QUARTERLY REPORT

JUNE 30, 2011

QUARTERLY REPORT

JUNE 30, 2011

FUND MANAGERS

Andrew Chalache

David Edelson

Merrill Nelson

Daniel Shumate

THE UNIVERSITY of TENNESSEE
KNOXVILLE
COLLEGE of BUSINESS ADMINISTRATION

TABLE OF CONTENTS

MANAGER'S LETTER

Mr. and Mrs. LaPorte,

The LaPorte Torch Fund (the "Portfolio") managers would like to extend our gratitude and appreciation for providing us the continued opportunity to allocate capital on your behalf. We consider this to be an unbelievable learning opportunity, and we will strive to perform to the best of our abilities in order to meet the primary goals of creating the maximum positive return for the Portfolio while outperforming the Standard & Poor's 500 Index (the "S&P 500"). We look forward to continue working with you throughout our tenure.

During our third quarter as managers, the Portfolio increased in value from $259,936.27 to $267,998.21, which resulted in a 3.10% gain. During that same time period, the S&P 500 increased in value by 0.10%. Through three quarters, our tenure return is now 19.52%, leading the 17.43% gain for the S&P 500. Our third quarter activity consisted of four liquidations, two acquisitions, and an increase in our Amgen investment. Notably, we sold our positions in ARM Holdings, Panera Bread, and J.B. Hunt Transport Services to realize gains on the investments. The managers also purchased McDonald's and Verizon Communications, two defensive plays that have appreciated 6.89% and 0.51%, respectively.

We continue to see economic headwinds in the form of domestic unemployment, global uncertainty, and the lagging housing industry. Moving forward, we forecast a period of uncertainty characterized by slow growth. Certain indicators, such as the temporary bailout given to Greece and improvements in the manufacturing indexes towards the end of the quarter, lead us to be cautiously optimistic on the outlook for the United States equity markets. In accordance with our economic outlook, which is detailed on page three, we will continue to take a top-down investment approach in search of companies with solid growth prospects and healthy financial positions. In addition, we have identified a number of holdings that continue to lag the general market; as such, we will consider a reallocation of funds as opportunities arise.

Sincerely,

Andrew Chalache ______________________________

David Edelson ______________________________

Merrill Nelson ______________________________

Daniel Shumate ______________________________

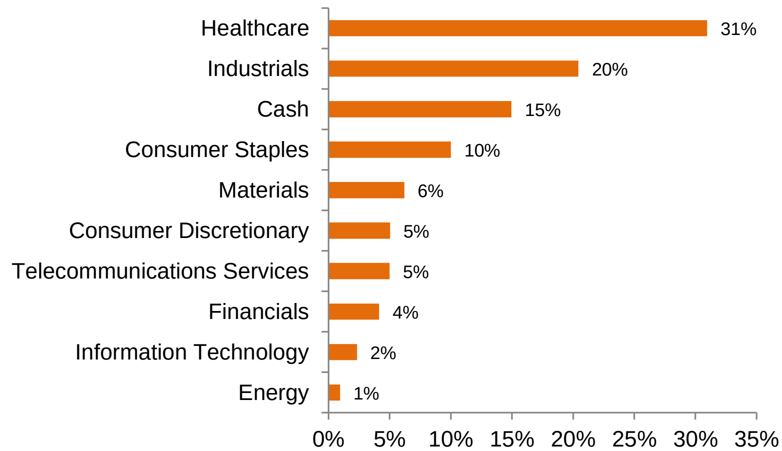
TEARSHEET

Description

The LaPorte Torch Fund is a long-term growth equity portfolio. The fund is managed by a group of current students enrolled in the University of Tennessee's Masters in Business Administration Program. The managers of the fund have the following goals: (i) maximize positive return of the portfolio for the client, (ii) beat the S&P 500 in percent return, and (iii) gain valuable experience managing a portfolio of equity securities.

Performance	LaPorte Fund	S&P 500
Q1 Percent Change (9/30/10 - 12/31/10)	10.06%	10.76%
Q2 Percent Change (12/31/10 - 3/31/11)	5.33%	5.92%
Q3 Percent Change (3/31/11 - 6/30/11)	3.10%	0.10%
Tenure Percent Change (9/31/10 - 6/30/11)	19.52%	17.43%

Sector Allocation (as of 6/30/11)



* The Portfolio does not hold positions in the Utilities sector.
* Totals do not tie due to rounding.

Best Five Performers in Current Portfolio	% of Portfolio (as of 6/30/11)	Q3 Return (3/31/11 - 6/30/11)
Johnson & Johnson	4.96%	13.23%
WellPoint, Inc.	6.47%	13.23%
Goodrich Corp.	6.24%	12.00%
Fastenal Company	5.37%	11.43%
Pepsico, Inc.	5.26%	10.15%

Worst Five Performers in Current Portfolio	% of Portfolio (as of 6/30/11)	Q3 Return (3/31/11 - 6/30/11)
McDermott International, Inc.	0.95%	(21.98%)
Bank of America Corp.	4.15%	(17.70%)
Vulcan Materials	2.16%	(14.96%)
Cisco Systems, Inc.	2.33%	(8.63%)
General Electric	3.52%	(5.24%)

Daily Risk Metrics	LaPorte Fund	S&P 500
Beta	0.81	1.00
Standard Deviation	2.93%	0.79%
Daily Return	0.09%	0.00%
Annualized Treynor	0.41	0.02
Annualized Sharpe	0.59	0.11

Note: Q2 performance has been modified to reflect a change in S&P 500 data reported in Bloomberg. The return is being restated from 5.39% to 5.92%.

ECONOMIC OUTLOOK & INVESTMENT THESIS

We are committed to the continued belief that the United States economy in 2011 will continue to work through an extended period of slow economic growth. Weak economic data reports and continued global economic and political instabilities during the past three months have reinforced our thesis. We are concerned that the negative trends of the economic data, along with the unstable political climate in both the United States and Europe, could result in negative consequences as we look to the final quarter of our tenure.

Our 2011 second quarter GDP forecast called for domestic growth between 2.0% and 3.5%. Looking forward, we affirm this projection, but we also believe that annual GDP will fall to the lower end of that spectrum. The most recent change in real GDP revision from the Federal Reserve reported an expectation of 2.7 to 2.9% for 2011.[1] Additionally, the consensus average GDP growth forecast among Wall Street Journal surveyed economists averages about 2.8%.[2]

The majority of economic data for the third quarter of our tenure was largely negative. United States unemployment rose from 8.8% in March to 9.1% in June.[3] Consumer confidence fell to 60.8 in June from its level of 63.4 in March, and durable goods orders were lower than expected.[4] The housing market has continued to decline, with housing prices reaching new lows during the quarter. In addition, housing starts are down 13% over a year, and transport data indicates a two track economy: weak housing and slowing manufacturing combined with rising input costs.[5] This aggregate data concerns us as we move into our final term.

However, some minor improvements in economic factors emerged towards the end of the quarter. We were encouraged by the passing of the aid package to prevent default in Greece and a reduction in the price per barrel of crude oil from its high of $113.93 in April.[6]

As mentioned in our second quarter economic thesis, we believe that the global financial markets remain fragile and are susceptible to risks associated with the ongoing possibility of an outside political or financial event causing significant market volatility. Two occurrences in the third quarter have acted as this kind of event and remain unresolved. The Greek debt crisis dominated headlines for most of May and June, and while a bailout package has been provided for Greece, the cost to sustain its debt level may be a price that is too high for any hope of future recovery.[7] The move from risky assets has been accentuated by the decreasing yield on Treasury Bonds in the United States; the 10-year Treasury Bond yield dropped below 3.0% in June, the lowest level since the 1950s.[8]

Domestically, there is a high level of unresolved political tension; a fierce battle between political parties over raising the debt ceiling threatens the potential for a technical default, which could also have severe market ramifications.[9] While the United States and Europe are struggling to get their respective economies moving, China's economic growth is decelerating. As China's central bank has taken efforts to reduce inflation, manufacturing in the country has begun to slow.[10] This has large implications for global improvement because of the interdependence of industry, and any contraction of the Chinese economy could negatively impact those countries in a more fragile state.

These factors lead us to be particularly cautious as we move into the final quarter of our tenure. While we believe the United States equity markets have room for slow incremental growth, the macroeconomic environment has increasingly dangerous factors that could derail the current recovery. Despite the current market volatility due to widespread economic uncertainty, we believe there may be an opportunity to find intriguing investments that could provide long-term positive gains. Our top-down approach to investing emphasizes identifying those companies with macro-growth prospects as well as strong balance sheets. To hedge against some of the uncertainty, we have structured the Portfolio with an emphasis on less volatile stocks that pay dividends and have particularly strong financial structures.

EXECUTIVE SUMMARY

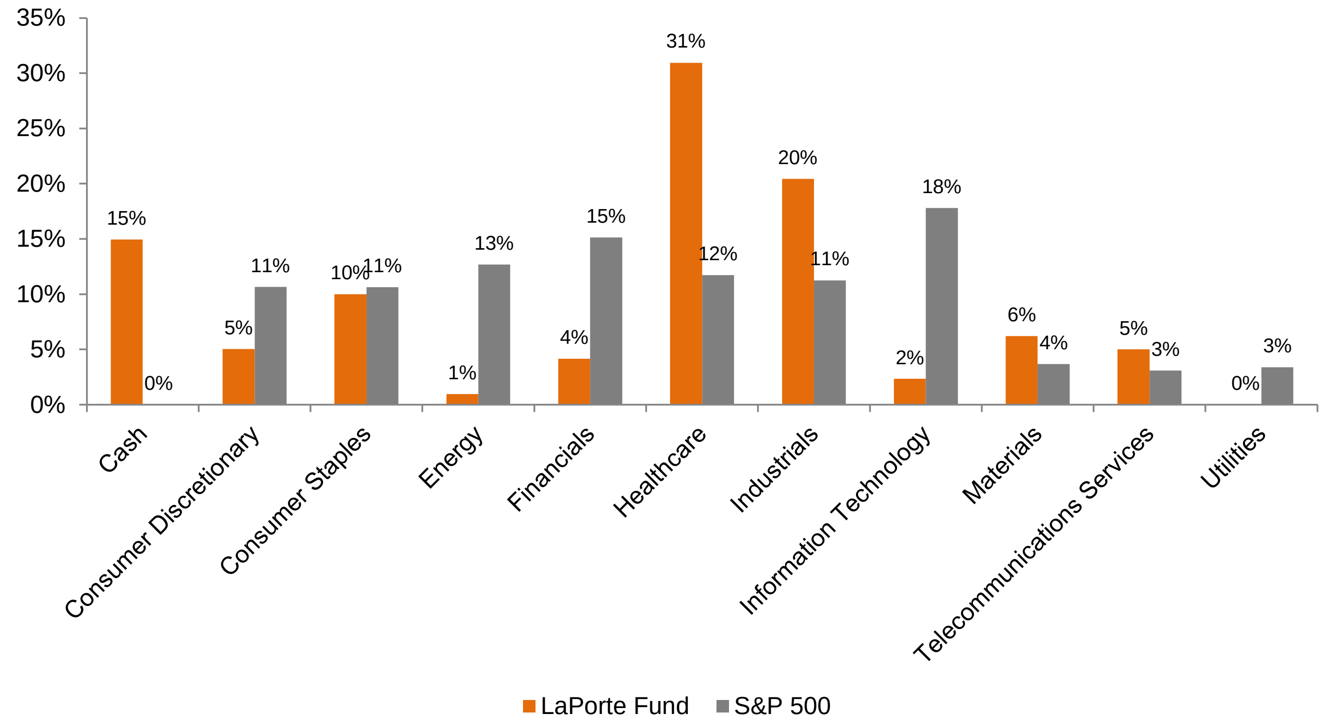
The Portfolio ended the quarter with a value of $267,998.21. The Portfolio produced a total return of 3.10% for the third quarter of our tenure, compared to a total return of 0.10% for the S&P 500. The Portfolio outperformed the broad market because of its relative concentration in multinational companies with large market capitalizations as well as being underinvested for most of the quarter. The five worst performers in the Portfolio were McDermott International, Bank of America, Vulcan Materials, Cisco Systems, and General Electric.

During the third quarter of our tenure, the Portfolio's risk metrics, including standard deviation, Sharpe Ratio, Treynor Ratio, and beta, produced higher deviations from the S&P 500 compared to previous quarters. Daily standard deviation was 2.93% for the Portfolio compared to 0.79% for the S&P 500. The Annualized Sharpe Ratio was 0.59 for the Portfolio and 0.11 for the S&P 500. The Annualized Treynor Ratio was 0.41 for the Portfolio and 0.02 for the S&P 500. The Portfolio's beta of 0.81 helps to explain the return profile over the quarter. As the Portfolio's current allocation takes on less risk than the S&P 500, we would expect to see relative outperformance of the benchmark in a bear market.

After assuming management responsibilities for the Portfolio on October 1, 2010, our primary initiative has been analyzing the Portfolio and making the appropriate changes in order to maximize shareholder value during our tenure. We took actions on this goal by liquidating not only our positions in ARM Holdings, Panera Bread, and J.B. Hunt Transport Services to realize substantial returns, but also by recognizing that Alliance Bernstein was not the prospect we had originally believed and moving out of that stock purchase as well.

Our primary initiatives in the third quarter were to find valuable investment opportunities while subsequently moving the Portfolio into a more defensive position in line with our economic thesis. Throughout the third quarter of our tenure, we analyzed multiple securities from week to week to determine if they met our investment objectives of having potential growth opportunities, having strong financials, and being at the right price to take advantage of those opportunities. As a result, we identified two acquisition opportunities in McDonald's and Verizon Communications.

The Portfolio is underweight in allocation compared to the S&P 500 in a number of sectors, including consumer discretionary, energy, financials, and information technology. The discrepancy in the consumer discretionary sector is partly due to our liquidation of Panera Bread, and the difference in the energy sector is explained by our bearish outlook due to governmental regulation and oil price volatility. The financial sector continues to lag the rest of the market and we lowered our exposure to this sector in the third quarter. Finally, the discrepancy in the information technology sector is due to our liquidation of ARM Holdings combined with our bearish outlook for the sector in the near-term.



* Totals do not tie due to rounding.

The Portfolio is overweight in allocation compared to the S&P 500 in a number of sectors, including healthcare and industrials. Healthcare has performed very well relative to the market, and we reinforced our position in this sector by adding more shares of Amgen to the Portfolio in the third quarter. Out of the five healthcare holdings, we feel that two do not completely align with the healthcare sector. Johnson & Johnson is a multinational conglomerate that operates in a number of sectors, and WellPoint is more in line with the financial sector as it is an insurance play. The same rationale exists for the industrial sector, as General Electric is also a multinational conglomerate with a substantial portion of its business in the financial industry. It is important to note that the Portfolio currently has 14.95% in cash, which also contributes to the difference between the Portfolio and the S&P 500.

LIQUIDATIONS AND ACQUISITIONS

Liquidations

On April 7, 2011 we liquidated 550 shares of Alliance Bernstein Holding L.P. ("Alliance") at $22.47. The sale was completed less than three months after the purchase of the shares because it became clear to us that we had misjudged Alliance's prospects going forward. We made the acquisition because we believed that client outflows would no longer hinder the company and that its brand and business model were fundamentally sound. Unfortunately, as we continued to monitor the progress of the business, we discovered that client outflows were going to continue,[11] and we lost confidence in Alliance's ability to revive its business development. The New York State Pension fund, the third-largest United States retiree plan, terminated its relationship with Alliance,[12] and a survey conducted by Cogent Research found that many of Alliance's customers were planning on leaving in the next twelve months.[13] Because we were no longer confident that a turnaround was underway at the company, we sold the position, locking in a 5.36% holding period gain for the Portfolio.

Our 600 share position in ARM Holdings, PLC ("ARMH") was sold on May 4, 2011 for $28.51 per share, liquidating our entire position in the mobile device semiconductor intellectual property company. The stock performed very well during our tenure, posting a 50.16% increase in price over the past three quarters; however, there were significant headwinds that posed a real long-term threat to continued growth of the stock. First, Intel and Apple have been collaborating to diversify Apple's dependency on any one company for their latest round of iPhone semiconductor technology.[14] ARMH already controls upwards of 90% of the market share in the mobile device market, so a move by Intel into its "space" could significantly affect sales and reduce the impressive growth rate the company has seen to date.

In addition to the potential workings between Intel and Apple, Intel's marketing of the Atom for mobile devices and the latest breakthrough in the semiconductor technology, the Tri-gate technology, will allow Intel to produce smaller, more energy efficient chips. Analysts say this places Intel almost three years in front of the nearest competitors who are struggling to mirror its last improvements. Our sale of ARMH was prompted by the concern that once Intel has a lower energy, more powerful chip that can be used in the mobile devices that have become so prevalent, ARMH's market share will be eroded.[15]

We liquidated our entire 300 share position in J.B. Hunt Transport Services ("J.B. Hunt") on April 7, 2011 at a price of $45.83. The shares had recently reached a new 52-week high, and we were concerned with a number of macroeconomic trends that could negatively affect the company in the near-term. First, the recent rise in crude oil is a significant issue as diesel fuel is one of the more expensive byproducts of crude oil. This is one of the company's largest input costs, and we do not feel it would be able to mitigate this increased pressure with its use of fuel surcharges.

Second, the industry is seeing a shortage in available drivers, and J.B. Hunt is considered one of the worst companies to work for as a driver due to a number of factors, including the types of tractors and restrictor plates on the accelerators. The decreasing availability of drivers should result in higher industry wages, which does not bode well for a company that has difficulty attracting drivers and lists labor as one of its other largest input costs with fuel. Third, our outlook on the transportation sector as a whole has turned bearish, which combined with the aforementioned concerns, led us to exit our one investment in this sector.

We liquidated our entire 125 share position in Panera Bread Company ("Panera") on April 7, 2011 at a price of $121.87. The company had a significant run after releasing its fiscal year 2010 earnings, accomplishing a new 52-week high of $116.11. The stock continued to trade up over the following weeks, yet the skyrocketing price of wheat became a concern. This high-flying, high-growth stock is extremely volatile in nature, and we did not want to continue to take this risk with inflation looming. Wheat is one of the company's largest input costs, and despite remaining growth potential, we felt that commodity pressure would negatively squeeze Panera in 2011.

Acquisitions

On April 28, 2011, we voted to purchase an additional 100 shares of Amgen, Inc. ("Amgen"), the world's largest biotechnology medicines company. The purchase price was $57.04 per share. Including fees, the total purchase value was $5,711.57. Post-purchase, the shares have risen approximately 2.16%, outpacing the S&P 500, which has fallen 2.93% (excluding dividends). After weathering Amgen's underperformance during the first half of our tenure, the team, wary of a growing number of troubling economic indicators, determined that Amgen's "best-in-breed" industry position, strong balance sheet, and promising pipeline were particularly attractive in an uncertain market.

We bought 160 shares of McDonald's Corporation ("McDonald's") on May 9, 2011 for $79.41 per share. We conducted an analysis of the quick-service restaurant industry and determined that McDonald's was "best-in-breed" and offered the strongest long-term upside potential compared to its peers. The company continues to enjoy a leading market position in every country in which it operates. Further, McDonald's produces stable cash flow, even in challenging economic times, because of a steady stream of franchisee royalty and rent payments. Along with capital appreciation through an increasing stock price, we like McDonald's for its dividend yield of 3.10%.[16] The company has a 30 year history of paying cash dividends and repurchasing shares, and its dividend payments have increased at a compound annual growth rate of 27.5% over the last five years.

On April 28, 2011, we acquired 360 shares of Verizon Communications ("Verizon") at three different purchase points: 65 shares at $37.02, 100 shares at $37.019, and 195 shares at $37.0191. The purchase was made with the bearish thesis of the managers at the forefront of the rationale. Verizon has consistently generated large cash flow and has paid a strong dividend as a result. Since we believe the market could slow down, we would like to seek gains in dividends as well as in stock price appreciation. Verizon has had a dividend yield of greater than 5% since 2008, and it has an average yield of over 3.7% for the last 15 years. Another element of our defensive play is the relatively low beta of Verizon (0.7 according to Value Line surveys). If the market does decline, then we expect Verizon to be impacted less than the market as a whole.

While there are bearish factors behind our decision to purchase Verizon, we believe the stock also has significant growth potential. Verizon has consistently improved its wireless network and is rolling out the 4G LTE service across the country providing faster and higher quality service to its customers. Verizon has also added the Apple iPhone to its lineup, and it is expected to significantly increase sales and draw customers from less reliable networks such as AT&T. The Apple iPhone 5 is expected to enter the market between August and October, and Verizon expects a corresponding surge in phone purchases and customers. Lastly, if the AT&T/T-Mobile acquisition occurs, we expect joining pains to be felt by the customer base and a weaker competitive environment which Verizon can take advantage of.

FUND PERFORMANCE

Sectors & Equities	Ticker	% of Portfolio (as of 6/30/11)	Price (as of 6/30/11)	No. of Shares	Market Value (as of 6/30/11)	Q1 Return (9/30/10 - 12/31/10)	Q2 Return (12/31/10 - 3/31/11)	Q3 Return (3/31/11 - 6/30/11)	Tenure Return (9/30/10 - 6/30/11)
Consumer Discretionary									
McDonald's Corporation	MCD	5.03%	$84.32	160	$ 13,491.20	0.00%	0.00%	6.89%	6.89%
		5.03%			**$ 13,491.20**				
Consumer Staples									
Pepsico, Inc.	PEP	5.26%	$70.43	200	$ 14,086.00	(1.67%)	0.06%	10.15%	8.23%
Procter & Gamble Co.	PG	4.74%	$63.57	200	$ 12,714.00	8.07%	(3.50%)	4.05%	8.49%
Total		**10.00%**			**$ 26,800.00**				
Energy									
McDermott International, Inc.	MDR	0.95%	$19.81	128	$ 2,535.68	39.99%	22.72%	(21.98%)	34.03%
Total		**0.95%**			**$ 2,535.68**				
Financials									
Bank of America Corp.	BAC	4.15%	$10.96	1,015	$ 11,124.40	16.62%	0.00%	(17.70%)	(4.00%)
Total		**4.15%**			**$ 11,124.40**				
Healthcare									
Amgen	AMGN	8.71%	$58.35	400	$ 23,340.00	(0.38%)	(2.64%)	7.42%	4.95%
Becton, Dickinson & Company	BDX	6.43%	$86.17	200	$ 17,234.00	14.62%	(5.31%)	8.74%	17.95%
Johnson & Johnson	JNJ	4.96%	$66.52	200	$ 13,304.00	0.69%	(3.33%)	13.23%	10.02%
Stryker Corp.	SYK	4.38%	$58.69	200	$ 11,738.00	7.59%	13.56%	(3.17%)	18.28%
WellPoint, Inc.	WLP	6.47%	$78.77	220	$ 17,329.40	2.15%	23.18%	13.23%	42.41%
Total		**30.95%**			**$ 82,945.40**				
Industrials									
Fastenal Company	FAST	5.37%	$35.99	400	$ 14,396.00	NA	4.68%	11.43%	16.65%
General Electric	GE	3.52%	$18.86	500	$ 9,430.00	13.29%	10.39%	(5.24%)	18.52%
Goodrich Corp.	GR	6.24%	$95.50	175	$ 16,712.50	20.31%	(2.88%)	12.00%	30.78%
3M Co.	MMM	5.31%	$94.85	150	$ 14,227.50	0.13%	8.98%	2.03%	11.26%
Total		**20.44%**			**$ 54,766.00**				
Information Technology									
Cisco Systems, Inc.	CSCO	2.33%	$15.61	400	$ 6,244.00	(7.63%)	(15.23%)	(8.63%)	(28.45%)
Total		**2.33%**			**$ 6,244.00**				
Materials									
Praxair, Inc.	PX	4.04%	$108.39	100	$ 10,839.00	6.27%	6.95%	7.18%	21.69%
Vulcan Materials	VMC	2.16%	$38.53	150	$ 5,779.50	20.83%	3.36%	(14.96%)	6.39%
Total		**6.20%**			**$ 16,618.50**				
Telecommunications Services									
Verizon Communications	VZ	5.00%	$37.23	360	$ 13,402.80	0.00%	0.00%	0.51%	0.51%
Total		**5.00%**			**$ 13,402.80**				
Cash									
Cash (as of 6/30/11)		14.95%			$ 40,070.23				
Grand Totals		**100.00%**			**$ 267,998.21**				

STOCKS IN BRIEF

Consumer Discretionary

McDonald's was up 6.89% for the quarter ended June 30, 2011. The company attempted to contribute to the economic recovery and improve the country's unemployment issue by hosting its first national hiring day on April 19, 2011. McDonald's planned to hire 50,000 people, yet due to an overwhelming number of applicants, the company hired 24% more than anticipated, employing 62,000 people in the United States.[17] The Oak Brook, Illinois-based burger chain received more than one million applications.

The company reported first quarter earnings on April 21, 2011 of $1.15 per share, topping analyst expectations by a penny.[18] Total revenue rose 9.0% to $6.1 billion, and net income increased 10.9% to $1.2 billion.[19] The major theme from the earnings conference call was the concern for rising food costs, as the company missed its projections for commodity pressure. Management stated that its grocery basket will be up 4.0-4.5% this year, nearly twice as high as its previous estimate of a 2.0-2.5% increase. However, the company reiterated that it has navigated this environment before, and it will be able to pass along some of the increased costs to its customers through price hikes, including a 1.0% price increase that was instituted in early March.

Consumer Staples

PepsiCo, Inc. ("Pepsi") was up 10.15% for the quarter ended June 30, 2011. On April 8, 2011, Goldman Sachs lowered its EPS estimates for the company through 2012.[20] However, the Goldman Sachs equity research analyst maintained a buy rating with a $77.00 price target, which represents a 17.2% price premium to the closing market price on that same day. Pepsi is the dominant leader in the snack food market, yet recent activity in the merger and acquisition space is bolstering competition. Flowers Foods announced the purchase of Tasty Baking Company, Diamond Foods announced the purchase of Pringles from P&G, and Lance Foods and Snyder's of Hanover announced a merger of equals.[21]

The company released earnings on April 28, 2011, reporting an impressive 27.0% rise in first quarter sales led by international market growth.[22] Pepsi's net income of $0.74 per share barely topped analyst expectations, as the mean Street estimate was $0.73 per share.[23] Management stressed that a combination of high commodity cost inflation, a difficult macroeconomic environment in developed markets, and ongoing strategic investments in emerging markets will all weigh on earnings in the coming year.[24] The company plans to hike product prices going into the summer season, yet it warns that the increases will not be significant enough to offset rising commodity costs and a fragile consumer spending environment.[25] On the bright side, in keeping with the company's strategy of returning value to shareholders, Pepsi intends to continue share repurchases valued at $2.5 billion in fiscal 2011.[26]

Procter & Gamble Co. ("P&G") was up 4.05% for the quarter ended June 30, 2011. On April 5, 2011, the company agreed to sell its Pringles line of snack foods to Diamond Foods for $1.5 billion.[27] The rationale for the divestiture is to minimize the tax bite while continuing its strategy of fully exiting the food business in favor of faster-growing, higher-margin products in the health and beauty segments. This sale marks the fifth since 2002, as P&G has sold off Jif peanut butter, Crisco shortening, Sunny Delight orange drink, and Folgers coffee. An article in the *Wall Street Journal* on April 6, 2011 mentions the possibility of the company spinning off its Iams pet food business and its Duracell battery brand as well.

On April 11, 2011, P&G announced a 9.0% increase in its quarterly dividend from $0.4818 per share to $0.5250 per share.[28] The company has consistently increased its payout for 55 years, noting that it even raised its dividend during the financial crisis of 2008 and 2009.[29] Further, P&G reported earnings on April 28, 2011, citing a rise in profits of 11.0% as top-line sales grew across all of the company's segments.[30] Analysts expected $0.97 per share, yet P&G missed by a penny, announcing net income of $0.96 per share.[31] Management lowered its profit forecast for the year as it will try to trim expenses and pass along price increases in order to offset rising material costs.[32]

Energy

McDermott International ("McDermott") was down 21.98% for the quarter ended June 30, 2011. The company's finances remain in a very strong state with a high cash-to-debt ratio, increased revenue, and a rise in earnings per share to $0.29, but the issues related to the oil spill in the Atlantic have begun to weigh on the business.[33] In the most recent conference call, the CEO stated that it did not expect that segment to be profitable until 2012 with all things going well.[34] In addition, McDermott's primary commodity is steel, and the company has seen a rise in that input cost, which could impact margins in 2011.[35]

Lastly, the quarter also brought the threat of potential flooding damage to the Morgan City facility in Louisiana, McDermott's largest fabrication facility.[36] While this caused significant price movement, the long-term impact will most likely be negligible since preventive measures caused the flooding in Morgan City to be less than expected. While there are certainly bearish signs, there are also strong indicators of long-term growth prospects. The quarter saw improvements in earnings per share and revenue growth largely due to the activity in the Middle-East and Asian segments, which helped to counter the slowed drilling in the Atlantic.[37] In addition, McDermott is operating at some of the highest levels of backlog in its history and is aggressively attempting to convert that to revenue within the fiscal year.

Financials

Bank of America Corporation ("BOA") was one of the worst performers in the Portfolio for the quarter ended June 30, 2011. During the quarter, the BOA position lost 17.70% of its value; and since entering the Portfolio on November 3, 2010, BOA is down 4.00%. On April 15, 2011, BOA reported net income of $2.0 billion, or $0.17 per diluted share[38] for the first quarter ended March 31, 2011 and continued to maintain its $0.01 dividend.[39] Unfortunately, BOA's stock price has suffered during the second quarter because of continuing mortgage-related issues and the legacy costs of the Countrywide acquisition. BOA will report a second quarter loss of $8.6 to $9.2 billion[40] or $0.88-$0.93 per share.[41] This loss will be driven by a settlement announced on June 29, 2011 with 22 investors in Countrywide mortgage bonds. BOA has agreed to pay the group $8.5 billion.[42] BOA has added that "it would record another $5.5 [billion] in charges to cover additional claims from government-owned mortgage companies as well as other private investors."[43] Without these charges, BOA would report second quarter net income of $3.2 to $3.7 billion, or $0.28-$0.33 per share.[44]

Despite the developments at the end of the second quarter, and the inevitable legal settlements that are still to come, we continue to believe in the long-term prospects for BOA. With each additional settlement, BOA gets closer to long-term profitability and what we believe is an eventual increase in BOA's stock price.

Healthcare

Amgen finished the quarter ended June 30, 2011 up 9.17%. As indicated above, we purchased 100 additional shares of Amgen on April 28, 2011. The Portfolio's weighted quarterly return for Amgen was 7.42%. On April 20, 2011, the company reported first quarter earnings per share of $1.34, beating consensus analyst estimates.[45] Sales of the company's anemia drugs, Aranesp and Epogen, fell a combined 11.0% due to increased bundling in the wake of tougher Medicaid reimbursement policies.[46] The company announced plans to issue a dividend for the first time in the third quarter of 2011, a move we view as a positive decision.[47]

Furthermore, CEO Kevin Sharer outlined a plan to increase sales of the company's potential blockbuster bone drug, denosumab, into the $3.0 billion to $4.0 billion range by 2015.[48] Denosumab is currently marketed under the brand Prolia for the purpose of treating women with osteoporosis and the brand Xgeva for reducing bone fractures in cancer patients.[49] The company received good news concerning Xgeva in late May when the EU issued a positive recommendation for Xgeva usage in bone cancer treatments.[50] On the downside, in June the FDA announced lower dosing recommendations for the company's anemia drugs.[51] This long-expected ruling had already been factored into company and analyst estimates. Looking forward, we believe the company's strong balance sheet and multiple growth opportunities through denosumab outweigh concerns within the anemia product line.

Becton, Dickinson & Company ("Becton"), a global medical technology company, rebounded from a rough start to 2011, rising 8.74%, including dividends, during the quarter ended June 30, 2011. On April 26, 2011, the company posted earnings per share of $1.38, topping consensus analyst forecasts by eight cents.[52] Fueled by a 2.2% Forex Benefit, first quarter sales grew 6.8% on a year-over-year basis. Perhaps most impressive was that sales gains were seen across the spectrum of its three major product lines: Medical Unit sales (6.5%), Diagnostic sales (8.9%), and Bioscience sales (4.1%), respectively.[53]

Becton has invested considerable resources into growing its presence in international and emerging markets.[54] This international diversification strategy has proved particularly sage in the wake of lower health care utilization rates in the United States.[55] Becton also has a robust product pipeline currently scheduled to introduce 15 meaningful products in the next three years.[56] In summation, we believe Becton is a strong hold for the Portfolio. A diverse range of product offerings and strong international presence have the company well-positioned to continue growing despite uncertain macroeconomic conditions.

Johnson & Johnson ("JNJ"), the world's largest and most diversified healthcare company, performed very well in the quarter ended June 30, 2011, posting a dividend-adjusted gain of 13.23%. With over 250 operating companies selling products worldwide, including a number of staple products relatively immune from economic cycle risk, JNJ is particularly attractive during a broad market pullback.[57] On April 19, 2011, JNJ announced first quarter earnings of $1.35 per share, beating analyst estimates on the strength of 3.5% year-over-year growth in top-line revenues.[58] JNJ's strong earnings report was merely the first of multiple positive developments during the quarter.

The signing of a consent decree with the FDA prohibiting manufacturing at its Pennsylvania plant late in the first quarter of 2011 allowed the company to move forward past the highly publicized quality control troubles within the McNeil Consumer Products Division.[59] On April 27, 2011, the company announced it had agreed to buy Swiss-American medical equipment maker Synthes for $21.3 billion in cash and stock.[60] JNJ plans to merge Synthes and its strong portfolio of medical technologies with an emphasis on trauma treatment within its already robust DePuy Orthopedics unit. At the company's annual meeting the next day, JNJ announced a 5.6% dividend increase to $0.57 per share, creating a healthy annual dividend yield of 3.5%.[61]

Furthermore, the company's pharmaceutical pipeline continues to produce strong results, with over $1.1 billion in sales of products launched during 2009-2011.[62] JNJ's strong balance sheet allows it the flexibility to invest in both internally and externally produced drug compounds. After underperforming through the first half of our tenure, we believe JNJ is poised to continue moving past its operational troubles and continue providing superior market returns through the end of our tenure.

Stryker Corp. ("Stryker"), a medical technologies company, fell 3.17%, adjusting for dividends, in the quarter ended June 30, 2011. Despite the small pullback this quarter, Stryker has still performed quite well over our tenure, appreciating 18.28% over our nine months managing the Portfolio. On April 19, 2011, Stryker reported first quarter earnings of $0.78 per share, falling slightly year-over-year from the first quarter of 2010 due to charges related to its acquisition of Boston Scientific's neurovascular business.[63] Stryker's bottom line continues to be hurt by sluggish sales in the overall orthopedic implant market, which affects Stryker's strong industry positions in both the knee and hip replacement markets.[64] However, the company did receive some positive news during the quarter in this segment. The company announced FDA approval of its ShapeMatch cutting guide for use in Stryker's Total Knee System.[65] The system, which uses proprietary computer technology to create a 3-D image of a patient's knee, has the potential to become a strong growth driver within its knee replacement segment.[66]

The company was active on the acquisition front this quarter. On May 16, 2011, Stryker announced plans to buy Orthovita, Inc., a maker of biologics used in spinal surgery, for approximately $316.0 million.[67] The purchase of Orthovita, which had 2010 sales of approximately $95.0 million, provides Stryker a stronger position from which to compete with rivals MedTronic and JNJ in the spinal market.[68] The purchase was completed on June 29, 2011.[69] On June 6, 2011, Stryker announced its intention to purchase Memometal Technologies, a French-based maker of a number of hand and foot plating systems and screws, for approximately $150.0 million.[70] This purchase further entrenches Stryker's position in the extremities market. We believe that Stryker's commitment to continued diversification is a very prudent move within the current health care industry environment, and we maintain our position in Stryker as a strong hold in the Portfolio.

WellPoint, Inc. ("WellPoint"), the largest United States health insurer by enrollment, continued its strong performance, finishing the quarter ended June 30, 2011, up 13.23% including dividends. The only publically-traded for-profit independent licensee of the Blue Cross and Blue Shield Association continues to benefit as the contentious healthcare reform debates slide further into the rear-view mirrors of investors. On April 27, 2011, the company reported earnings of $2.44 per share, easily beating consensus analyst estimates due to increased enrollment numbers and lower than expected medical care spending.[71] WellPoint and its fellow managed-care providers all continue to benefit from lower utilization trends.[72] Moreover, the company easily met the new government mandates for required revenue spending on medical care, prompting the company to raise its full-year EPS guidance figures.[73]

During the quarter, WellPoint reentered the acquisitions arena, announcing on June 8, 2011 its intention to purchase CareMore, a privately held Medicare specialist, for a reported $800.0 million.[74] The acquisition strengthens WellPoint's position in the demographically-appealing aging baby boomer market. The company was also lauded during the quarter for its ambitious plan to revamp the methods with which it reimburses hospitals. The new plan, which will initially focus on approximately 1,500 hospitals nationwide, will tie reimbursements to WellPoint's definition of quality care, as opposed to the traditional system of emphasizing quantity.[75] We believe this plan is an indication that WellPoint will continue to be an industry leader in implementing innovative reforms. Despite the fact that WellPoint's strong performance has brought its valuation more in-line with the rest of the managed-care industry, we still consider WellPoint to be the "best-in-breed" managed-care organization due to its impressive balance sheet and the strong "Blues" brand and network.

Industrials

Fastenal Company ("Fastenal") was up 11.43% for the quarter ended June 30, 2011. Fastenal continues to maintain its focus on creating value for shareholders through growing its business, consistently improving both revenue and margins. In the first quarter of 2011, Fastenal increased same-store sales from $62,700 in 2010 to $74,700 in 2011.[76] In addition, Fastenal opened 37 stores, which leaves them on pace to continue their 6.0% to 8.0% growth annually. Gross margins also increased in that quarter to 52.0% from 51.1% in the year prior.[77] Management has continued the positive growth trends seen at the time of purchase and positioned Fastenal to take advantage of any improvements in the economy. It should also be noted that in this quarter, Fastenal announced a 2-for-1 stock split and the Portfolio now owns 400 shares of Fastenal stock.[78]

For the future of Fastenal, the outlook remains positive. The management continues to focus on adding new locations both domestically and abroad.[79] In addition, the company maintains a very strong balance sheet which gives the company increased flexibility in challenging economic situations since they have over $150.0 million in cash with no debt.[80] Analysts also have forecast sales growth in 2011 to be as high as 21.0% and even wider net margins due to the continued improvements in the business model.[81]

General Electric ("GE") was down 5.24% for the quarter ended June 30, 2011, but it is up 18.52% since the beginning of our tenure. On April 21, 2011, GE reported earnings of $0.31 per share for the first quarter, up 48.0% year-over-year. Earnings at GE Capital were $1.8 billion after tax for the first quarter, and the company announced that it would raise its quarterly dividend by $0.01 to $0.15 per outstanding share effective in the third quarter of 2011.[82]

During the quarter, the company reported significant progress in its "ecomagination" clean technologies units both in the United States and abroad. GE is "on course to meet its goal of $10.0 billion cumulative investment [in clean technologies] between 2010 and 2015."[83] "This investment [has] helped lead to the development…[of] ecomagination-qualified products and solutions such as WattStation, a user-friendly charging station designed to accelerate the adoption of plug-in electric vehicles [in Europe], and Nucleus, a smart meter technology that helps homeowners manage energy use."[84] Since 2005, the company has generated $85.0 billion in sales from ecomagination products.[85] Some of those projects include providing wind turbines to the United States' largest wind farm at the Shepherds Flat site in Oregon,[86] supplying "biogas technology to power China's largest ethanol production plant under construction in the city of NanYang, Henan Province,"[87] and doubling "production capacity of its water technologies manufacturing plant in Wuxi New Zone in eastern China."[88]

Goodrich Corp. ("Goodrich") finished up 12.0% for the quarter ended June 30, 2011 and is up 30.78% since the beginning of our tenure. Goodrich reported earnings of $1.52 per share for the first quarter on an increase in sales of 12.0% from the first quarter of 2010.[89] The company increased its full year guidance to $5.40-$5.55 per share for 2011[90] and declared a quarterly dividend, payable on July 1, 2011, of $0.29.[91]

Goodrich performed well during the first quarter announcing numerous contract wins and a promising acquisition. Goodrich's contract wins include selection by Russian Helicopters, JSC "to provide the main rotor actuator and hydraulic power supply for its upgraded Mi-34C1 light helicopter,"[92] selection by "Saab Bofors Dynamics AB for additional inertial measurement units…for its Next-generation Light Anti-tank Weapon…system,"[93] and selection by Saudi Arabian Airlines,[94] KLM,[95] and Skynet Asia Airways[96] to supply wheels and carbon brakes for certain models of its aircraft. Goodrich also announced the acquisition of Microtecnica S.r.l., "a leading provider of flight control actuation systems for helicopter, regional and business aircraft, missile actuation, and aircraft thermal and environmental control systems."[97]

3M Co. ("3M") was up 2.03% for the quarter ended June 30, 2011, and it is up 11.26% since the beginning of our tenure. 3M reported earnings of $1.49 per share for the fourth quarter on an increase in sales of 15.2% from the first quarter of 2010.[98] The company increased its full year guidance to $6.05-$6.25 per share for 2011[99] and declared a quarterly dividend, payable June 12, 2011, of $0.55.[100]

During the quarter, 3M announced a number of exciting developments in its healthcare-related business lines including the acquisition of certain assets of Zargis Medical Corp., "maker of the only FDA-approved diagnostic software to classify suspected systolic and diastolic heart murmurs."[101] In addition to the acquisition, the company introduced 3M Mobile Physician Solution, a new mobile technology that "makes it easy for physicians to manage their daily schedule, review patient information, dictate progress notes, and log accurate charges all on a single mobile device."[102] 3M also announced its 3M Clean-Trace Hygiene Management System, a solution that helps "hospitals assess the cleanliness of a surface and validate the efficacy of cleaning protocols and worker performance in less than one minute."[103]

Information Technology

Cisco Systems, Inc. ("Cisco") was down 8.63% for the quarter ended June 30, 2011. The loss of more shareholder value over the past quarter prompted events like Ralph Nader sending a scathing letter to CEO John Chambers demanding a use of the spare cash or a return of a dividend.[104] The root cause of the issues has yet to be truly flushed out by management, but there have been a number of "defensive" projects, and the company has yet to take advantage of the increases to network traffic that have continued to occur. In response, Cisco is expected to start making big changes by cutting as many as 5,000 jobs and making the company a much leaner enterprise.[105]

Cisco continues to produce a large amount of cash and can maneuver itself to be in a favorable position again. The company saw large gains in its new products and services section of the business, and the company's sales of routers also grew during the previous quarter.[106] Cisco continued to lose market share in its switches, which represent about 30.0% of its total revenue. Earnings per share were up slightly from the previous quarter and were down from the previous year, primarily due to weaker margins. These numbers suggest that some of the large changes mentioned above are necessary, and if enacted, they could significantly affect the value of Cisco to shareholders.[107]

Materials

Praxair, Inc. ("Praxair") was up 7.18% for the quarter ended June 30, 2011. The company has benefited from strong demand in the manufacturing, electronics, and chemical industry, and the company is looking to raise prices for certain offerings, improving the profit received on current sales.[108] Praxair has definitely benefited in its emerging market segments with sales increases of 20% in Asia and 22% in South America.[109] In terms of future growth, according to the CEO, opportunities remain robust with over $500.0 million planned for future capital investment on new projects from which the company expects revenue continuing to improve as each comes online.[110]

Over the last quarter, Praxair continues to announce partnerships with new manufacturers globally, including Hua Li Microelectronics in China, ThyssenKrupp in Alabama, and Johnson Controls in Mexico, along with many other new partnerships.[111] The continued focus on expansion into emerging markets and improving margins throughout the business should create positive results for earnings throughout the remaining quarter of our tenure.

Vulcan Materials Company ("VMC") was down 14.96% for the quarter ended June 30, 2011. The battered housing market continues to burden VMC and limits its ability to create positive earnings. The first quarter brought a larger than expected loss per share, largely due to the weak market and because of the adverse weather conditions in that quarter.[112] VMC had a 3% decrease in aggregate shipments, a 34% increase in the cost of diesel fuel, and the company lost $0.42 per share in the first quarter.[113]

Analysts believe the company will probably lose money in 2011, but they believe that the demand for aggregates, asphalt, and concrete should pick up towards the end of the year and continue on the positive trend into 2012. Public projects should carry the company through the end of the year since legislation was passed in April that would continue to maintain highway funding; however, the true "turnaround" of VMC will only occur when the residential and commercial construction industries begin to pick up steam.[114]

Telecommunications Services

Verizon was up 0.51% for the quarter ended June 30, 2011. The second-largest United States phone company reported earnings on April 21, 2011 that more than tripled, primarily due to the introduction of Apple's iPhone. Net income rose to $1.44 billion, or $0.51 per share, compared to analyst expectations of $0.50 per share.[115] Wireless revenue jumped 6.3% due to the addition of 1.89 million net new customers, including 906,000 post-paid net adds, which brings the total wireless customer count to 104 million for the telecommunications giant.[116] The highlight of the quarter was the sale of more than two million Apple iPhones, which the company just recently launched in February.[117]

On April 11, 2011, Verizon completed the acquisition of Terremark Worldwide as part of its strategy to provide "everything-as-a-service" to business and government customers and grow in the global managed IT infrastructure and cloud services market.[118] Also, on April 5, 2011, the company settled a whistleblower lawsuit for $93.5 million in which the company was accused of overcharging the federal government.[119] The major news in the industry has been revolving around the potential acquisition of T-Mobile by AT&T. The consolidation play would make AT&T the largest wireless provider in the nation. Verizon has provided little opposition to the proposed deal, claiming that industry consolidation is necessary.

FUND MANAGER BIOGRAPHIES

Andrew Chalache

Andrew Chalache graduated summa cum laude from American University in Washington D.C. with a degree in Business Administration and a specialization in International Finance. While at American University, Andrew spent a semester in Rome, Italy and a semester in Beijing, China. He then graduated from the University of Chicago law school, clerked for two federal judges, and practiced corporate law at Skadden, Arps, Slate, Meagher & Flom in New York, and Morgan, Lewis & Bockius in Philadelphia.

Andrew's concentration in the MBA program is Finance. He recently passed Level 1 of the Chartered Financial Analyst examinations and is a candidate for the Level 2 examination in June 2011. Andrew will integrate his finance and legal experiences to help the LaPorte Torch Fund successfully allocate capital. Andrew's career goal is to work in Knoxville as a financial analyst.

David Edelson

David Edelson graduated in 2006 with High Honors from the College of Communication at the University of Texas at Austin with a B.S. in Corporate Communication and completed the Business Foundations Program with Highest Honors at the McCombs School of Business. From 2006 to 2009, David worked as an Analyst in the Investment Banking Group at Morgan Keegan & Company, Inc. in Memphis, Tennessee. After three years, David was promoted to an Associate and focused primarily on mergers and acquisitions for companies in the transportation and logistics industry.

David began developing his portfolio management skills at a young age. He started investing in the capital markets at age 13 and has been following them ever since. During college, David interned at Wachovia Securities in Austin, Texas under two financial advisors. Further, he has passed both the Series 7 and Series 63 exams, and he is Bloomberg certified. David is currently attaining a Masters in Business Administration from the University of Tennessee with a concentration in Finance. In his free time, David is an avid runner and golf enthusiast.

Merrill Nelson II

Merrill Nelson II, a Lookout Mountain, GA native, graduated from the University of Georgia in December 2007 with a B.B.A in Real Estate, an A.B. in History, and a minor in Environmental Law. Post-graduation, he served a fellowship in the office of Georgia Governor Sonny Perdue.

In August 2008 Merrill enrolled in the University of Tennessee College of Law, where he is studying business transactions and serving as the News and Acquisitions Editor on the Transactions Business Law Journal. His legal studies in securities regulation, corporate governance, and bankruptcy inspired him to apply and subsequently enroll in the joint J.D./M.B.A. program in the Fall of 2010. He is pursuing a concentration in Finance and plans to use the experience from working on the LaPorte Torch Fund to learn more about fund management and security analysis. During the summer of 2011, he is serving a legal clerkship in Chattanooga, TN office of Miller & Martin, PLLC.

Daniel Shumate

Daniel Shumate earned his Business Administration Degree in 2006 from Belmont University, after which he began his aviation officer training for the Tennessee National Guard. Upon completing the technical training to become a UH-60 Blackhawk Pilot and the leadership training required of an officer, he returned to the University of Tennessee in pursuit of his J.D./M.B.A with a concentration in Finance.

He experienced a temporary delay in education when he deployed to Iraq where he supervised maintenance operations and was accountable for maintaining and managing over one million dollars of equipment and supplies and facilitating over 30,000 flight hours. Daniel has returned to the University of Tennessee where he plans to utilize his legal and business education to provide valuable insight to the mergers and acquisitions field. During the summer of 2011, he is working as an analyst for Capital Insights, LLC, a private investment bank in Scottsdale, Arizona.

CITATIONS

[1] http://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20110622.pdf
[2] http://online.wsj.com/public/resources/documents/info-flash08.html?project=EFORECAST07
[3] http://biz.yahoo.com/c/ec/201122.html
[4] http://biz.yahoo.com/c/ec/201124.html
[5] http://digital.olivesoftware.com/OLIVE/ODE/FTUS/LandingPage/LandingPage.aspx?href=RklULzIwMTEvMDUvMTI.&pageno=MTI.&entity=QXIwMTIwNA..&view=ZW50aXR5
[6] http://quotes.post1.org/historical-crude-oil-price-chart/
[7] http://www.economist.com/node/18866979
[8] http://online.wsj.com/article/SB10001424052702303339904576406030949056852.html?KEYWORDS=debt+ceiling
[9] http://online.wsj.com/article/SB10001424052702303627104576411660375978124.html?KEYWORDS=debt+ceiling
[10] http://online.wsj.com/article/SB10001424052702304450604576418570501579448.html?mod=WSJ_economy_LeftTopHighlights
[11] http://blogs.barrons.com/focusonfunds/2011/03/10/alliancebernsteins-assets-rise-1-in-february-as-outflows-grow/?mod=yahoobarrons; http://finance.yahoo.com/news/AllianceBernstein-Announces-prnews-411447012.html?x=0&.v=1
[12] http://www.bloomberg.com/news/2011-03-01/new-york-state-pension-fund-terminates-alliancebernstein-capital-guardian.html?cmpid=yhoo
[13] http://www.bloomberg.com/news/2011-04-04/alliancebernstein-s-52-million-ceo-kraus-fails-to-stop-fund-redemptions.html?cmpid=yhoo
[14] http://www.appleinsider.com/articles/11/05/03/intel_interested_in_building_apples_mobile_a4_a5_chips_report.html
[15] http://newsroom.intel.com/community/intel_newsroom/blog/2011/05/04/intel-reinvents-transistors-using-new-3-d-structure
[16] http://finance.yahoo.com/q?s=MCD
[17] http://www.bloomberg.com/news/2011-04-28/mcdonald-s-hires-62-000-during-national-event-24-more-than-planned.html?cmpid=yhoo
[18] http://finance.yahoo.com/news/McDonalds-Tops-by-a-zacks-2914423685.html?x=0&.v=1
[19] http://www.reuters.com/article/2011/04/21/mcdonalds-idUSN2113482820110421?feedType=RSS&feedName=cyclicalConsumerGoodsSector&rpc=43
[20] http://www.forbes.com/2011/04/08/analyst-moves-pep-tgt-marketnewsvideo.html?partner=yahootix
[21] http://seekingalpha.com/article/262923-mergers-drive-competition-in-the-snack-food-market?source=yahoo
[22] http://www.bloomberg.com/news/2011-04-28/pepsico-sales-climb-27-beating-estimates-on-food-revenue-outside-u-s-.html?cmpid=yhoo
[23] http://finance.yahoo.com/news/PepsiCo-Earnings-Processed-wscheats-431592181.html?x=0&.v=1
[24] http://blogs.forbes.com/heatherstruck/2011/04/28/pepsico-beats-estimates-with-strong-volumes-in-emerging-markets/?partner=yahootix
[25] http://online.wsj.com/article/SB10001424052748704330404576290703102514770.html?ru=yahoo&mod=yahoo_hs
[26] http://finance.yahoo.com/news/PepsiCo-Beats-by-a-zacks-3971931935.html?x=0&.v=1
[27] http://online.wsj.com/article/SB10001424052748703806304576244460367967334.html?ru=yahoo&mod=yahoo_hs
[28] http://blogs.barrons.com/stockstowatchtoday/2011/04/11/pg-increases-dividend-by-9/?mod=yahoobarrons
[29] http://finance.yahoo.com/news/Procter-amp-Gamble-raises-apf-2420963713.html?x=0&.v=1
[30] http://online.wsj.com/article/SB10001424052748704330404576290670603766358.html?ru=yahoo&mod=yahoo_hs
[31] http://www.bloomberg.com/news/2011-04-28/p-g-third-quarter-eps-96c-est-97c.html?cmpid=yhoo
[32] http://www.cnbc.com/id/42783419?__source=yahoo%7Cheadline%7Cquote%7Ctext%7C&par=yahoo

[33]http://www3.valueline.com.proxy.lib.utk.edu:90/secure/vlispdf/stk1700/vlispdf/f5705.pdf; *See also,* http://seekingalpha.com/article/269406-mcdermott-international-s-ceo-discusses-q1-2011-results-earnings-call-transcript?part=qanda
[34] http://seekingalpha.com/article/269406-mcdermott-international-s-ceo-discusses-q1-2011-results-earnings-call-transcript?part=qanda
[35] *Id.*
[36] BB&T Research Report 17 May 2011
[37] Form 8k, May 10, 2011, www.sec.gov
[38] BOA Press Release 15 April 2011.
[39] BOA Press Release 11 May 2011.
[40] Financial Times. 30 June 2011. Page 15.
[41] BOA Press Release 29 June 2011.
[42] The Economist. 2 July 2011. Page 63.
[43] Financial Times. 30 June 2011. Page 15.
[44] Id.
[45] http://www.bloomberg.com/news/2011-04-20/amgen-profit-falls-on-declining-sales-of-anemia-drugs-1-.html
[46] http://www.bloomberg.com/news/2011-04-20/amgen-profit-falls-on-declining-sales-of-anemia-drugs-1-.html
[47] Amgen, Inc. Equity Research Note, J.P. Morgan, April 21, 2011. Accessed via Investech
[48] http://www.bloomberg.com/news/2011-04-21/amgen-s-sharer-sees-earnings-growth-boost-from-denosumab-drug.html
[49] http://www.bloomberg.com/news/2011-04-20/amgen-profit-falls-on-declining-sales-of-anemia-drugs-1-.html
[50] Amgen, Inc. Equity Research Comment, RBC Capital Markets, May 20, 2011. Accessed via Investech
[51] http://www.bloomberg.com/news/2011-06-24/amgen-j-j-anemia-drugs-have-dosing-recommendations-lowered-1-html.
[52] http://www.reuters.com/article/2011/04/26/bectondickinson-idUSN2629450320110426
[53] Becton, Dickinson and Co. Stock Report, Standard and Poors, July 2, 2011.
[54] Becton Dickinson and Co. Equity Research Note, Morgan Keegan & Co., April 27, 2011. Accessed via Investech
[55] http://stocks.investopedia.com/stock-analysis/2011/What-Becton-Dickinson-Lacks-In-Flash-It-Makes-Up-For-In-Quality-BDX-HOLX-JNJ0428.aspx
[56] Becton, Dickinson and Co. Equity Research Note, Morgan Keegan & Co., April 27, 2011. Accessed via Investech
[57] Johnson and Johnson Stock Report, Standard and Poors, July 2, 2011.
[58] Johnson and Johnson Equity Research, Wells Fargo Securities, April 19, 2011. Accessed via Investech.
[59] Johnson and Johnson North America Equity Research, J.P. Morgan, April 20, 2011. Accessed via Investech.
[60] http://dealbook.nytimes.com/2011/04/27/j-j-announces-21-3-billion-deal-with-synthes
[61] http://blogs.barrons.com/stockstowatchtoday/2011/04/28/johnson-johnson-raises-dividend-5-6
[62] Johnson and Johnson Research, Morgan Stanley, May 27, 2011. Accessed via Investech
[63] http://www.reuters.com/article/2011/04/19/stryker-idUSN1929682020110419
[64] http://www.marketwatch.com/story/strykers-shares-hit-by-dip-in-ortho-products-2011-04-20
[65] Stryker Corp. Stock Report, Standard and Poors, July 2, 2011.
[66] Stryker Corp. Equity Research, RBC Capital Markets, May 31, 2011. Accessed via Investech
[67] http://www.reuters.com/article/2011/05/16/stryker-orthovita-idUSN1627615320110516
[68] Stryker Corp. Research, Morgan Stanley, May 16, 2011. Accessed via Investech
[69] http://finance.yahoo.com/news/Stryker-completes-acquisition-thomsonreuters-2639490722.html
[70] Stryker Corp. Equity Research, William Blair & Co., June 6, 2011. Accessed via Investech.
[71] http://www.bloomberg.com/news/2011-04-27/wellpoint-raises-forecast-after-first-quarter-earnings-beat-estimates.html
[72] WellPoint Inc. North American Equity Research, J.P. Morgan, April 28, 2011. Accessed via Investech
[73] http://www.bloomberg.com/news/2011-04-27/wellpoint-raises-forecast-after-first-quarter-earnings-beat-estimates.html
[74] http://www.reuters.com/article/2011/06/08/wellpoint-idUSN0821793120110608

75 http://www.businessweek.com/managing/content/may2011/ca20110520_028946.htm
76 http://www.dailymarkets.com/stock/2011/07/11/earnings-preview-fastenal-co/
77 *Id.*
78 http://investor.fastenal.com/releasedetail.cfm?ReleaseID=570097
79 FAST ValueLine Research Report, 1 July 2011.
80 *Id.*
81 FAST Standard & Poor's Stock Report, 9 July 2011.
82 GE Press Release 21 April 2011.
83 GE Press Release 20 June 2011.
84 *Id.*
85 *Id.*
86 GE Press Release 23 May 2011.
87 GE Press Release 14 April 2011.
88 GE Press Release 06 April 2011.
89 Goodrich Press Release 21 April 2011.
90 *Id.*
91 Goodrich Press Release 19 April 2011.
92 Goodrich Press Release 19 May 2011.
93 Goodrich Press Release 23 May 2011.
94 Goodrich Press Release 17 June 2011.
95 Goodrich Press Release 20 June 2011.
96 Goodrich Press Release 13 April 2011.
97 Goodrich Press Release 01 April 2011.
98 3M Press Release 26 April 2011.
99 *Id.*
100 3M Press Release 10 May 2011.
101 3M Press Release 01 April 2011.
102 3M Press Release 03 May 2011.
103 3M Press Release 10 May 2011.
104 http://online.wsj.com/article/SB70001424052702304450604576416012592607264.html
105 http://allthingsd.com/20110711/ciscos-big-layoff-only-weeks-away-gleacher-analyst-says/?refcat=enterprise
106 http://files.shareholder.com/downloads/CSCO/1135180176x0x467415/af718823-bef0-45ec-bf72-b90e6177d83c/Slides_FINAL_Q3FY11.pdf
107 *Id.*
108 Praxair ValueLine Investment Survey, 10 June 2011.
109 *Id.*
110 http://praxair.com/praxair.nsf/praxair.nsf/AllContent/193760CBC6B0AF8F8525787E006EBC85?OpenDocument
111 http://praxair.com/praxair.nsf/HTMLNews?OpenView
112 Vulcan Materials ValueLine Investment Survey, 1 July 2011.
113 http://ir.vulcanmaterials.com/phoenix.zhtml?c=87467&p=irol-newsArticle&id=1559800
114 *Id.*
115 http://www.bloomberg.com/news/2011-04-21/verizon-profit-beats-analysts-estimates-as-iphone-helps-attract-customers.html?cmpid=yhoo
116 http://blogs.forbes.com/ericsavitz/2011/04/21/verizon-q1-eps-in-line-affirms-2011-outlook-but-shares-slip/?partner=yahootix
117 http://blogs.wsj.com/marketbeat/2011/04/21/verizon-q1-906k-mobile-subs-added-2m-iphones-sold/?mod=yahoo_hs
118 http://finance.yahoo.com/news/Verizon-Completes-Terremark-prnews-570305716.html?x=0&.v=1
119 http://finance.yahoo.com/news/Verizon-pays-935M-to-settle-apf-2971206512.html?x=0&.v=2