

Target Price

Target Price	A\$ 6.85/ US\$5.09
Price Appreciation	29.06%
Dividend Yield	5.33%
Total Return	34.39%

Financial Data as of year end 06/2005

Revenue	A\$ 3.972 billion
Net Income	A\$ 936.1 million
EBITDA	A\$ 1.581 billion
EV/EBITDA	9.4x
Total Assets	A\$ 11.380 billion
Current/Quick ratio	1.79/.87
Net Debt/Equity	1.13x

Historical 5 year CAGR

Revenue	-1.00%
EPS	14.4%

Projected 3 year

Revenue	3.5%
EPS	13.48%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Strengthening earnings growth momentum in FY07
- Confidence in strength of US wine cycle
- Strong pricing dynamics in Australian beer market
- Competitive advantage in tackling Australian wine oversupply

STORY

Foster's Group's acquisition of Southcorp in January 2005 is beginning to reap the rewards of this hotly contested merger. The diversification out of beer into wine looks to finally be paying off. As the market shifts their future assumptions from 2006 to 2007, the stock should begin to re-rate. Although 2006 isn't that exciting of a year, it's important to realize their fiscal year ends in June. After June, Foster's is expecting Southcorp assets to finally contribute to earnings in addition to cost savings and other synergies extracted from the deal. Foster's has been impacted by a double whammy with Australian and US wine cycles declining, only now is there evidence a bottom has been reached and cycles are turning over. The Australian beer business has been hurt by weak pricing from tough competition from the likes of Lion Nathan, real growth in pricing looks to be taking place.

PROFILE / BUSINESS SEGMENT DESCRIPTION

Foster's Group Limited manufactures and markets alcoholic and non-alcoholic beverages and has a major investment in licensed properties. The company brews a number of branded beers, including "Foster's Lager", "Victoria Bitter" and "Carlton Cold". Wine is produced through Beringer. EBIT contributions are 70% Beer and 30% Wine with 78% of EBIT coming from Australia.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Morgan Stanley India Investment Fund Inc.

Currently held: Yes

Recommendation: SELL

NYSE: IIF

Mutual Fund

Market Cap: \$772.00B

KEY STATISTICS

Stock Data

Current Price:	\$50.00
52-Week Price Range:	\$26.75-51.90
EPS – Current	\$12.29
Dividends	\$3.38
Dividend yield	38.30%
P/E:	
(Trailing)	\$3.99
P/B	1.54
P/S	87.81
P/E to Growth	N/A

Target Price

12-Month Target Price	\$53.00
Expected Return	8%

Financial Data

Revenues	\$8.81M
Net Income	\$196.7M
EBITDA	N/A
Gross Profit	\$100.01M
Current /Quick Ratio	5.06
Debt/Equity	0%
ROA	0.46%
ROE	48.55%
Book Value Per Share	\$31.32
Profit Margin	2231.62%
Operating Margin	34.60%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The return on the 12-Month expected price is not high enough to warrant a hold.
- International Exacerbations
- Key statistics
- The fund has realized its maximum value.

1 YR. COMPARISON IIF vs. S&P500



PROFILE / BUSINESS SEGMENT DESCRIPTION

Morgan Stanley India Investment Fund, Inc. operates as a nondiversified, closed-end management investment company. It invests primarily in common stocks and short-term investments. The fund's investment portfolio comprises investments in airlines, auto components, automobiles, chemicals, commercial banks, construction and engineering, construction materials, financials, diversified telecommunication services, electric utilities, electrical equipment, gas utilities, hotels, restaurants and leisure, household products, industrial conglomerates, internet software and services, IT services, media, metals and mining, oil and gas, paper and forest products, personal products, pharmaceuticals, road and rail, software, textiles, apparel and luxury goods, thrifts and mortgage finance, and tobacco industries.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Magna International

Currently held: No

Recommendation: **STRONG BUY**

NYSE: MGA

Canadian auto parts supplier

S&P/TSX Index

Market Cap: \$8.46 B – International Large Cap

KEY STATISTICS

Stock Data

Current Price: C\$88.05/ USD \$75.69

ADR info: 1 ADR = 1 Ord

FX USD/EUR 1.1333

52-Week Price Range \$60.00 - \$79.47

EPS – C\$ 6.95

Beta .90

Dividends C\$ 1.52

Dividend yield 2.04%

P/E 10.1x

P/B 1.2x

EV/EBITDA 4.00x

Target Price

Target Price C\$ 106.77/ US\$91.78

Price Appreciation 21.26%

Dividend Yield 2.04%

Total Return 23.30%

Financial Data as of year end 12/2004

Revenues C\$ 22.81 billion

Net Income C\$ 754 million

EBITDA C\$ 1782 million

EV/EBITDA 4.1x

Total Assets C\$ 12.321 billion

Current /Quick Ratio 1.5/1.17

Net Cash C\$762 million

Historical 5 year CAGR

Sales 15.65%

EPS -0.9%

Projected 2 year

Sales 2.8%

EPS 5.08%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- \$4 in cash per share; pristine balance sheet
- Well diversified customer base
- Increasing Content Per Vehicle
- Sector consolidation allows Magna to pick up new contracts for bankrupt competitors
- Little to no union exposure

STORY

Magna International is hands down one of the best run auto suppliers in the industry; unfortunately the industry is a dog at this point. Despite all of the negativity, Magna has \$4 in cash per share and this will allow them to cherry pick the assets of their competitors who've gone bankrupt, such as Collins Aikman and now Dana Corp. Magna's customer base continues to be diversified away from the Big 3 with acquisitions in Europe along with new contracts with large European and Asian OEMs. The Big 3 despite their woes have made it clear their desire to consolidate the number of supplier they use and because of their overall sound financial position, Magna was elected to become a primary supplier which will mean more and larger contracts. Magna's products are highly engineered, therefore high barriers to entry remain in place, and they also are expanding the assembly business and have contracts for the BMW X 3, Renault and Peugeot along with the Mercedes R-class.

PROFILE / BUSINESS SEGMENT DESCRIPTION

Magna International Inc. designs, develops and manufactures automotive systems, assemblies and components, and assembles and engineers complete vehicles. Its primary customers are OEMs. Customer Base: GM-22%, Ford-16%, DCX-23%, BMW-20%, Volkswagen-6%, other-13%

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Matthews Pacific Tiger

Currently held: Yes

Recommendation: HOLD

NYSE: MAPTX

Conglomerate

Market Cap: \$2.38B – Mutual Fund

KEY STATISTICS

Stock Data

Current Price:	\$20.60
52-Week Price Range:	\$15.23-22.14
Beta (SP500)	1.14
Dividend yield:	
Company	0.60%
Peers	0.97%
P/E:	
(12 mo. Forward and Trailing)	N/A
(Industry)	13.52
P/B	N/A
P/E to Growth	1.18
No. of Holdings	62

Target Price

12-Month Target Price	\$23.00
Expected Return	11.0%

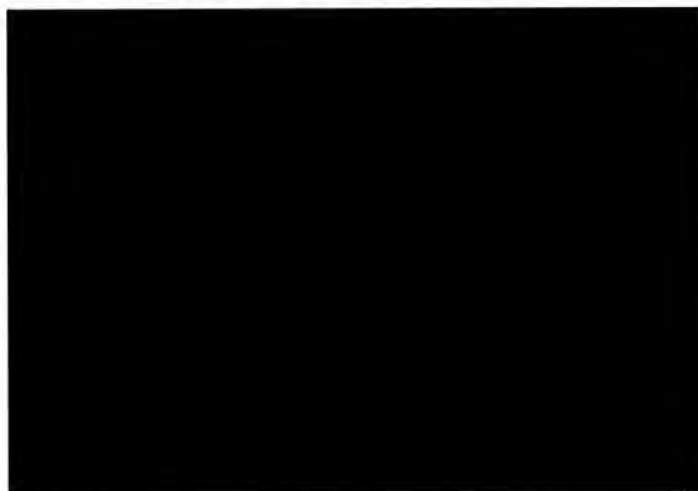
Mutual Funds

Morningstar Rating	4 Stars
Equity/Fixed Income Style	Large Growth
NAV	\$2.38B
12b-1 Fees	0.0%
Expense Ratio:	
(Company)	1.48%
(Industry)	2.10%
Max Front End Sales Load	0.0%
Max Deferred Sales Load	0.0%
Annual Holdings Turnover	15.0%
Minimum Initial Investment	\$2,500
Sharpe Ratio	2.25
Beta	1.14
Alpha	0.25

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The target price will generate sufficient returns relative to the risk.
- Expense ratio is lower than peers.
- Key statistics
- The Pacific region has seen increasing stability.

1 YR. COMPARISON MAPTX vs. S&P500



PROFILE / BUSINESS SEGMENT DESCRIPTION

The investment seeks capital appreciation. The fund normally invests at least 65% of assets in equity securities of Pacific Tiger economies such as Hong Kong, Singapore, South Korea, Taiwan, China and others. In selecting securities, the fund looks at management quality, competitive position, growth prospects, valuations compared to industry averages, and earnings track record. Although the assets of the fund are ordinarily invested with geographic flexibility, there is no limitation on the percentage of assets which may be invested in any one country.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Telecom New Zealand Ltd

Currently held: No

Recommendation: **STRONG BUY**

NYSE: NZT

New Zealand based telecom provider

NZX All Index

Market Cap: \$6.95 B – International Large Cap

KEY STATISTICS

Stock Data

Current Price:	NZD\$5.54/ USD\$27.32
ADR info:	1 ADR = 8 Ord
FX	USD/NZD 1.500
52-Week Price Range	\$27.53 - \$39.00
EPS –	NZD .423
EPS –	Historical
Beta	1.02
Dividends	NZD .45
Dividend yield	10.72%
P/E	11.40x
P/B	4.3x
EV/EBITDA	5.7x

Target Price

Target Price	NZD \$6.13/ US\$32.71
Price Appreciation	18.30%
Dividend Yield	10.72%
Total Return	29.02%

Financial Data as of year end 2005

Revenues	NZD 5.64 billion
Net Income	NZD 967 million
EBITDA	NZD 2.248 billion
EV/EBITDA	5.9x
Total Assets	NZD 6.942 billion
Current /Quick Ratio	.90/.63
Net Debt/ Equity	1.5x
Historical 3 year CAGR	
Sales	2.87%
EPS	2.38%
Projected 3 year	
Sales	.57%
EPS	.56%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Stock fully discounts regulatory risk of new entrants
- Growing mobile and broadband business
- Potential sale of cash draining Australian business
- Southern Cross, trans Pacific fiber optic business

STORY

Telecom New Zealand's share price has collapsed since the start of 2006, down over 20%. The market is concerned about the prospect of the government regulating telecommunications and at current price levels the stock is fully discounting a worse case scenario. NZT has successfully been growing its mobile and broadband business in New Zealand. After years of heavy investing in their network's infrastructure, the company will now begin to see these investments come to fruition. The Australian business has been a cash drain and an announcement of its sale to Singapore Telecom's mobile unit, Optus, would be a huge positive to the share price. Southern Cross was the first trans-Pacific pipeline and NZT has a 50% stake, only now after years of running at losses will the company begin to turn a profit. Lastly, NZT's primary competitor in New Zealand is Vodafone, which has a competitive advantage with ability to procure handsets for much cheaper than NZT until NZT tied up with Sprint.

PROFILE / BUSINESS SEGMENT DESCRIPTION

Telecom Corp of New Zealand provides telecommunications services by offering local, national and international telephone services to households and businesses. NZT is the incumbent provider in New Zealand and does have small SME operations in Australia.

GENERAL INFORMATION

T. Rowe Price Short-Term Bond

Currently held: Yes
Recommendation: HOLD

NYSE: PRWBX
Mutual Fund
Market Cap: \$1.26B

KEY STATISTICS

Stock Data

Current Price: \$4.65
52-Week Price Range: \$4.66-4.74
Beta (Bloomberg, ValueLine) 0.37
Dividends \$0.01

Target Price

12 Month Target Price \$4.50
Expected Return -3.4%

Mutual Funds

Morningstar Rating 3 Stars
Equity/Fixed Income Style High Credit Quality
Low IR

NAV \$4.66
12b-1 Fees 0.0%
Expense Ratio 0.55%
Min. Investment \$2,500
Sharpe ratio (3 yr.):
(Company) 0.02
(Peers) -0.02
Beta 0.37
Alpha 0.07
No. of Holdings 373
Portfolio Turnover:
(Company) 56.00%
(Peers) 104.39%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Raising IR will force down the price of short-term bonds.
- Yield curve will continue towards inversion.
- Key statistics
- Dividends are almost none existent.

1 YR. COMPARISON PRWBX vs. S&P500



PROFILE / BUSINESS SEGMENT DESCRIPTION

The investment seeks income consistent with minimal fluctuation in principal value and liquidity. The fund normally invests at least 80% of assets in bonds that are rated within the four highest credit categories. It may also invest in bank obligations, CMOs, foreign securities, and hybrids. The average weighted maturity typically does not exceed three years. The fund can purchase foreign stocks, futures, and options, if such purchases are in keeping with the fund's objectives.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Rydex Juno Investor

Currently held: Yes

Recommendation: HOLD

NYSE: RYJUX

Mutual Fund

Market Cap: \$800.21B

KEY STATISTICS

Stock Data

Current Price:	\$19.68
52-Week Price Range:	\$17.23-19.45
Beta (Bloomberg, ValueLine)	.30
Dividends	\$2.25
Dividend yield	3.40%
P/E:	
(12 mo. Forward and Trailing)	10.02, 10.55
(Industry)	10.00
P/B	2.84
P/E to Growth	1.18

Target Price

12-Month Target Price	\$22.00
Expected Return	-5.0%

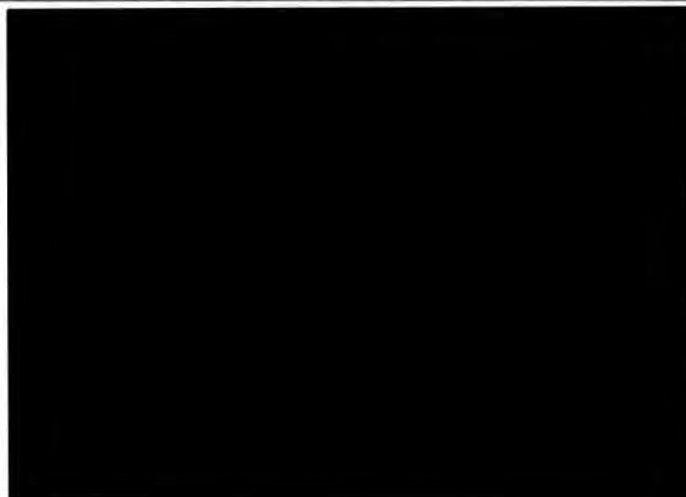
Mutual Funds

Morningstar Rating	3 Stars
Equity/Fixed Income Style	Short long-term
bonds	
NAV	\$18.50
12b-1 Fees	0.0%
Expense Ratio:	
(Company)	1.32
(Peers)	0.89
Min. Investment	\$25,000
Sharpe ratio (3 yr.)	
(Company)	-0.46
(Industry)	-0.61
Beta	.30
Alpha	0.55
Portfolio Turnover	101%
Avg. Coupon	3.38

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The Target Price is expected to decline over the next 12 Months.
- Fed to raise interest rates short term.
- Key statistics
- 30 year Treasury yields expected to decrease.

1 YR. COMPARISON RYJUX vs. S&P500



PROFILE / BUSINESS SEGMENT DESCRIPTION

The investment seeks total return, before expenses and costs, that inversely correlates to the price movements of the 30-year Treasury bond. The fund devotes most of assets to employing such investment techniques as short sales on U.S. Treasury bonds, transactions in futures contracts on U.S. Treasury bonds, and options on such contracts to produce synthetic short positions. This fund is non-diversified.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

SSgA Emerging Markets

Currently held: Yes

Recommendation: HOLD

NYSE: SSEMX

Mutual Funds

Market Cap: \$1.65B

KEY STATISTICS

Stock Data

Current Price:	\$21.47
52-Week Price Range:	\$14.88-21.67
Beta (Bloomberg, ValueLine)	1.34
Dividends	\$0.48
Dividend yield	2.17%
P/E:	
(12 mo. Company)	9.70
(Industry)	13.81
P/B:	
(Company)	1.90
(Peers)	2.89

Target Price

12 Month Target Price	\$25.00
Expected Return	23.1%

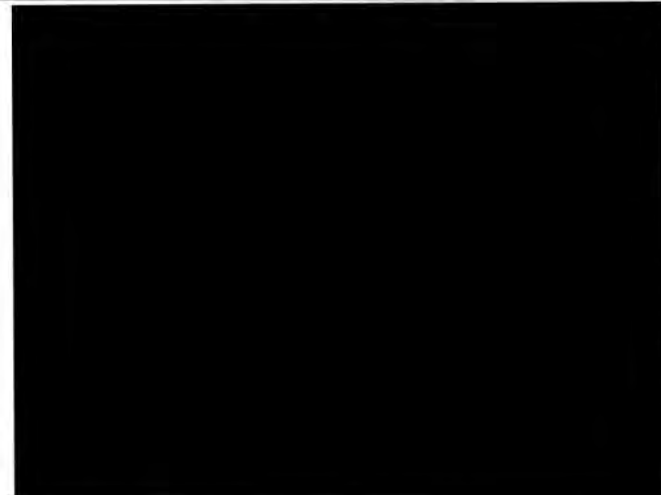
Mutual Funds

Morningstar Rating	3 Stars
Equity/Fixed Income Style	Large Growth
Int'l	
NAV	\$21.13
12b-1 Fees	0.25
Expense Ratio	1.25
Min. Investment	\$1,000
Sharpe ratio (3 yr.):	
(Company)	2.47
(Peers)	2.43
Beta	1.34
Alpha	0.28
No. of Holdings	268
Portfolio Turnover:	
(Company)	52.61%
(Peers)	79.76%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Cheap expense ratios relative to its peers.
- The emerging markets sector is expected to have a profitable year.
- Key statistics
- Low turnover ratio relative to peers.

1 YR. COMPARISON SSEMX vs. S&P500



PROFILE / BUSINESS SEGMENT DESCRIPTION

SSgA Emerging Markets Fund seeks total return primarily through capital appreciation. The fund typically invests at least 80% of assets in equities issued by companies domiciled in emerging-market countries. It generally diversifies its investments across 10 or more countries. The fund may invest in other investment companies that invest in emerging markets.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2006

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

United Overseas Bank

Currently held: No

Recommendation: MODERATE BUY

NYSE: UOVEY

Singapore bank

STI Index

Market Cap: \$14.48 B – International Large Cap

KEY STATISTICS

Stock Data

Current Price:	S\$15.60/ US\$19.28
ADR info:	1 ADR = 2 Ord
FX	USD/EUR 1.1632
52-Week Price Range	\$15.90 - \$19.00
EPS –	S\$ 1.11
Beta	1.02
Dividends	S\$.60
Dividend yield	3.97%
P/E	12.58x
P/B	1.54x

Target Price

Target Price	S\$ 18.51/ US\$23.06
Price Appreciation	22.63%
Dividend Yield	3.97%
Total Return	26.60%

Financial Data as of year end 12/2005

Operating Income	S\$ 3.761 billion
Net Income	S\$ 1.709 billion
Operating Profit	S\$ 2.164 billion
Net Interest Margin	199bps
Total Assets	S\$ 145.07 billion
Tier 1 Capital Ratio	11.0
NPL/Loan Ratio	5.6
Loan-to-Deposit Ratio	81.7
Cost/Income	37.9

Historical 5 year CAGR

Operating Income	13.92%
EPS	7.6%
Projected 3 year	
Operating Income	5.7%
EPS	3.46%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Bottoming of net interest margins
- Improving fee income
- Turnaround Thailand business
- Capital Management: buybacks and special dividends
- Improving Singapore economy

STORY

UOB Ltd is one of three large banks based in Singapore, until somewhat recently the macroeconomic outlook for Singapore was lackluster. Recent banking stats indicate resurgence in loan growth. Net interest margins looked to have bottomed after nearly 3 years of declines while fee income has improved over the past 2 quarters. The core business in Singapore finally looks to be turning around, the new business in Thailand looks to be off to a better than expected start after some one off costs are passed through the P&L. There is more evidence of capital management; UOB just began a \$600m share buyback, with more cash to be raised on the disposal of non-core assets ahead of their July 2006 deadline. These asset disposals along with a Tier 1 ratio of 11% leave ample room for a dividend hike and or a special dividend. Costs could be on the rise; however provisions look to have reached their trough.

PROFILE / BUSINESS SEGMENT DESCRIPTION

United Overseas Bank Limited offers a full range of commercial banking and financial services. The company offers private banking, trust services, venture capital investment, merchant banking, stock broking, insurance, fund management and trading. Most lending is done in Singapore.

GENERAL INFORMATION

Vodafone Group PLC

Currently held: No

Recommendation: **STRONG BUY**

NYSE: VOD

UK Wireless provider

FTSE 100 Index

Market Cap: \$126B – International Large Value

KEY STATISTICS

Stock Data

Current Price:	\$20.90
ADR info:	1 ADR = 10 Ord
FX	GBP/USD 1.7510
52-Week Price Range	\$19.07-\$28.14
EPS –	GBP 10.65
EPS –	Historical
Beta	1.03
Dividends	GBP 4.36
Dividend yield	3.59%
P/E	11.0x
5 year avg.	33.5x
P/B	0.75x
EV/EBITDA	5.7x
5 year avg.	13.6x
Other ratios	

Target Price

Sum-of-the-Parts:	161p/ US\$28.20
Expected return	34.93%

Financial Data as of year end 2005

Revenues	£33.54 billion
Net Income	£6.34 billion
EBITDA	£28.8 billion
EV/EBITDA	7.5x
Total Assets	£133.91 billion
Current /Quick Ratio	.65/.43
Net Debt/05 EBITDA	1.6x
Historical 5 year CAGR	
Sales	17.8%
EPS	6.7%
Projected 5 year	
Sales	4.6%
EPS	3.7%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Transition from growth company to mature company
- Significant room to raise dividend payout ratio
- Selling of weak divisions (Japan)

STORY

Vodafone has long been regarded as a growth company due to its massive exposure to wireless telecommunications. Global markets are saturated with providers of voice and data services, with new companies undercutting the monopoly the incumbent providers held for so long. The management of Vodafone has come to the realization that they can no longer grow through acquisition or even organic growth without significantly eroding their margins. Management led by Arun Sarin is shifting from a growth oriented vision to one that is far more focused on shareholder value. The CEO was quoted as saying, “we need to have a different approach to asset sales, dividend policy and cost cutting”. Vodafone is a cash machine, with huge potential to surprise the market with a large special dividend, continued share buybacks or a higher payout ratio.

PROFILE / BUSINESS SEGMENT DESCRIPTION

Vodafone is a UK based mobile telecommunications company with a broad range of services, including voice and data communications. Their operations are mainly in Europe with exposure to the Far East and the U.S.A. with a large stake in Verizon Wireless.