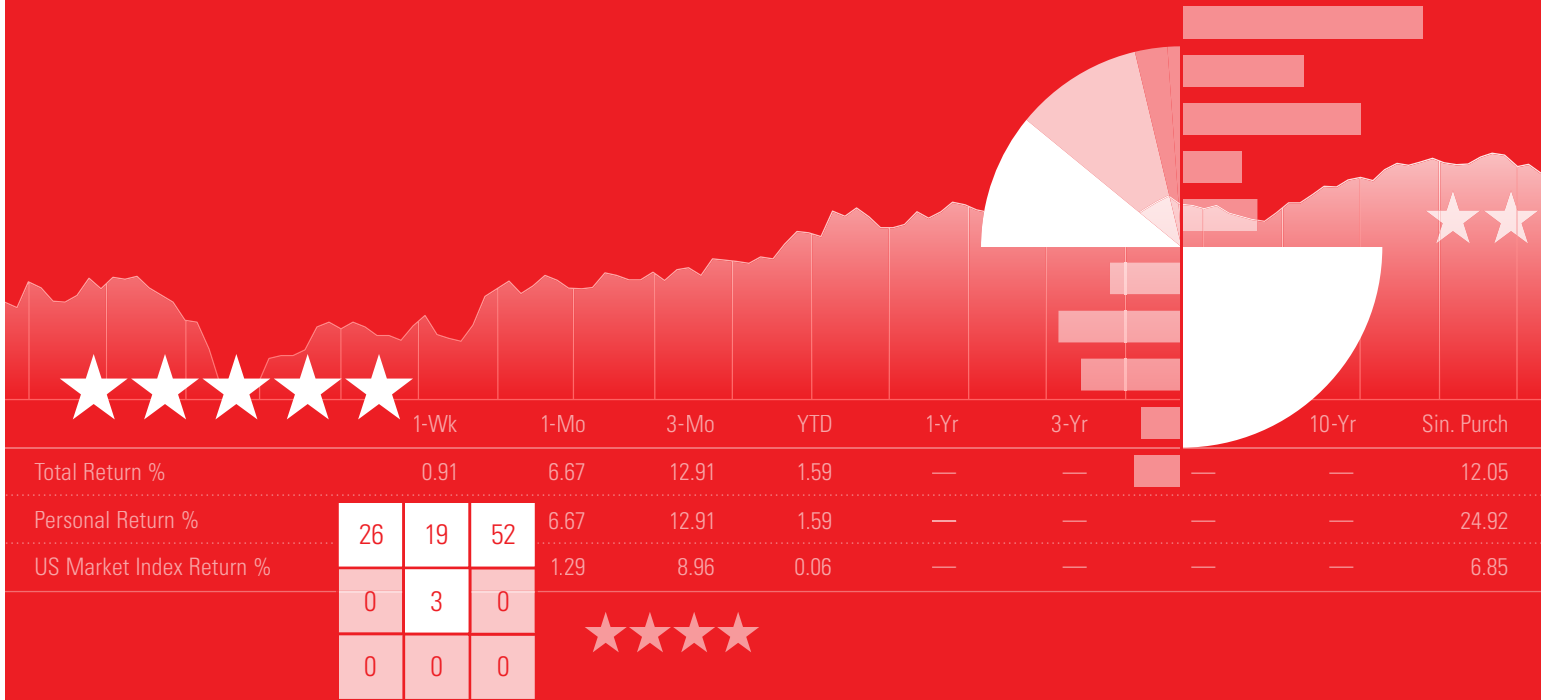


Portfolio Monitor



Report for **John Smith**
 January 12, 2010
 Retirement Accounts Portfolio



retirement accounts Portfolio

Your Morningstar Rating	Personal Return This Period	% of Mutual Fund Outperformed	Reporting Period
★★★★★	0.58%	25.00%	Dec 2009

Previous Balance \$	291,940.08
New Net Investment \$	0.00
Gain/Loss \$	1,685.18
Dividend \$	
Total	0.00
Capital Gain/Loss \$	
Total	0.00
Re-Invested Dividends \$	0.00
Re-Invested Interest \$	0.00
Current Balance \$	293,625.26

Portfolio Performance



	1-Wk	1-Mo	3-Mo	YTD	1-Yr	3-Yr*	5-Yr*	10-Yr*	Sin. Purch*
Total Return %	-0.79	0.58	1.70	24.21	24.21	1.33	6.33	13.10	7.51
Personal Return %	-0.79	0.58	1.70	24.58	24.58	1.01	6.50	10.02	9.80
US Market Index Return %	-1.12	2.54	5.50	25.58	25.58	-6.98	-0.86	-1.82	6.02

*Annualized

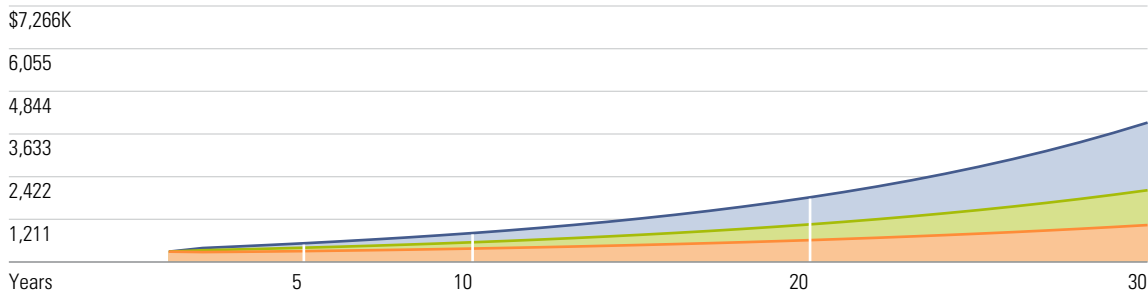
Top 5 Gainers

Name	Morningstar Rating	Price \$	Market Value \$	1-Mo Return %
Maxim Integrated Products	↓ ★★★	20.32	32,639.24	15.45
Biogen Idec, Inc.	★★★	53.50	10,700.00	13.98
Diageo PLC	★★★	69.41	16,069.38	2.66
Johnson & Johnson	↓ ★★★★★	64.41	28,251.05	2.50
iPath Dow Jones-AIG Commodity ...	—	42.26	27,469.00	2.25

Top 5 Losers

Name	Morningstar Rating	Price \$	Market Value \$	1-Mo Return %
General Electric Company	★★★★★	15.13	35,624.98	-5.56
Fuel Tech, Inc.	★★★	8.17	4,902.00	-4.67
Novo Nordisk A/S	★★★	63.85	25,952.29	-4.30
eBay, Inc.	★★★	23.53	24,706.50	-3.84
Paychex, Inc.	↓ ★★★★★	30.64	15,320.00	-2.26

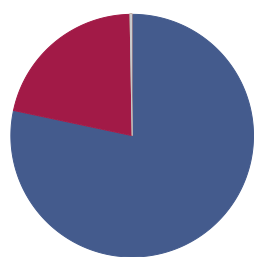
Potential Value in 5, 10, 20 and 30 Years



Years	5	10	20	30
75% Chance	309,248	381,742	621,236	1,049,026
50% Chance	405,519	560,053	1,068,232	2,037,519
25% Chance	531,759	821,652	1,836,851	3,957,463

In this section we provide a hypothetical outlook on your portfolio's future performance highlighting the percent chance of achieving the values we project.

X-Ray Overview



Asset Allocation	
Cash	0.00
U.S. Stocks	78.61
Foreign Stocks	21.39
Bonds	0.00
Other	0.00
Not Classified	0.00

Equity Investment Style			Size
Value	Core	Growth	
36	9	38	Large
0	3	12	Med
0	0	2	Small

Fixed Income Style			Credit Quality
Short	Interm	Long	
0	0	0	High
0	0	0	Med
0	0	0	Low

Diagnostics

Asset Allocation

Your portfolio is aggressive. An asset mix such as yours normally generates high long-term returns but can be very volatile. Financial planners typically recommend these types of mixes for investors who have investment horizons longer than 10 years, need high returns, and are comfortable with a high level of risk.

Equity Investment Style

Compared with the broader market, your portfolio's stock exposure is biased toward large-cap growth companies. Depending on your investment goals, you may want to further diversify your portfolio by increasing your exposure to other areas of the market.

Sector Weighting

- ◆ Over Exposure
- ◇ Under Exposure

Fees & Expenses

Either you own no mutual funds or we do not have the data necessary to provide a written evaluation of the expense ratios of your holdings. You can still view detailed cost data on individual holdings, however.

Regional Exposure

- ◆ Over Exposure
- ◇ Under Exposure

Sector Weighting

	% Net Assets		1-Mo Return %		Portfolio 1-Mo Return %				
	Portfolio	S&P 500	Portfolio	S&P 500	-0.76	-0.38	0	0.38	0.76
Information Economy	14.82	23.42	0.76	1.01	◆				
Software	0.00	4.45	0.00	0.16					
Hardware	12.26	11.03	0.76	0.69	◆				
Media	0.00	2.52	0.00	0.18					
Telecommunication	◇ 2.56	5.42	-0.01	-0.02					
Service Economy	63.91	39.53	0.56	0.06	◆				
Healthcare Services	◆ 29.99	12.42	0.40	0.16	◆				
Consumer Services	9.28	8.57	0.02	0.02					
Business Services	◆ 9.31	3.32	0.42	0.15	◆				
Financial Services	15.33	15.22	-0.27	-0.27	◆				
Manufacturing Economy	21.26	37.05	0.33	0.48	◆				
Consumer Goods	6.04	10.88	0.27	0.49	◆				
Industrial Materials	15.23	10.75	0.06	0.04					
Energy	◇ 0.00	11.77	0.00	-0.16					
Utilities	0.00	3.65	0.00	0.10					
Not Classified	0.00	—	0.00	—					

Stock Statistics

	Portfolio	Relative to S&P 500		Portfolio	Relative to S&P 500
Forward P/E Ratio	19.63	1.22	5-Yr Proj EPS Growth %	11.78	1.20
P/B Ratio	2.23	1.08	Dividend Yield %	1.89	0.92
ROA	6.92	1.13	Average Market Cap \$mil	42,292.28	1.02
ROE	15.95	1.02			

Fees & Expenses

Average Mutual Fund Expense Ratio %	0.75
Expense Ratio of Similarly Weighted Hypothetical Portfolio %	0.00
Estimated Mutual Fund Expense \$	206.02
Total Sales Charge Paid \$	0.00

Regional Exposure

	% of Stocks
U.S. & Canada	78.61
Europe	◆ 21.39
Japan	0.00
Latin America	0.00
Asia & Australia	0.00
Other	0.00
Not Classified	0.00

Name	Ticker	Morningstar Rating	Change in Rating	% of Assets	Holding Value \$	Personal Return %				
						1-Mo	3-Mo	1-Yr*	3-Yr*	5-Yr*
Maxim Integrated Products	MXIM	↓ ★★★	-1	11.12	32,639.24	15.45	12.02	83.20	-0.82	—
Biogen Idec, Inc.	BIIB	★★★★	0	3.64	10,700.00	13.98	5.90	12.32	2.84	0.38
Diageo PLC	DEO	★★★★	0	5.47	16,069.38	2.66	12.88	24.51	-1.31	—
Johnson & Johnson	JNJ	↓ ★★★★★	-1	9.62	28,251.05	2.50	5.78	9.53	1.53	—
iPath Dow Jones-AIG Commodity ...	DJP	—	—	9.36	27,469.00	2.25	9.60	32.31	5.66	—
The Western Union Company	WU	★★★★★	0	3.23	9,472.42	2.17	-0.37	31.45	-5.47	—
Tellabs, Inc.	TLAB	★★★★	0	2.32	6,816.00	1.25	-17.92	37.86	-8.84	-5.10
J.P. Morgan Chase & Co.	JPM	★★★★	0	2.70	7,938.04	-1.93	-4.91	34.20	-2.20	6.41
Berkshire Hathaway Inc.	BRK.B	★★★★★	0	11.19	32,860.00	-2.00	-1.11	-23.18	-10.35	-1.22
Novartis AG	NVS	★★★★★	0	5.08	14,904.37	-2.10	8.04	14.23	1.25	—
Paychex, Inc.	PAYX	↓ ★★★★★	-1	5.22	15,320.00	-2.26	5.47	—	59.92	22.07
eBay, Inc.	EBAY	★★★★	0	8.41	24,706.50	-3.84	-0.30	68.55	-1.72	—
Novo Nordisk A/S	NVO	★★★★	0	8.84	25,952.29	-4.30	1.43	—	—	—
Fuel Tech, Inc.	FTEK	★★★★	—	1.67	4,902.00	-4.67	-27.05	-22.85	-31.45	—
General Electric Company	GE	★★★★★	0	12.13	35,624.98	-5.56	-7.86	51.30	—	—
Fastenal Company	FAST	★★★★	0	0.00	0.00	—	—	—	—	—
Anheuser-Busch Companies	BUD	—	—	0.00	0.00	—	—	—	—	—
Expedia, Inc.	EXPE	★★★★	0	0.00	0.00	—	—	—	—	—
Advanced Analogic Technologies ...	AATI	★★★★	0	0.00	0.00	—	—	—	—	—
Coach, Inc.	COH	★★★★	0	0.00	0.00	—	—	—	—	—
Biovail Corporation Internatio ...	BVF	★★★★	0	0.00	0.00	—	—	—	—	—
Amgen, Inc.	AMGN	★★★★	0	0.00	0.00	—	—	—	—	—
Barrick Gold Corporation	ABX	★★★★	0	0.00	0.00	—	—	—	—	—
Covanta Holding Corporation	CVA	★★★★	0	0.00	0.00	—	—	—	—	—
CapitalSource, Inc.	CSE	★★★★	0	0.00	0.00	—	—	—	—	—
Patterson Companies, Inc.	PDCO	★★★★★	0	0.00	0.00	—	—	—	—	—
Nokia Corporation	NOK	★★★★★	0	0.00	0.00	—	—	—	—	—
Microsoft Corporation	MSFT	★★★★	0	0.00	0.00	—	—	—	—	—
Public Storage	PSA	★★★★	0	0.00	0.00	—	—	—	—	—
Urban Outfitters Inc.	URBN	↓ ★★	-1	0.00	0.00	—	—	—	—	—
United Parcel Service, Inc.	UPS	★★★★★	0	0.00	0.00	—	—	—	—	—
TransCanada Corporation	TRP	↑ ★★★★★	+1	0.00	0.00	—	—	—	—	—
Merck & Co., Inc.	MRK	★★★★★	0	0.00	0.00	—	—	—	—	—
Wm. Wrigley Jr. Company	WWY	★★★★	0	0.00	0.00	—	—	—	—	—
Forward Air Corporation	FWRD	↓ ★★★★★	-1	0.00	0.00	—	—	—	—	—
First Industrial Realty Trust	FR	★★★★	0	0.00	0.00	—	—	—	—	—
Kinetic Concepts, Inc.	KCI	↓ ★★★★★	-1	0.00	0.00	—	—	—	—	—
Markel Corporation	MKL	★★★★	0	0.00	0.00	—	—	—	—	—
Mattel, Inc.	MAT	—	—	0.00	0.00	—	—	—	—	—
Lancaster Colony Corporation	LANC	—	—	0.00	0.00	—	—	—	—	—

*Annualized

General Electric Company GE |



11-09-2009 | by Daniel Holland

Fair Value Estimate	\$25
Consider Buying Price	\$12.5
Consider Selling Price	\$50
Fair Value Uncertainty	High
Economic Moat	Wide
Stewardship Grade	B

Growth

GE's global focus gives the firm a number of different ways to increase revenue, particularly within its infrastructure segment. Despite its enormous size, we believe GE's top line can increase by 4.5% on average for the next five years.

Profitability

Industrial margins deteriorated from 14.8% to 13.1% in 2008. We anticipate further erosion in 2009 as lower volume is spread across the existing fixed asset base.

Financial Health

GE's industrial unit generated healthy free cash flows of \$11.9 billion, or 10.4% of revenue, in 2008 and held \$12 billion in cash at the end of the year. Even though industrial cash flows are likely to be lower in 2009 and the bank will consume capital, we think GE will be able to weather this cycle.

Analyst Note 12-03-2009

General Electric GE announced that it is forming a joint venture with Comcast CMCSA, which should ultimately allow GE to exit the media business. GE will own a 49% interest in the new entity, which will consist of all of NBC Universal's assets and Comcast's cable networks. Comcast will own the other 51% and manage the joint venture, though NBC's head, Jeff Zucker, will be the CEO of the new company and GE will maintain a significant presence on the board of directors. At the deal's closing, we expect GE to receive \$8 billion in cash, with the buyout provisions allowing GE to completely exit the venture after seven years. Strategically, moving NBC Universal out of the portfolio makes sense, in our opinion. GE has strong growth opportunities in its infrastructure business, and selling NBC Universal should help GE accelerate growth in targeted areas. Our current fair value estimate is unlikely to change as a result of this deal because the transaction value is in line with our projections for this deal.

The Thesis 11-09-2009

General Electric positions itself to be a leader in whatever market it competes in. After shedding underperforming businesses during the past few years, the firm has energy infrastructure square in its sights. We believe that GE will emerge as a leader in the power infrastructure market, which will be the backbone for the firm's growth.

GE avoids the typical characterization of a conglomerate by combining businesses with strong synergies and opportunities for information-sharing across business lines. Add to this GE's ability to invest large amounts of money in expanding businesses, and virtually any barrier to enter a new market is significantly lower. With its legendary knack for squeaking out operating efficiencies, the firm is able to generate healthy returns on invested capital in many of its markets. By focusing its efforts on the most value-added components for customers, GE is able to remain relevant with customers and focus its research and development efforts on projects

that customers will be willing to pay the most for.

The portfolio of businesses continues to be correlated with industrialization and the needs of growing economies. GE has changed its focus as the world has shifted; it now has a heavy focus on clean-energy products, such as wind and gas turbines. The strength of GE's competitive advantage is most notable in wind turbines, where the company was able to unseat longtime incumbent Vestas with its superior manufacturing execution and better customer satisfaction. With the economic stimulus bill signed in February, demand for renewable-energy products should increase and have a noticeable impact on GE by 2010. Because the renewable-energy industry is still fairly new, many opportunities will exist where a proven manufacturer like GE will be able to make solid gains and outperform startups and other new entrants.

GE's financial unit, GE Capital Services, saw profits fall in 2008 as rapidly deteriorating capital markets and weaker consumers put significant pressure on the unit's ability to maintain 2007's successes. The same factors that confronted GE during the back end of 2008 should persist through 2009 and into 2010 as the firm shrinks its asset portfolio and opts for longer-term funding in lieu of commercial paper. GE's assets are largely held to maturity, meaning that the firm loans money and collects the principal and interest checks from the borrower as opposed to depending on the capital markets to securitize the portfolio. As a result, GE will bear the financial burden of any underwriting problems. These assets include equipment leases, middle-market commercial loans, private-placement credit cards, and real estate. GE's decisions to wind down its non-U.S. mortgage portfolio and shift to higher-quality asset classes is welcome even though these decisions will probably pressure earnings. Although the near-term headwinds are material, investors should benefit from a better-capitalized bank with higher asset quality over the long run.

Valuation

Our fair value estimate for GE shares is \$25 per share. Over our forecast horizon we expect organic revenue growth to average 5%, with organic sales falling 1% in 2009. Operating margins should be a bit more resilient to the slowdown than industry peers because of the higher mix of service-based revenue. We model a 90-basis-point drop from 2008 levels, to 13%, with a long-term forecast of 13.5%. The declines in the stock market have weighed down GE's pension plan, taking it from being overfunded by \$14 billion to underfunded by \$7 billion, which we account for as a hidden liability.

Although the bank will emerge as a stronger and more stable company, we are concerned about the intensity of the credit cycle and its ramifications for GE Capital's receivables portfolio. In particular, GE's heavy exposure (roughly 20% of invested assets) to commercial real estate gives us pause as property rent rates continue to fall. Improvements in the credit card markets and U.K. residential markets help to release some of the pressure on the portfolio. While GE Capital is not out of the woods, we think it is unlikely for the bank to require more capital from the parent company in the near future.

Risk

GE's industrial businesses are susceptible to economic downturns and are particularly sensitive to changes in infrastructure spending. The health-care business is sensitive to changes in government health-care reimbursement rates. GE Capital Services originates and underwrites loans for its own portfolio as opposed to securitizing these loans in the open market, reducing potential exposure to liquidity risk; it is, however, exposed to the creditworthiness of its counterparties and may experience steeper write-downs as delinquencies rise. The firm's credit rating gives it access to lower-cost financing, and losing it could hurt profitability and make growth more difficult to achieve.

Strategy

GE focuses on producing complex, highly engineered, big-ticket items such as jet aircraft engines and electric power plant turbines. The company aims to serve

extremely large markets with ample opportunity for market share expansion. Further, GE strives to be the number-one or -two supplier in each major served market. GE emphasizes businesses that offer a substantial service component with high-margin aftermarket service opportunities. In its financial arm, the firm aims to exploit the funding advantage afforded by its AAA credit rating and its expertise in collateral management.

Management & Stewardship

GE is known for the strength and depth of its management team, which has a long history of creating value for shareholders. As testament to its depth, several former executives have gone on to lead other large companies. CEO Jeff Immelt took the reins from the legendary Jack Welch just days before 9/11, and his tenure to date has been characterized by a stronger balance sheet, significant acquisition spending, and the divestiture of most of the firm's insurance and plastics businesses. Immelt's management style is more collaborative and less transient than his predecessor's. It also keeps managers in jobs longer to take advantage of their expertise. Overall, we're satisfied with GE's corporate-governance practices but would prefer to see Immelt's variable compensation more closely linked to return on invested capital, as that metric provides a better proxy for corporate stewardship than operating cash flow. GE's shareholders face a 3% dilution on average from equity-based compensation, but this does not alarm us.

Profile

General Electric is organized into five segments: technology infrastructure, energy infrastructure, NBC Universal, consumer and industrial, and capital services. Financial services accounted for 43% of the firm's profit in 2008. The infrastructure segment is the main growth driver, thanks to its size relative to the overall portfolio (contributing 50% of industrial revenue and 53% of total segment profit), strong growth prospects, and favorable operating leverage.