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Crummer SunTrust Portfolio Spring 2005

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CRUMMER GRADUATE SCHOOL OF BUSINESS
CRUMMER SUNTRUST
PORTFOLIO

SPRING 2005

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Background

The Crummer SunTrust Investment Portfolio was established in 1999 through a \$500,000 endowment from the SunTrust Bank of Central Florida Foundation to the Crummer Graduate School of Business at Rollins College. The endowment was established through successive \$100,000 donations over five years and is intended to be used by the Portfolio Management/Theory and Applications course for the purpose of providing practical portfolio management opportunities as well as scholarships for future Crummer students. *The Rollins College Endowment Fund Pool Statement of Investment Objectives and Policies* provides general guidance for the investment of the portfolio, while more specific direction is provided by *Crummer SunTrust Portfolio Investment Policy* which was revised by the Portfolio Management/Theory and Applications students in January 2005.

The ultimate goal of the portfolio is to provide funding for a number of \$5,000 scholarships that are bestowed upon highly qualified Crummer students who shall be designated "SunTrust Scholars." The number of scholarships made available each year is based directly on the performance of the portfolio in the preceding years. After year three of the portfolio, 4.5 percent of the three-year moving average of the portfolio's market value is to be distributed in the form of scholarships. Therefore, the year-end market values for 2003, 2004, and 2005 will be used to determine the number of scholarships that are available for distribution in 2006.

Investment Goals

The 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 goal, the Crummer/SunTrust Portfolio will adopt a strategic asset allocation that will achieve its long-term return goal with a prudent level of volatility.

The fund is considered to be held in perpetuity. Despite the long term view, as managing directors, we must manage the fund with a one year time horizon. We do not feel as if any assets currently held in the fund have been purchased for the long term. As a result of this fund being rebalanced by different managers every year, we are not entering into any instruments which have either upfront loads or will not be liquid within a year.

The target growth rate for the portfolio factors in expenses, inflation, distributions, and also appreciation in the value of the portfolio. The ranges are broken out below:

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



Policy Guidelines

For purpose of managing the portfolio, five strategic asset classes have been identified. These five (equity, fixed income and international) asset classes have a minimum amount which can be invested and is defined in the Policy. Additionally, gold, commodities, REITs and T-Bill/Money Market assets were included for diversification purposes. The Policy also states that no asset may make up more than 5% of the total portfolio or 20% of its respective asset class.

<u>Asset Class</u>	<u>Minimum Weight</u>	<u>Benchmark</u>
Large Cap	10%	Russell 1000 TR
Mid Cap	10%	Russell MidCap TR
Small Cap	10%	Russell 2000 TR
International (incl. Japan)	5%	MSCI EAFE TR
Fixed Income	5%	LT Gov't TR
Gold	-	Gold TR
REIT	-	NAREIT All TR
Treasury Bills/ Money Market	-	U.S. 30-Day T-Bill TR

Asset Allocation Methodology

A top-down approach is appropriate for setting high level expectations and forecasting performance on a macroeconomic level. Both the managing directors and the analysts were involved in formulating a consensus opinion regarding the economic outlook for 2005 through the next several years. The "Qualitative Analysis" section is the result of their research and discussions.

For individual assets, analysts were responsible for bottom-up analyses of all current holdings and prospective assets. Three teams of analysts were assigned the following asset classes:

- Team One: Large Cap
- Team Two: Small and Mid Cap
- Team Three: Fixed Income, International and Commodities

Appropriate screens were developed based on sector or specific industry. Analysis of the fundamentals (for example, P/E multiple versus industry P/E) was central as assets were identified, especially those with possible "buy" or "hold" recommendations. Furthermore, the "story" of each asset was ascertained by identifying catalysts that would drive earnings growth



for at least the next year and in many cases, several years. Once a qualitative story was identified, more fundamentals (for example, dividend discount models) were considered to serve as sanity checks. Only after an asset had passed this multi-phase selection methodology, was a recommendation made to "buy" or "hold." Existing assets that did not pass were issued "sell" guidance by the analysts. The final section in this document, "Analyst Recommendations," contains the research and detailed guidance created by the analyst teams.

After the recommendations for individual securities were submitted to the managing directors, the iterative process of portfolio allocation was undertaken. The managing directors were responsible for all research found in the "Qualitative Analysis" section and final allocation proposal.

Economic Outlook and Concerns

Inflation – The Fed's "implied range" for inflation is 2-3%. The four year average of CPI is 2.5%, which is well within this implied range. From a 40-year low, the Fed has raised rates 175 basis points since June of 2004. Depending on one's estimate of inflation, real interest rates could quite possibly be zero. If this is true, is a "very accommodative" monetary policy. Based upon the Taylor Principle and paired with the assumption that 2005 inflation was running at 3% in 2005, then it follows that the 2006 Fed Funds target should be 5%. Considering the Federal Funds target is at 2.75%, there will certainly be several rate hikes in the near future. 10-year yields were at 3.98% about a month and a half ago, and are now at 4.60%. If the Fed continues to raise rates the yield curve will continue to get steeper. If inflation picks up, rates will rise even further.

Employment – Currently unemployment is low at 5.4%. Despite the status quo figures reporting anemic job creation, the household figure created over 2 million jobs during 2004. The payroll figure has seen decent gains, allowing us to conclude that the overall picture is healthy. Nevertheless, employers are still exhibiting the attitude of "slow to hire, quick to fire."

Global Economic Growth – As far as economic growth, outside the U.S. there has been good growth in Asia ex-Japan (China and India) and Eastern Europe. These are industrial and manufacturing centers and will benefit from a synchronous global economic expansion. We feel as though we are on the verge of the most synchronous expansion in the last 10-15 years.

The Deficit – The Federal Government is running a deficit as a result of the tax cuts that were passed in 2000. The U.S. last year ran a 3.6% budget deficit and projections put the deficit at 2.9% this year. The U.S. is not living above its means in terms of borrowing. The total US debt is about 6% of GDP, while countries like Japan and Germany have debt that is over 100% of GDP.

The Dollar – The U.S. Dollar may indeed be undervalued, based on the fact that the U.S. is currently growing faster (GDP) than the rest of the world. We feel that the Euro should not be at its current exchange rate of USD 1.28. Many Asian currencies, however, are still greatly depreciated relative to pre-Contagion levels, so continued appreciation relative to the USD may not be surprising if Asian economic growth increases. Also worth considering is the simple economic analysis of supplying dollars to fund the U.S. deficit that leads one to believe in a general dollar devaluation.



Gold and Oil – Gold trades in USD; its price moves counter to the dollar. If the U.S. GDP growth dominates USD valuation, gold will trade off. The same holds true for oil. The sharp increase in oil is a constricted-supply-increased-demand issue, with countries like China and India demanding a lot of oil and not using it efficiently. Demand is outstripping supply but not by levels that should deem \$56/barrel oil prices. If you look at oil with respect to an index of primary metals (copper, nickel, magnesium, etc) which are equally important in industrial production, you see that, especially recently, oil has seriously outpaced primary metals. In fact, since its 2001 low, oil has increased 214% and an index of metals has increased 122%. To frame this even more clearly, gold has risen 73% and the S&P 500 had risen 55% over the same period. While we feel oil is overpriced, we feel that it is not likely to decline in the near term. The March 31, 2005 Goldman Sachs estimate of \$105 certainly serves to fuel the frenzy of concern and uncertainty surrounding oil. Moreover, due to the uncertainty in the world regarding terrorism and natural disasters, a cataclysmic incident may likely cause oil prices to increase dramatically.

The overall prospects for the US economy in broad terms are good despite the uncertainty introduced by several offsetting factors. However, we feel that these factors serve to cool off the burgeoning economy seen during '03 and '04.

Sector Outlook and Concerns

We maintain that gains in 2005-2006 will be made through identifying individual companies that should have strong and consistent earnings growth.

Consumer Staples – Market Weight -- There are concerns that the broad market may be unable to expand increase P/E multiples in the face of rising interest rates and a slowdown in earnings growth uncertainty, so this sector has enjoyed a substantial amount of defensive-minded capital inflows. Although rising energy prices may act to slow consumer spending in general, consumer staples, by definition, will continue to be in demand. We are neutral in this sector.

Consumer Discretionary – Market Weight -- The continuing accommodative stance of interest rates and the improving job market are certainly countered by the "taxation" effect caused by rising oil prices. However, recent statistics show that discretionary spending has not waned as expected. We are neutral in this sector.

Energy – Market Weight -- A great deal of uncertainty is associated with energy commodities and companies, but a constrained oil supply paired with increasing oil demand will mean higher prices for oil and other energy-related commodities. However, the risk of an appreciating dollar will have adverse effects on oil prices, so a neutral position may be prudent.

Financials – Underweight -- We are reluctant in this sector due to concerns about the earnings impact of a flattening yield curve, a likely slowdown in the housing market, the sector's history of doing poorly after an initial rate hike, the FOMC's intention of returning the fed funds rate to a more neutral level, and the "taxation" effect of rising oil prices on economic activity. We feel that these catalysts are reasons to be underweight in this sector.

Healthcare – Market Weight -- The demand for healthcare will continue to increase for the next decade, as Baby Boomers age and longevity increases. Certain sub-sectors, such as pharmaceuticals, have seen tremendous losses due to the binary nature of business events. (New



drugs are either approved or not.) Nevertheless, many pharmaceuticals have slipped into the value category and are now attractively priced. Furthermore, we are bullish on other sub-sectors like managed care and institutional providers.

Industrials - Overweight -- The most important factors in this sector is the impact high energy prices will have on economic growth and the Fed's rate policy. Nevertheless, we remain Overweight, as an accommodative monetary policy should offset these costs for the near-term. Stocks continue to look attractive due to their leverage to US economic growth, earnings momentum, increases in capital expenditures, cash flow generation, stronger balance sheets, and dollar weakness

Materials - Overweight -- Global growth continues to drive the demand for materials, especially in China and India. Furthermore, the diversified chemical stocks have enjoyed continued upward momentum and are reflected in our overweight position.

Technology - Market Weight -- Technology companies still suffer from a lack of pricing power and stock prices still carry a high premium. The Technology sector was one of the worst performing sectors returning a meager 2.13% in 2004. This lackluster performance was thanks to several severe declines in IT Consulting, Semi Equipment, and Semiconductors. Stocks did rebound in the fourth quarter, which allowed the tech-heavy NASDAQ to finish the year in the green (+8.6%) - a drastic decline from the almost 50% gain in 2003. Looking ahead, the economy continues to show positive momentum, which will drive growth for the sector. But, as last year, we foresee continued volatility as the market digests rising interest rates and inflation fears come and go. More than ever, picking specific technologies and related companies are more critical than ever; we maintain market weight because of the individual performances expected in our selections.

Telecommunications - No Position -- Tremendous uncertainty in this sector is generated by the onslaught of competition from the cable companies and Voice-Over IP telephony providers. Due to this and the lack of opportunities generated from our analysts' screens, we hold no position in telecommunications. Continued consolidation is a positive factor that may result in a future position, however.

Utilities - No Position -- Historically, utilities have underperformed the market in an economic recovery. Investors are also weary the current recovery may fall short of expectations, despite upwards earnings revisions. Investors may redirect their capital to seek out higher risk-reward yields. Due to this and the lack of opportunities from our analysts' screens, we hold no position in utilities.

Proposed Allocation

In general, the managing directors accepted most of the recommendations made by the analysts, but exercised their own discretion regarding the degrees to which securities were bought, held or sold.



Recommended Actions

The following details the recommended actions for the 2005 Crummer SunTrust Portfolio and the resulting final allocation. Note that assets that were liquidated are shown, but the "Hold or Total" column represents the cumulative effect of sell or buy actions in addition to an unchanged position.

Name	% of Portfolio	Sell	Buy	Hold or Total	Value (4/12/05)
3M Company	1.51%	-	40.000	100.000	8,377.00
Accenture Ltd	0.42%	-	20.000	100.000	2,325.00
Affiliated Computer Services	1.85%	-	132.000	200.000	10,274.00
Alcoa Inc.	0.00%	145.000	-	-	-
Allied Defense Group	0.40%	-	10.000	100.000	2,238.00
Allstate Corporation	1.94%	-	200.000	200.000	10,764.00
Anheuser-Busch Companies, Inc.	0.83%	9.000	-	100.000	4,602.00
ATI Technologies Inc. (USA)	1.52%	-	500.000	500.000	8,460.00
Automatic Data Processing	0.80%	-	35.000	100.000	4,430.00
Belo Corp.	0.00%	105.000	-	-	-
Bob Evans Farms, Inc.	0.39%	-	100.000	100.000	2,158.00
Boston Properties, Inc.	0.00%	55.000	-	-	-
BP p.l.c. (ADR)	0.56%	45.000	-	50.000	3,135.00
Callaway Golf Company	0.87%	-	400.000	400.000	4,852.00
Charming Shoppes, Inc.	0.40%	-	300.000	300.000	2,220.00
Citigroup Inc.	1.63%	-	6.000	200.000	9,086.00
Constellation Brands, Inc.	1.04%	30.000	-	100.000	7,529.60
Danaher Corporation	0.92%	-	38.000	100.000	5,144.00
Dell Inc.	0.87%	-	-	130.000	4,858.10
eSpeed, Inc.	0.00%	210.000	-	-	-
Exxon Mobil Corporation	1.08%	35.000	-	100.000	6,000.30
Fidelity Diversified International	5.76%	-	-	1,101.414	32,029.12
Fidelity Select Medical Delivery	1.67%	-	200.000	200.000	9,298.00
Flextronics International Ltd. (ADR)	1.05%	-	500.000	500.000	5,845.00
General Dynamics Corporation	0.00%	35.000	-	-	-
General Electric Company	1.28%	-	45.000	200.000	7,106.00
General Growth Properties	0.00%	145.000	-	-	-
H.J. Heinz Company	1.07%	-	-	163.000	5,938.09
Helix Technology Corp.	0.54%	-	200.000	200.000	2,994.00
Helmerich & Payne, Inc.	0.72%	-	100.000	100.000	3,989.00
Hennessy Cornerstone Growth	6.24%	-	-	1,920.803	34,708.91
Hewlett-Packard Company	0.64%	-	-	165.000	3,537.60
iShares MSCI-Japan	0.00%	2,125.000	-	-	-
iShares Tr Cohen & Steers	2.26%	-	100.000	100.000	12,545.00
iShares Tr Nasdaq Biotech	0.58%	-	-	50.000	3,240.00
iShares tr S&P Gbl Energy	0.00%	-	-	-	-
iShares Trust S&P Gbl Hlter	3.48%	100.000	-	395.000	19,351.05
John Hancock Small Cap A	0.00%	2,946.237	-	-	-
Kenneth Cole Productions	0.53%	-	100.000	100.000	2,941.00
Knight Transportation	0.00%	60.000	-	-	-



La-Z-Boy Incorporated	0.25%	-	100.000	100.000	1,378.00
Limited Brands, Inc.	0.83%	-	50.000	200.000	4,622.00
Marathon Oil Corporation	0.76%	-	-	90.000	4,245.30
MarineMax, Inc.	0.00%	36.000	-	-	-
Matthews Pacific Tiger	6.75%	-	500.000	2,323.359	37,568.72
MBNA Corporation	0.59%	-	-	135.000	3,288.60
McCormick & Company, Inc.	0.31%	39.000	-	50.000	1,738.50
Merck & Co., Inc.	0.59%	-	100.000	100.000	3,307.00
Morgan Stan India Inv Fd	1.72%	-	-	325.000	9,581.00
Occidental Petroleum Corporation	0.69%	-	-	54.000	3,863.16
Olin Corporation	1.19%	-	300.000	300.000	6,630.00
Overseas Shipholding Group Inc.	0.84%	-	-	80.000	12,428.00
Park Electrochemical Corp	1.09%	-	300.000	300.000	6,039.00
Perrigo Company	0.00%	295.000	-	-	-
Pfizer Inc.	0.76%	-	-	160.000	4,232.00
Pixar	0.89%	-	21.000	50.000	4,924.00
Premcor Inc.	1.08%	-	-	100.000	6,023.00
Progress Energy, Inc.	0.00%	-	-	-	-
ProLogis	0.00%	265.000	-	-	-
Rockwell Collins, Inc.	0.81%	-	-	100.000	4,510.00
Royce Special Equity Inv	10.52%	-	-	3,111.711	58,500.16
Rydex Juno Investor	5.75%	-	1,699.416	1,699.416	32,000.00
Scudder Gold & Precious Metals					
AARP	0.00%	274.326	-	-	-
Semiconductor HLDRs Tr ML	0.57%	-	-	100.000	3,173.00
Sherwin-Williams Company	0.79%	-	35.000	100.000	4,370.00
Simon Property Group, Inc	0.00%	160.000	-	-	-
Software HOLDERS Trust 2040	0.62%	-	-	100.000	3,453.00
SSgA Emerging Markets	5.35%	-	-	1,898.711	29,752.80
SYSCO Corporation	0.64%	-	23.000	100.000	3,582.00
T. Rowe Price Short-Term Bond	5.29%	-	500.000	3,177.966	26,282.49
The Dow Chemical Company	1.71%	-	143.000	200.000	9,538.00
The J.M. Smucker Company	0.89%	-	13.000	100.000	4,946.00
The Procter & Gamble Co.	1.98%	-	88.000	200.000	11,016.00
The Reader's Digest Association, Inc.	0.31%	-	100.000	100.000	1,719.00
The Student Loan Corp.	2.02%	-	35.000	50.000	11,250.00
Thor Industries, Inc.	0.00%	99.000	-	-	-
United Dominion Realty	0.00%	225.000	-	-	-
United Parcel Service	1.28%	-	55.000	100.000	7,097.00
Urban Outfitters, Inc.	0.75%	-	-	90.000	4,184.10
UTStarcom, Inc.	0.96%	-	500.000	500.000	5,400.00

Sector Composition

Since the Crummer SunTrust portfolio uses the S&P 500 index as its primary benchmark, proposed allocations were also compared to the relative sector weights represented by this index. As the allocation developed for the Crummer SunTrust portfolio, its sector weightings were examined before and after significant changes.



It is important to note that there was not a great deal of emphasis to make the Crummer SunTrust portfolio "look like the S&P 500." However, we feel that the resultant portfolio is well diversified across sectors and is consistent with our economic outlook. In short, we feel that the true value-add is seen in our individual asset decisions, not a sector-by-sector analysis.

Figure 1 illustrates the most recent sector weights of the S&P 500 versus the sector weights of the proposed Crummer SunTrust portfolio.

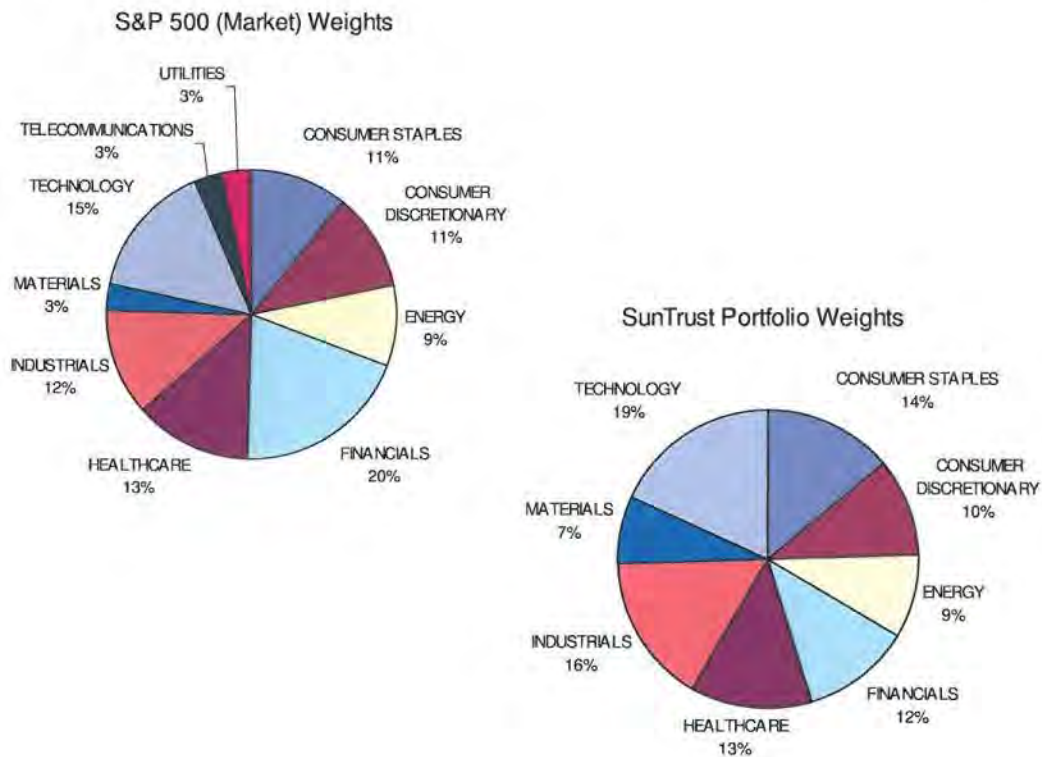


Figure 1

The following table summarizes the comparisons between the S&P 500 (market) sector weights. Allocations to sectors that were greater than 2% from the S&P 500 sector weights were considered "overweight." Similarly, allocations less than 2% from the S&P 500 were labeled "underweight."¹

¹ Mutual fund holdings were included in their entirety if they were fully non-diversified. A portion of diversified funds were included if they held a large majority of assets within a sector. However, we emphasize that we do not assume future consistency in style or sector allocation for diversified funds.



Sector	Proposed Portfolio Weights	S&P 500 (Market) Weights	Overweight/Underweight
CONSUMER STAPLES	14.0%	10.8%	Overweight by 3.22%
CONSUMER DISCRETIONARY	10.5%	11.2%	Market Weight
ENERGY	9.2%	8.9%	Market Weight
FINANCIALS	11.6%	19.5%	Underweight by 7.92%
HEALTHCARE	13.2%	13.0%	Market Weight
INDUSTRIALS	16.0%	11.9%	Overweight by 4.18%
MATERIALS	7.4%	3.2%	Overweight by 4.21%
TECHNOLOGY	18.1%	15.3%	Market Weight
TELECOMMUNICATIONS	0.0%	3.1%	No Position
UTILITIES	0.0%	3.2%	No Position

Asset Class Composition



Figure 2

Mean Variance Optimization

In addition to examining the proposed portfolio's sector and asset class compositions, we utilized quantitative methods based on modern portfolio theory. It is important to understand that quantitative methods like mean-variance optimization (MVO) are tools that, by themselves, may lead to unattainable or impractical results. Instead, quantitative methods were employed for asset allocation as a sanity check instead of a stand-alone factor and to verify that individual



decisions moved the portfolio "in the right direction" with regards to the aggregate risk-return relationship.

The fundamental goal of modern portfolio construction is to optimally allocate capital to various assets while leveraging the relationships introduced between assets with low or negative return correlations. This is based on the pioneering work developed by Markowitz in the early 1950's. In short, MVO provides a mathematical tool for diversification; a portfolio can be constructed so that the aggregate risk (standard deviation) is less than the sum of the risks of its individual assets. Through MVO, the efficient frontier boundary of the infinite attainable sets of portfolios can be identified. (Figure 3)

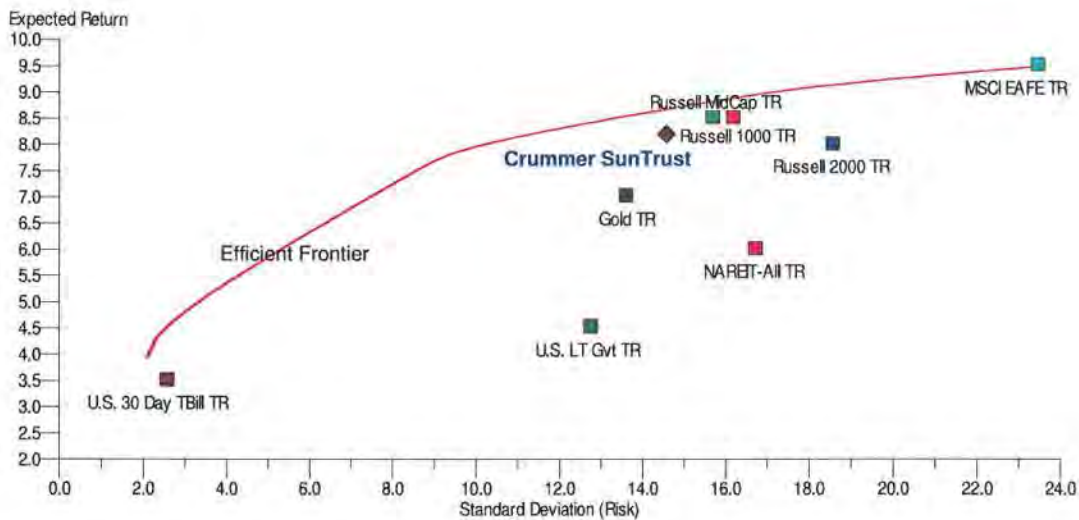


Figure 3

It is impractical, if not impossible, to allocate a portfolio so that it lies on the efficient frontier. It is interesting to note that portfolios generated by the MVO algorithm tend to hold a small number of assets; they are certainly not well-diversified. In fact, the portfolio lying on the efficient frontier lying directly above the proposed SunTrust portfolio only four asset classes: international, mid cap, gold and large cap, with mid caps and international comprising nearly 80% of the portfolio. (Figure 4)

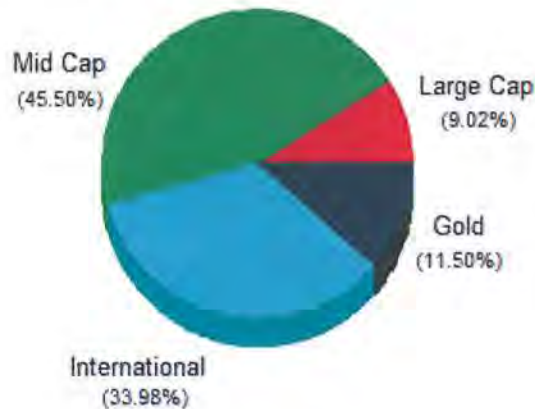


Figure 4

This allocation is neither practical nor attractive for several reasons: from a client's perspective the portfolio may not be well-diversified; a portfolio containing nearly 35% international holdings may be difficult to sell to many American clients. Our goal was to show through MVO that the proposed portfolio was reasonably close to the efficient frontier. The proposed portfolio allocation in Figure 2 performs similarly with much greater diversification and client appeal.

Returning to Figure 3, we see the position of the Crummer SunTrust Portfolio (the diamond labeled "Crummer SunTrust") with respect to the efficient frontier and various benchmark asset classes. Based on this, we feel that the proposed asset allocation is sufficiently near the efficient frontier. Furthermore, we have shown that the proposed portfolio exhibits significantly less risk than equities, commodities and REITs, while having only slightly less returns than the equity benchmarks.

Expected Portfolio Performance

Opinions regarding expected returns were formulated from the preceding economic analysis and sector analysis. Company-specific catalysts were also considered in forecasting expected returns among asset classes.

Risk-Return Estimates

Before the expected performance for the Crummer SunTrust portfolio could be estimated, risk-return relationships among asset classes were forecasted. Risks and returns were analyzed from several periods. The following table is a summary of this analysis.



Asset Class	Last 10 Years		Last 5 Years		Last 2 Years		Jan 1982 to Present	
	Risk	Return	Risk	Return	Risk	Return	Risk	Return
Large	17.7	13.1	16.5	0.3	11.4	23.0	17.6	14.6
Mid	18.6	15.7	19.1	9.9	15.0	33.1	19.2	15.7
Small	22.6	13.5	23.8	8.8	20.2	35.6	22.5	13.4
International	16.2	7.8	16.1	2.2	15.0	36.3	19.1	13.8
REIT	15.2	15.2	17.2	21.8	22.1	33.1	15.0	13.4
T-Bill	0.6	3.9	0.6	2.6	0.1	1.2	1.0	5.5
LT Govt	10.1	10.0	11.0	10.6	12.4	5.4	9.3	12.4
Gold	13.3	2.3	14.5	9.8	15.9	13.3	19.7	1.2

Risk - Several important elements of risk during these periods were considered:

- The period of the last 10 years includes some of the tech rise, and all of the fall.
- The period of the last 5 years may be skewed because it includes September 11, 2001.
- The period of the last 2 years have seen tremendous returns outweigh risk entirely.
- The period from 1982 to the present includes all of these risk considerations, but also the increased volatility of the Bull Market years.

In the end, the decision was made to use the period from January 1982 to the present as a predictor for future risk.

Return - Based on the determinations made through the economic analysis, we believe that lowered expectations will be seen in virtually all asset classes in 2005 compared to returns seen in any of the historical periods, especially those of the last two years.

- **Large and Mid Caps** - We feel we are in the latter stages of the recovery, which historically sees large(r) caps outperforming small caps, since interest rates rise, banks get stingier and small companies will have a harder time expanding. Greatly decreased expectations put our estimate of returns at 8% for both classes.
- **Small Cap** - In addition to the comparison in the first point, the effects of Sarbanes-Oxley will be felt the greatest for smaller companies, with total expenses possibly reaching 10-20% of revenues. With that, we expect small cap returns to be 7.5%.
- **Fixed Income** - We expect a steepening of the yield curve, whereby yields on both the 10-year and two-year rise, but with the 10-year rising faster, and hence the attractiveness of longer-term bonds to diminish. We forecast a 150-200 bps spread between 30-day T-bills and 10-year Treasuries. We predict a Fed Funds rate of 3.5% to 4%, with the YTM on 30-year Treasuries conservatively between 5.00 and 5.25%. Based on an April 10 price of 109-13.5/32, this relates to a negative 4-7% change in price. We have chosen the midpoint of this spread at 5.50%.
- **REITs** - Since this asset class is sensitive to rising interest rates, we expect REITs to not match the past year's performance. We forecast an expected return of 6% in this asset class.



- **International and Japan** -- Emerging-market stocks in Asia avoided the worst of a global slump in March. Unlike problems in the past, we feel that prices will soon rebound due to strong fundamentals. In Japan we see slow money-supply growth, sluggish consumer demand and yet another recession. Japan also has a significant dependence on Chinese growth poses risks. Ex-Japan, we feel that international equities especially in Asia will outperform those in Europe and the U.S, hence our highest expected return of 9.5%
- **Gold** - Gold has seen 2-year returns of over 100%, but in 2004, volatility increased and returns decreased to 20%. We feel that 2005 will look very much like 2004; the possibility of dollar appreciation will compound the uncertainty of gold's performance. Furthermore, large governmental and institutional holdings greatly increase the overall risk relative to other asset classes. All other things being equal, however, we make the "naïve" prediction that returns in 2005 will follow their historical average of 7%.

Table 2 identifies the forecasted risks and returns for each asset class used in mean variance optimization and in estimating expected portfolio performance.

Asset Class	Forecasted Risk	Forecasted Return
Large	17.6	8.0
Mid	19.2	8.0
Small	22.5	7.5
International	19.1	9.5
REIT	15.0	6.0
T_Bill	1.0	3.5
LT Gov't	9.3	5.5 ²
Gold	19.7	7.0

Total Portfolio Returns and Risk Adjusted Returns

Given the preceding assumptions regarding asset class returns, the total expected return for the portfolio was calculated using both forecasted and historical data. Risk-adjusted returns were examined by calculating the Sharpe ratio. The Sharpe ratio is useful in quantifying the level of returns in excess of the market (risk-free) returns for each additional unit of risk. A risk-free rate of 5.57% was used.³

Efficient Portfolio - Expected Returns and Sharpe Ratio

Expected Return	8.67%
Standard Deviation	14.57%
Sharpe Ratio	0.21

² This represents the returns on the short position. Actual forecasted returns were assumed negative.

³ the average rate of the 10-year Treasury Constant Maturity from the past twelve years

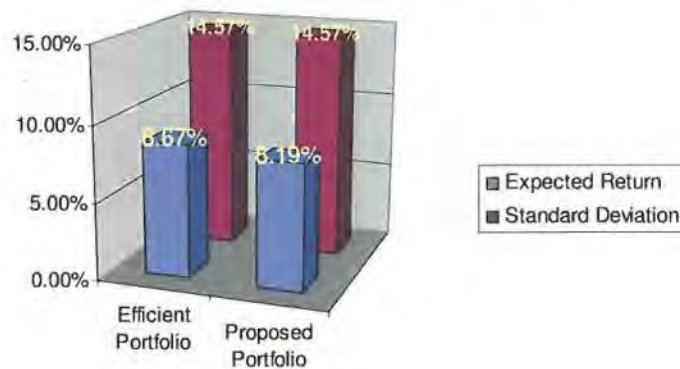


Using forecasted risks and returns, the optimized/efficient portfolio return and Sharpe ratio were calculated as a benchmark. As previously stated, we feel that the composition of the efficient portfolio may be impractical and unattractive.

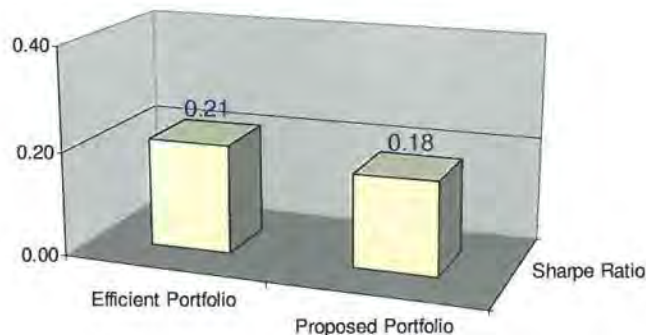
Proposed Portfolio - Expected Returns and Sharpe Ratio

Expected Return	8.19%
Standard Deviation	14.57%
Sharpe Ratio	0.18

For the proposed portfolio, we see that the expected return of 8.19% is within of the target range of 8.0% to 11.75%. The risk adjusted measure of 0.21 shows that we are sufficiently close to the efficient portfolio's 0.18. We feel that the differences in both the expected returns and the Sharpe ratios are small enough to justify the proposed allocation. Moreover, the added diversification represented by proposed portfolio is not accounted for using the MVO optimization routine.



We must also mention that the expected Sharpe ratio of 0.18 is significantly less than the one calculated for the 2004 allocation (0.69), which can be attributed to the assumption made about the risk-free rate. We have estimated the risk-free rate at 5.57%, which is the average rate of the 10-year Treasury Constant Maturity from the past twelve years.





Conclusion

The preparation and distribution of this paper and its corresponding presentation as part of Dr. Ed Moses' FIN 609 *Portfolio Management: Theory and Applications* class are certainly relevant exercises in preparation for careers in the investment profession. The managing directors and analysts would like to sincerely thank Dr. Moses, SunTrust Bank and the participating investment professionals for providing them this enriching opportunity.

We feel that the recommendations and analysis contained in this paper are a result of a great deal of diligent research as well as student knowledge and talent. This, coupled with the disciplined application of modern portfolio theory, has resulted in a strategy that we hope proves successful in the coming year.

The Team

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T.J. Gillespie
Gabriel Ivan
Nick Karpinski
Richard Konkel
Jeremy Miller
Lauri Miller
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Diego Vargas
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Special Thanks

Richard A. Ahl, Jr., CFA, *President, AHL Investment Management*

Anthony (Tony) Gray, *Managing Director, Graybeard Capital LLC*

Danny Moses, *Senior VP, International Equity Sales, Freidman, Billings, Ramsey & Co.*

John D. Race, *Co-founder, Principal, and Portfolio Manager of DePrince, Race & Zollo*

Don Wordell, *Trusco Capital, MidCap Value Portfolio Manager*



Analyst Recommendations

The following pages contain recommendations provided by the analysts that were used in the final allocation. Holdings are ordered alphabetically. The following key provides information about the data contained in each recommendation.



1. **General Information** -- This section provides general information on the security being recommended including the recommendation to buy, sell, or hold, market capitalization, ticker and exchange information.
2. **Key Statistics** -- Results of fundamental analysis are contained in this section. The goal was to decide on a common set of indicators that so that securities would be comparable. With that, every attempt was made to normalize the underlying parameters. Calculated statistics use the same or similar methods. For example, target prices were generated using a similar dividend discount model.
3. **Key Justifications for Recommendation** -- Possibly containing the most critical information, this section outlines the "catalysts" that will drive the growth in the price of the security or other important qualitative features of the security to be considered during the next year.
4. **Profile** -- This section contains summary data regarding company location, activities and industries.
5. **One-Year Returns** -- This graphic represents the security's historical indexed returns for the past year, along with the performance of the S&P 500 and the relevant industry index.

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

3M Company

Currently held: 60 shares
(0.87% of portfolio)

Recommendation: Hold/
increase by 40 shares

NYSE: MMM

Industry: Industrial Conglomerate

Market Cap: \$66.98B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$85.25
52-Week Price Range	\$73.31/\$90.29
EPS	3.02
Beta (Bloomberg, ValueLine)	0.85
Dividends	1.32
Dividend yield	1.80%
P/E Trailing	22.5
P/E Current	21.3
P/E Industry	23
P/B	8.04
P/S	3.48

Target Price

DDM:	\$85.80
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Financial Data

Revenues	18,232M
Net Income	2,403M
EBITDA	4,625M
Total Assets	17,600
Equity Multiplier	2.23
ROE	30.48%
Profit Margin	13.18%

Growth Rates

-Sales (historical)	3.5%
-Sales (future)	7%
-Earnings (historical)	5.5%
-Earnings (future)	11%

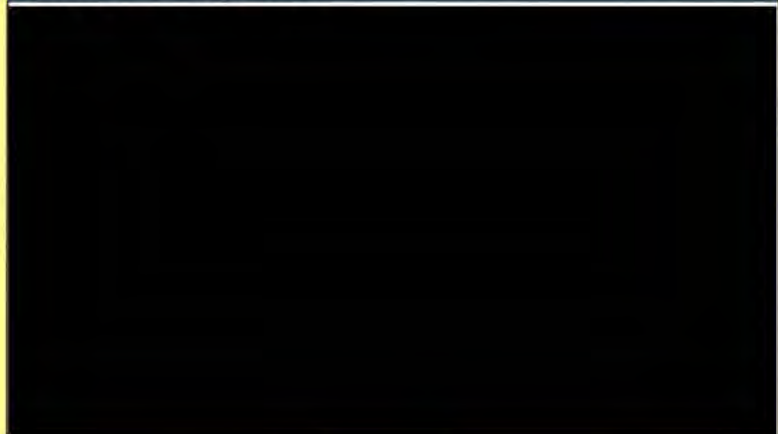
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Will add capacity for increased growth in Asian countries
- R&D spending for new product developments
- Profit Margin has increased in last 3 years
- Little Debt

PROFILE

3M Company (MMM) manufactures and markets pressure-sensitive adhesive tapes, abrasives, and specialty chemicals. 3M also markets electrical & telecommunication products, medical devices, office supplies, and major automotive parts. The company employs around 66,500 people and has approximately 125,125 shareholders. Chairman and CEO: W. James McNerney, Jr. Address: 3M Center, St. Paul, Minn 55144.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Accenture

**Currently held: 0.38% of portfolio
(80 shares)**

**Recommendation: Hold / increase
by 20 shares**

NYSE: ACN

Sector: Services

Industry: Business Services (IT)

Market Cap: \$24.4B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Accenture has slight edge with regard to total returns over their biggest competitors (Bearing Point and Electronic Data Systems).
- Industry may be undervalued because of technology bubble and they have a good ROE
- Accenture has a strong future earnings forecast.
- Current P/E of 18.6 is below industry average of 23.

KEY STATISTICS

Stock Data

Current Price:	\$23.44
52-Week Price Range	\$21.86-\$28.10
EPS	1.23
Beta (Bloomberg, ValueLine)	0.99
Dividends	\$0.00
Dividend yield	0%
P/E Trailing	20.7
P/E Current	18.6
P/E Industry	23
P/B	16.48
P/S	1.6

Target Price

DDM (Excel):	\$33.34
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Financial Data

Revenues	15113M
Net Income	690.8M
EBITDA	1799M
Total Assets	7988M
Equity Multiplier	5.43
ROE	46.9%
Profit Margin	4.60%

Growth Rates

-Sales (historical)	-
-Sales (future)	9.00%
-Earnings (historical)	-
-Earnings (future)	12.50%

PROFILE

Accenture Ltd. is a management consulting, technology services and outsourcing organization with over 110 offices in 48 countries. The Company's business consists of using industry and business-process knowledge, service offering expertise and insight into, and access to, existing and emerging technologies to identify new business and technology trends, and formulate and implement solutions for clients under demanding time constraints. Accenture helps clients identify and enter new markets, increase revenues in existing markets, improve operational performance and deliver their products and services more effectively and efficiently. The Company's business is structured around five operating groups, which, together, are comprised of 18 industry groups serving clients in every major industry. Its operating groups are Communications and High Tech, Financial Services, Government, Products and Resources.

1-YEAR RETURNS (INDEXED)

GENERAL INFORMATION

Affiliated Computer Services

Currently held: Yes (68 shares)

Recommendation: HOLD / increase by 132 shares

NYSE: ACS

Market Cap: \$6.31B – Mid Cap

KEY STATISTICS

Stock Data

Sector (S&P) Technology
Industry (SIC) Computers-Software/Services
Profile Computer Processing & Data Preparation/Processing Svcs.

Current Price	\$52.01
52-Week Price Range	\$46.01-61.23
EPS	\$2.89
Beta	1.10
Dividends	\$0.00
Dividend yield	0.00%
P/E 12 mo.	18.59
P/E Forward	17.18
P/E Industry	63.75
P/B	2.23
P/S	1.52
P/CF	10.40
PEG	1.04

Target Price

FCF, DDM	\$54.36
Market Value to Intrinsic Value	0.91
Expected Return 5-Year	16.50%
Required Return	10.23%

Financial Data

Revenues	\$4,106,393,000
Net Income	\$529,843,000
EBITDA	\$756,357,000
Total Assets	\$3,698,705,000
Shareholders Equity	\$2,590,487,000
Profit Margin	12.90%
Total Asset Turnover	1.11
Equity Multiplier	1.43
ROE	20.45

Growth Rates

Revenue:	
Historical 5 year	17.00%
1 Year est.	10.50%

Earnings:

Historical 5 year	27.00%
Short Term 5 year est. (%)	16.5

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: Niche market in verification software. Today's heightened security environment is proving quite profitable, especially in the government and education sectors.

Recent News: Recently renewed contract with University of Cal. System worth approx. 1.8m

Strategy: Create attractive outsourcing for companies who are looking to streamline/reduce costs of internal operations.

Opportunities: Just bought Mellon Financial Human Resource Consulting & Outsourcing unit adding 75 million to annual revenues.

Risks: Could loose business to cheaper foreign competition.

Institutional holdings: 121,546,498 (95.96%)

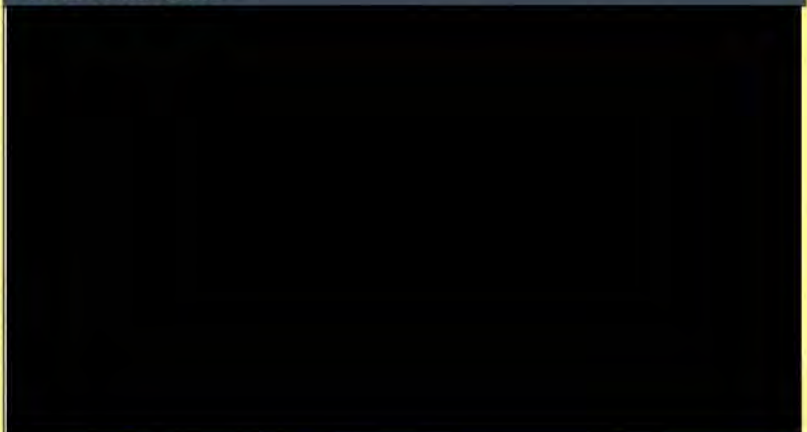
Insider trading (12 month net shares): (599,230)

PROFILE

Affiliated Computer Services provides business process and information technology outsourcing solutions to commercial and government clients. These services enable businesses and government agencies to focus on core operations, respond to rapidly changing technologies and reduce expenses.

<http://www.acs-inc.com/>

1-YEAR RETURNS



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Alcoa

Currently held: 0.8% of portfolio
Recommendation: Sell all 145 shares

NYSE: AA

Sector: Basic Materials

Industry: Metal Mining

Market Cap: \$25.6B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$31.32
52-Week Price Range	\$28.01-\$38.58
EPS	1.53
Beta (Bloomberg, ValueLine)	1.27
Dividends	\$0.60
Dividend yield	2.00%
P/E Trailing	19.2
P/E Current	16.5
P/E Industry	30
P/B	1.92
P/S	1.09

Target Price

DDM (Bloomberg):	\$17.24
------------------	---------

Financial Data

Revenues	23478M
Net Income	1310M
EBITDA	2204M
Total Assets	32609M
Equity Multiplier	2.45
ROE	10.10%
Profit Margin	5.70%

Growth Rates

-Sales (historical)	5.00%
-Sales (future)	4.50%
-Earnings (historical)	3%
-Earnings (future)	16.5%

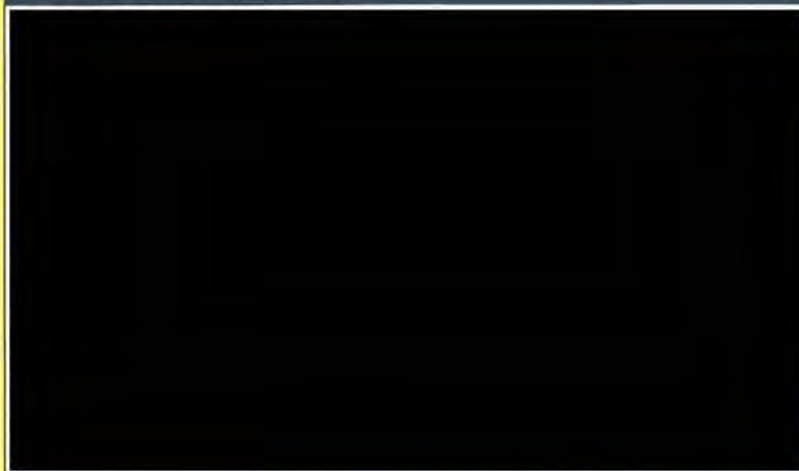
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Current Price is \$31.40 and the target price from the DDM is \$17.24.
- Aluminum had lowest returns (1-year: -15%) relative to metal mining industry (aluminum, steel, precious metals) as a whole (1-Year: 43.7%). Further, Alcoa is underperforming S&P.
- Direct competitors in aluminum industry, such as Alcan (AL) are underperforming as well (1-Year: -13%).
- Stated on 3/22/05 that they will cut 2000 jobs over next 2 years because the industry has become more competitive.
- Purchase something in precious metals or increase position scudder precious metal mutual fund.

PROFILE

Alcoa Inc. is a producer of primary aluminum, fabricated aluminum and alumina. The Company is active in all major aspects of the industry: technology, mining, refining, smelting, fabricating and recycling. Non-aluminum products include precision castings, industrial fasteners, vinyl siding, consumer products, foodservice and flexible packaging products, plastic closures, fiber-optic cables and electrical distribution systems for cars and trucks. Alcoa's products are used worldwide in aircraft, automobiles, commercial transportation, packaging, consumer products, building and construction and industrial applications. The Company's operations consist of six segments: Alumina and Chemicals, Primary Metals, Flat-Rolled Products, Engineered Products, Packaging and Consumer and Other. In December 2004, the Company sold its Aluminum Reynolds de Venezuela, known as Alreyven, to Topes Y Techos S.A., a Venezuelan Company.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Allied Defense Group
Currently held: Yes, 90 shares
**Recommendation: Hold/
increase by 10 shares**
NYSE: ADG
Industry: Aerospace & Defense
Market Cap: 126.28M

KEY STATISTICS

Stock Data

Current Price:	\$22.55
52-Week Price Range	\$22.28-22.65
EPS	1.16
Beta (Bloomberg, ValueLine)	-.573
Dividends	n/a
Dividend yield	n/a
P/E Trailing	19.39
P/B	1.09
P/S	0.74

Target Price DDM:

Financial Data

Revenues	167.99M
Net Income	6.87M
EBITDA	20.33M
ROE	6.27%
Profit Margin	4.09%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Defense companies booming due to the war in Iraq

PROFILE

The Allied Defense Group, Inc. owns and manages a strategic portfolio of defense and security businesses, with presence in worldwide markets. It provides management, marketing services and government relations for its subsidiaries. In addition, Allied also provides export licensing, procurement and logistic support services for its subsidiaries. Its strategic defense and security businesses are conducted through MECAR S.A., a group of Belgian corporations acquired in 1994, 1995 and 1999 consisting of VSK Electronics N.V., Tele Technique Generale, S.A., Intelligent Data Capturing Systems, S.A. and VIGITEC, S.A. (collectively, the VSK Group), News/Sports Microwave Rental Inc. (NS Microwave), Titan Dynamics Systems, Inc. (Titan Dynamics) and SeaSpace Corporation (SeaSpace). In late 2003, the Company organized MECAR USA, Inc

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Allstate Corp

Currently held: **NO**

Recommendation: **BUY 200 shares**

NYSE: **ALL**

Sector: Insurance

Industry: Property and Casualty

Market Cap: \$35B – Large Value

KEY STATISTICS

Stock Data

Current Price	\$54.80
52-Week Price Range	\$42-55
EPS	\$4.79
Beta	.32
Dividends	\$1.28
Dividend yield	2.18%
P/E Trailing	11.10
P/E Current	11.02
P/E Industry	7.6
P/B	1.65
P/S	1.06

Target Price

DDM (Bloomberg):	\$69.87
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Financial Data

Revenues	\$33,936
Net Income	\$1,142
EBITDA	\$1,677
Total Assets	\$149,725
Equity Multiplier	9.15
ROE	15.4%
Profit Margin	9.9%

Growth Rates

-Sales (Historical)	4.7%
-Sales (Future)	4.27%
-Earnings (Historical)	7.2%
-Earnings (Future)	8.31%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Current Price below DDM
- Solid Yield of 2.18%
- Low Debt/Total Capital: 20%
- Price/Book: 1.65
- BOD announced a \$4 Billion Repurchase Program by 2006
- Eight Catastrophes: recovered quickly

PROFILE

Allstate Corporation serves as the holding company for Allstate Insurance Company. Its business is conducted principally through Allstate Insurance Company, Allstate Life Insurance Company and their affiliates (collectively, including Allstate Corporation, Allstate). Allstate is engaged in the personal property and casualty insurance business and the life insurance, retirement and investment products business. It conducts its business primarily in the United States. Allstate provides insurance products to more than 16 million households and has approximately 13,600 exclusive agencies and exclusive financial specialists in the United States and Canada. Allstate has four business segments: Allstate Protection, Allstate Financial, Discontinued Lines and Coverages, and Corporate and other.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Anheuser-Busch

Holding: 109 shares/.98% of Tot.

**Recommendation: HOLD / sell 9
of the 109 shares**

NYSE: BUD

Consumer Staples

S&P 500, Dow Jones Industrials

Market Cap: \$38.22B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$46.71
52-Week Price Range	\$47.26/54.74
EPS	2.77
Beta (Bloomberg, ValueLine)	0.6
Dividends	0.93
Dividend yield	1.80%
P/E 12 mo. Current/Trailing	17.1/18
-Industry	19
P/B (e.g., financials, insurance)	11.17
P/S	2.62

Target Price

DDM:	\$61.25
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Financial Data

Revenues	14,147M
Net Income	2,076M
EBITDA	4,078M
Total Assets	14,689M
ROE	77%
Profit Margin	15%
Total Asset Turnover	0.96
Equity Multiplier	5.42

Growth Rates

-Sales Historical	7%
-Sales Future	5.5%
-Earnings Historical	13%
-Earnings Future	9.50%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Increased exposure in China (Acquisition of Harbin Beer, 4th largest in China)
- China is the worlds fastest growing beer market
- New products domestically (Budweiser Select)
- Increased marketing domestically
- Growth opportunity in emerging markets

PROFILE

Anheuser-Busch Companies, Inc. produces and distributes beer under brand names such as Budweiser, Michelob, and Busch. The Company also manufactures beverage cans, recycles aluminum cans for conversion into new can sheets, manufactures labels, and operates rice milling and barley seed processing plants. In addition, Anheuser-Busch owns and operates theme parks. Has 23,316 employees; about 56,095 shareholders. Chrmn. & Pres.: Patrick T. Stokes Inc.: MO. Add.: One Busch Place, St. Louis, MO 63118. Tel.: 314-577-2000 Internet: www.anheuser-busch.com.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

ATI Technologies, Inc.
Currently held: No
Recommendation: BUY 500
shares

NYSE: ATYT

Market Cap: \$4.37B – Mid Cap

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: Last product released blew competitor product out of the water. Won battle for graphics card in XBOX 2
Recent News: Recently acquired CuTe Solutions to aid in broadening product offerings
Strategy: Make the best graphics cards on the market with high integration capabilities
Opportunities: More consumer products are using video and digital picture, often requiring graphics support technology
Risks: Cyclical industry
Institutional holdings: 111,730,760 (44.46%)
Insider trading (12 month net shares): 0

KEY STATISTICS

Stock Data

Sector (S&P)	Technology
Industry (SIC)	Computers-Software/Services
Profile	Prepackaged Software
Current Price	\$16.90
52-Week Price Range	\$13.35-20.66
EPS	\$0.87
Beta	1.30
Dividends	\$0.00
Dividend yield	0%
P/E 12 mo.	20.51
P/E Forward	19.75
P/E Industry	31.43
P/B	4.17
P/S	2.02
P/CF	17.52
PEG	0.99

Target Price

FCF, DDM	\$17.85
Market Value to Intrinsic Value	0.96
Expected Return 5-Year	20.00%
Required Return	11.33%

Financial Data

Revenues	\$1,996,717,000
Net Income	\$204,799,000
EBITDA	\$275,762,000
Total Assets	\$1,116,058,000
Shareholders Equity	\$944,688,000
Profit Margin	10.26%
Total Asset Turnover	1.79
Equity Multiplier	1.18
ROE	21.68

Growth Rates

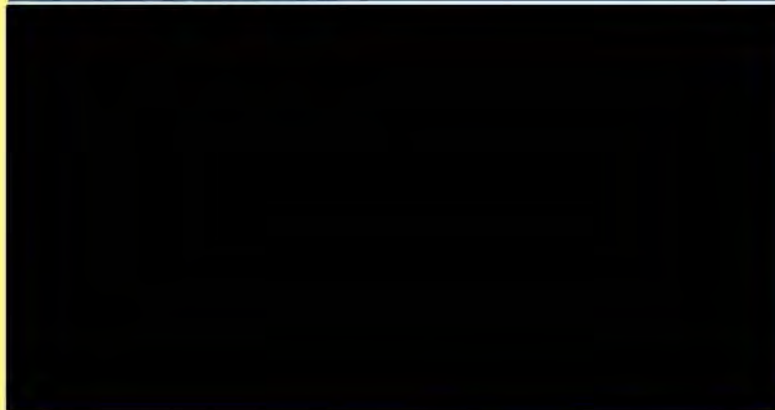
Revenue:	
Historical 5 year	16.00%
1 Year est.	31.80%
Earnings:	
Historical 5 year	15.00%
Short Term 5 year est. (%)	20

PROFILE

ATI Technologies Inc. provides 3-D graphics and multimedia solutions. The Company designs, manufactures, and markets multimedia solutions and graphics components for personal computers. The Company supplies video and two dimensional/three dimensional graphics accelerators to original equipment manufacturers and retail customers.

<http://www.ati.com>

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Automatic Data Processing, Inc.
Currently held: Yes, 65 shares
Recommendation: HOLD / increase by 35 shares
NYSE: ADP
Sector: IT services
Industry: Business Services
S&P 500, Dow Jones Industrials
Market Cap: \$66.98B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$44.89
52-Week Price Range	\$38.60/47.31
EPS	1.56
Beta (Bloomberg, ValueLine)	1.23
Dividends	0.54
Dividend yield	1.4%
P/E Trailing	28.5
P/E Current	26.7
PE Industry	23
P/B	4.91
P/S	3.43

Target Price

DDM:	\$44.99
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Financial Data

Revenues	7,755M
Net Income	936M
EBITDA	1,858M
Total Assets	21,121M
Equity Multiplier	3.89
ROE	17.28%
Profit Margin	12.07%

Growth Rates

-Sales (historical)	9%
-Sales (future)	7.5%
-Earnings (historical)	10.5%
-Earnings (future)	11%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Favorable strong job trend for future
- Higher ROE than industry
- Increased dividend for 30th consecutive year
- Benefits from 2003 acquisitions will be felt

PROFILE

Automatic Data Processing provides a range of payroll, human resources, benefits administration, time and attendance, tax filing and reporting services to employers. ADP also provides brokerage, auto dealer, and insurance claim services. The company currently employs 42,000 employees. Chairman and CEO: Arthur Weinbach. Address: One ADP Boulevard, Roseland, New Jersey 07068.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Belo Corporation

Currently held: Yes

Recommendation: **SELL all 105 shares**

NYSE: BLC

Market Cap: \$2.38B- Mid Cap

KEY STATISTICS

Stock Data

Sector (S&P) Consumer Discretionary
Industry (SIC) Media/Entertainment
Profile Newspaper: Publishing, or
Publishing and Printing

Current Price	\$24.11
52-Week Price Range	\$18.00-29.90
EPS	\$1.13
Beta	0.95
Dividends	\$0.40
Dividend yield	1.60%
P/E 12 mo.	18.70
P/E Forward	21.23
P/E Industry	107.05
P/B	1.68
P/S	1.82
P/CF	11.89
PEG	1.57

Target Price

FCF, DDM	\$22.97
Market Value to Intrinsic Value	1.04
Expected Return 5-Year	13.50%
Required Return	9.41%

Financial Data

Revenues	\$1,510,234,000
Net Income	\$132,496,000
EBITDA	\$420,334,000
Total Assets	\$3,588,000,000
Shareholders Equity	\$1,629,652,000
Profit Margin	8.77%
Total Asset Turnover	0.42
Equity Multiplier	2.20
ROE	8.13

Growth Rates

Revenue:	
Historical 5 year	2.50%
1 Year est.	3.50%

Earnings:

Historical 5 year	7.50%
Short Term 5 year est. (%)	13.5

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: None

Recent News: Company issue guidance saying it will beat expectations by considerable margin. (2-5 cents)

Strategy: Use cash flows to pay off heavy debt; reduce costs and increase profits through joint ventures.

Opportunities: Election is only 3 years away.

Risks: May not be able to buy back enough shares in order to counter dilutive effect of stock options.

Institutional holdings: 75,330,791 (65.95%)

Insider trading (12 month net shares): (338,404)

PROFILE

Media company with a diversified group of television, newspaper, cable and interactive media assets.

<http://www.belo.com>

1-YEAR RETURNS

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Bob Evans Farms, Inc

Currently held: No

Recommendation: Buy 100 shares

NDQ: BOBE

Restaurant

S&P 500

Market Cap: \$825M – Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$21.79
52-Week Price Range	\$22.31/33.36
EPS	\$1.12
Beta (Bloomberg)	1.1
Dividends	\$0.48
Dividend yield	2.10%
P/E month forward	16.5
P/E trailing	20.7
P/E 5 yr. range	8-19
P/E industry	22
P/B (e.g., financials, insurance)	4.2
P/S	2.14

Target Price

DDM	\$29.78
Expected Return (target)	22.26%
Expected Return SML	10.22%

Financial Data

Revenues	\$1198M
Net Income	\$72.0M
EBITDA	\$153M
Total Assets	\$868.20

DuPont Analysis

Profit margin	0.06
Total asset turnover	1.38
Equity multiplier	1.38

ROE	11.43%
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KEY JUSTIFICATIONS FOR RECOMMENDATION

- Strong acquisition of Mimi's
- Hog Costs at an all time high – indicates prices are beginning to roll over

PROFILE

Bob Evans Farms, Inc. conducts business in two principal industry segments: the ownership and operation of a chain of full-service, family-casual restaurants located in 22 states, and the manufacture, distribution and sale of fresh and fully cooked pork products and other complementary food products in 30 states. In July 2004, the Company acquired SWH Corporation (d/b/a Mimi's Cafe). Mimi's, based in Tustin, California, operates 81 company-owned Mimi's Cafe restaurants in 10 states, with most of the locations in California and other western states. Bob Evans Farms, Inc has about 40,750 employees. Chrmn. & CEO: Stewart Owens. Addr.: 3776 South High Street, Columbus, OH: 43207. Tel.: 614-491-2225. Internet: www.bobevans.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Boston Properties, Inc.
Currently held: 0.63% of Portfolio
Recommendation: Sell all 55 shares

NYSE: BXP
 Sector: Financials
 Industry: Real Estate Operations, REITs
 Market Cap: \$6.7B – Large Value

KEY STATISTICS

Stock Data

Current Price	\$62.00
52-Week Price Range	\$43-65
EPS	\$2.35
Beta	.24
Dividends	\$0.65
Dividend yield	4.16%
P/E Trailing	23.7
P/E Current	26.3
P/E Industry	21.4
P/B	2.4
P/S	5.0

Target Price

DDM:	\$32.33
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Financial Data

Revenues	\$1,400
Net Income	\$284
EBITDA	\$873
Total Assets	\$9,063
Equity Multiplier	3.13
ROE	12.8%
Profit Margin	22.5%

Growth Rates

-Sales (Historical)	7.8%
-Sales (future)	14.94%
-Earnings (Historical)	(18.06)
-Earnings (Future)	15.95%

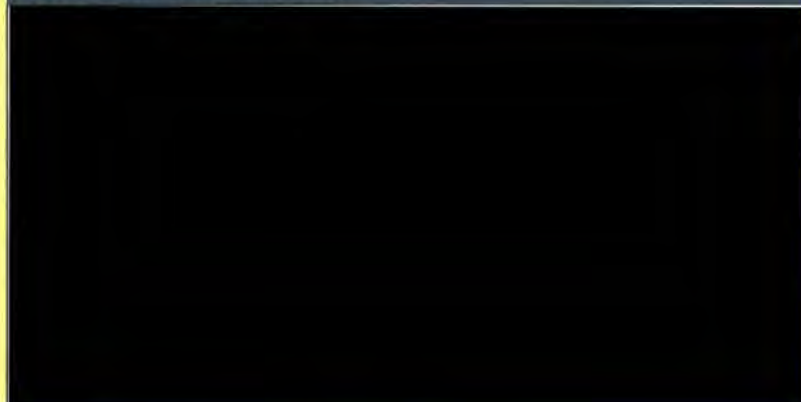
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Office Sector is overpriced
- Office properties have a lot of competition
- Share price almost double peer group
- Vacancy rates in certain markets are higher than the national average
- Ave rental rates for new leases are below already existing leases
- Lots of cash. dilutive to shareholders

PROFILE

Boston Properties, Inc. is a fully integrated self-administered and self-managed real estate investment trust (REIT) that owns and develops office properties in the United States. Its properties are concentrated in four core markets: Boston, Washington, D.C., midtown Manhattan and San Francisco. As of December 31, 2003, the Company owned or had interests in 140 properties totaling approximately 43.9 million net rentable square feet. Its properties consisted of 131 office properties comprised of 103 Class A office properties (including three properties under construction) and 28 office/technical properties; four industrial properties; three hotels, and two retail properties. Boston Properties owns or controls 43 parcels of land totaling 551.3 acres and structured parking for 31,098 vehicles containing approximately 9.4 million square feet. www.bostonproperties.com

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

BP plc

Holding: 95 shares/ .98% of Tot.

**Recommendation: HOLD /
decrease by 45**

NYSE: BP

Petroleum (Integrated)

S&P 500, Dow Jones Industrials

Market Cap: \$214B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$62.64
52-Week Price Range	\$47.79/66.65
EPS	\$4.30
Beta (Bloomberg, ValueLine)	0.8
Dividends	\$1.66/S
Dividend yield	2.90%
P/E 12 mo. forward/trailing	15/14.4
-Industry	13
P/B (e.g., financials, insurance)	2.84
P/S	0.85
D/E	0.15

Target Price

DDM:	\$71.88
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Financial Data

Revenues	232,571M
Net Income	13,143M
EBITDA	29,991M
Total Assets	181,398M
ROE	16.48%
Profit Margin	5.6%
Total Asset Turnover	2.21
Equity Multiplier	23.4

Growth Rates

-Sales Historical	10%
-Sales Future	9%
-Earnings Historical	8%
-Earnings Future	9%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- All time high price
- Over-exposed in oil stocks
- A dollar rise will kill value in holding ADR's
- Great returns to realize on this stock
- More volatile than XOM
- A big oil-sell is needed to hedge portfolio

PROFILE

BP p.l.c. is an oil company with four main businesses: Exploration and Production; Gas, Power and Renewables; Refining and Marketing, and Petrochemicals. Exploration and Production includes oil and natural gas exploration and field development and production, together with pipeline transportation and natural gas processing. Gas, Power and Renewables activities include marketing and trading of natural gas, natural gas liquid, new market development, liquefied natural gas and solar and renewables. The activities of Refining and Marketing include oil supply and trading, as well as refining and marketing. Has 103,700 employees and approx. 171,527 shrhldrs. Chrmn.: Peter Sutherland, CEO: Sir John Browne Inc.: PA. Add.: 1 St James Square. London SW1Y 4PD. Internet: www.bp.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Callaway Golf Company

Currently held: No

Recommendation: Buy 400 shares

NYSE: ELY

Recreational Products

S&P 500

Market Cap: \$1.05B – Small Cap Value

KEY STATISTICS

Stock Data

Current Price:	\$12.33
52-Week Price Range	\$20.0/9.28
EPS	\$0.11
Beta (Bloomberg)	1.27
Dividends	\$0.28
Dividend yield	2.00%
P/E 12 mo. forward	18.5
P/E trailing	125.9
P/E 5 yr. range	8-130
P/E industry	17.8
P/B (e.g., financials, insurance)	3.1
P/S	1.47

Target Price

DDM	\$21.84
Expected Return (target)	36.58%
Expected Return SML	11.16%

Financial Data

Revenues	\$934.6M
Net Income	(\$10.1M)
EBITDA	\$27.50
Total Assets	\$748.60

DuPont Analysis

Profit margin	0.01
Total asset turnover	1.26
Equity multiplier	1.25
ROE	1.42%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- New product cycle
- Confirmation of new product sell-through
- Great Balance Sheet – Resumption of Stock Buy Back

PROFILE

Callaway Golf Company designs, manufactures and sells golf clubs (drivers, fairway woods, irons, wedges and putters) and golf balls together with its subsidiaries. It also sells golf accessories, such as golf bags, golf gloves, golf headwear, travel covers and bags, golf towels and golf umbrellas. The Company generally sells its products to golf retailers, sporting goods retailers and mass merchants, directly and through wholly owned subsidiaries and to third-party distributors. The Company also sells pre-owned golf products through its Website, www.callawaygolfpreowned.com. Its products are sold in the United States and in over 100 countries around the world. Callaway Golf Company has about 3,000 employees. Chrmn. & CEO: William Baker. Addr.: 218 Rutherford Road, Carlsbad, CA. 92008. Tel.: 760-931-1771. Internet: www.callawaygolf.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Charming Shoppes, Inc.

Currently held: No

Recommendation: Strong Buy
300 shares

NYSE: CHRS

Market Cap: \$1.05B – Mid Cap

KEY STATISTICS

Stock Data

Sector (S&P) Consumer Discretionary
Industry (SIC) Retail
Profile Women's Clothing Stores

Current Price	\$7.56
52-Week Price Range	\$6.23-9.64
EPS	\$0.59
Beta	1.35
Dividends	\$0.00
Dividend yield	0%
P/E 12 mo.	15.07
P/E Forward	14.81
P/E Industry	23.52
P/B	1.45
P/S	0.43
P/CF	7.07
PEG	0.67

Target Price

FCF, DDM	\$11.81
Market Value to Intrinsic Value	0.74
Expected Return 5-Year	22.00%
Required Return	11.61%

Financial Data

Revenues	\$2,285,680,000
Net Income	\$40,639,000
EBITDA	\$63,638,000
Total Assets	\$1,164,879,000
Shareholders Equity	\$605,085,000
Profit Margin	1.78%
Total Asset Turnover	1.96
Equity Multiplier	1.93
ROE	6.72

Growth Rates

Revenue:	
Historical 5 year	14.50%
1 Year est.	26.00%

Earnings:	
Historical 5 year	38.50%
Short Term 5 year est. (%)	22

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: America is getting fatter at an alarming rate. Plus size women go here for trendy clothes.

Recent News: No recent news

Strategy: Make affordable clothes for the plus size woman

Opportunities: Real estate holdings; growing market

Risks: Stigma of selling 'fat people' clothing

Institutional holdings: 121,092,516 (101.84%)

Insider trading (12 month net shares): 1,025,123

PROFILE

Charming Shoppes Inc. is a specialty apparel retailer primarily focused on plus-size women's apparel through three distinct brands: Lane Bryant, Fashion Bug, and Catherine's Plus Sizes.

<http://www.charmingshoppes.com>

1-YEAR RETURNS

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Citigroup, Inc

Currently held: 1.65% of Portfolio 194 shares

Recommendation: **HOLD** / increase by 6 shares

NYSE: C

Sector: Financials

Industry: Money Center Banks

Market Cap: \$251B – Large Value

KEY STATISTICS

Stock Data

Current Price	\$46.45
52-Week Price Range	\$42-52
EPS	\$3.26
Beta	1.13
Dividends	\$0.44
Dividend yield	3.7%
P/E Trailing	12.00
P/E Current	14.9
P/E Industry	15.4
P/B	2.3
P/S	3.8

Target Price

DDM:	\$69.16
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Financial Data

Revenues	\$66,709
Net Income	\$17,046
EBITDA	\$14,246
Total Assets	\$1,484
Equity Multiplier	13.7
ROE	15.8%
Profit Margin	15.7%

Growth Rates

-Sales (Historical)	16.9%
-Sales (Future)	2.02%
-Earnings (Historical)	(4.8) %
-Earnings (Future)	8.78%

Significant News

- 2/11/05: 1,000 plus jobs cut to trim fat
- 1/31/05: MetLife to acquire Travelers Life and Annuity for 11.5 Billion
- 12/10/04: Acquires derivative markets Business from Knight Trading Group
- 11/22/04: Divest CitiCapital for 90 million gain.

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Cut 1,000 or more employees
- Revenues growth predicted at 9%
- 11.5 Billion sale of Travelers Life and Annuity from MetLife
- Numerous Acquisitions: First American Bank in TX and the derivative markets business of Knight Trading Group.

PROFILE

Citigroup Inc. is a financial services holding company that conducts its activities through the Global Consumer, Global Corporate and Investment Bank (GCIB), Private Client Services, Global Investment Management (GIM) and Proprietary Investment Activities segments. Global Consumer includes a global, full-service consumer franchise delivering banking, lending, insurance and investment services through a network of branches, offices and electronic delivery systems. The businesses included in the GCIB segment provide a range of banking and financial products and services. Private Client Services provides investment advice, financial planning and brokerage services to affluent individuals, small and mid-size companies, non-profits and large corporations. GIM offers life insurance, annuity, asset management and personalized wealth management products and services. The Proprietary Investment Activities segment includes the Company's venture capital activities and other investments.
www.citigroup.com

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Constellation Brands Inc

Currently held: Yes

Recommendation: Hold all 130 shares

NYSE: STZ

Consumer / Non-Cyclical

Beverages (Alcoholic)

Market Cap: \$5.6 – Mid-cap Value

KEY STATISTICS

Stock Data

Current Price:	\$59.93
52-Week Price Range	\$31/\$59.93
EPS (ttm)	\$2.52
Beta (Reuters)	0.27
Dividends	N/A
Dividend yield	N/A
P/E (12 mo. forward/trailing, 5 yr. range, industry)	
ttm company	20.70
ttm industry	18.12
5yr range company	10.15 – 21.26
5yr range industry	15.75 – 27.79

Net Margin

(ttm company)	7.42%
(ttm industry)	11.00%
(5yr company)	5.37%
(5yr industry)	10.19%

Target Price

\$40 - \$45

Financial Data

Revenues (FY04 in \$M)	\$3,552
Net Income (FY04 in \$M)	\$220
Total Assets (02/29/04 in \$M)	\$5,558

ROE

ttm company	11.80%
ttm industry	62.29%
5yr average company	16.37%
5yr average industry	45.43%

Growth Rates (sales, earnings) (historical and future):

Short Term (1yr)

Sales	30.05%
EPS	-5.98%

Long Term (3yr)

Sales	16.86%
EPS	16.54%

Institutional holdings

Fidelity – 6.92%
Wellington Mgmt – 5.18%
Artisan Partners – 3.65%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Lower net profit margins than the industry.
- Lower ROE than the industry.
- High P/E at the upper end of the 5yr range of both the company and the industry.
- Dec 04 acquired Mondavi Corp. for \$1.36 billion, including the assumption of approximately \$325 million of Mondavi net debt.

PROFILE

Constellation Brands, Inc. is an international producer and marketer of beverage alcohol brands with a portfolio across the wine, spirits and imported beer categories.

The Company is a multi-category supplier of beverage alcohol in the United States, a producer and exporter of wine from Australia, and New Zealand and both a producer and drinks wholesaler in the United Kingdom.

Products include: Corona Extra, Pacifico, St. Pauli Girl, Black Velvet, and Fleischmann's.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Danaher Corp

Currently held: Yes 62 shares

**Recommendation: HOLD /
increase by 38 shares**

NYSE: DHR

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$16.9B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$52.41
52-Week Price Range	\$43.8 – 53.9
EPS	\$2.28
Beta (Bloomberg)	1.00
Dividends	.06
Dividend yield	0.1%
P/E Trailing	24.13
P/E Current	22.0
P/E Industry	
P/B (e.g., financials, insurance)	3.91
P/S	2.47

Target Price

DDM	\$63.56
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Financial Data

Revenues	\$6.89 B
Net Income	\$746M
EBITDA	\$1.105B
Total Assets	\$8.493B
Total asset turnover	.8111
Equity multiplier	1.8386
ROE	16.15
Debt / Equity Ratio	0.29
Profit margin	10.83%

Growth Rates

- Sales (Historical)	11.0%
- Sales (Future)	18.40%
- Earnings (Historical)	17.5%
- Earnings (Future)	17.0%

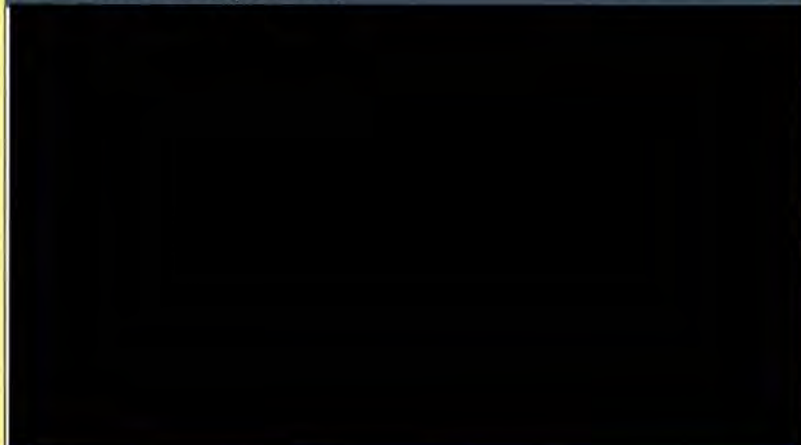
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Fourth quarter 2004 earnings increase of 28%
- “+” Series Platform Technology now include Limit Controllers
- Acquisition of LEM and increase market share in Europe and paid for in cash

PROFILE

Danaher Corporation is engaged in the design, manufacture and marketing of industrial and consumer products. It conducts its operations through two business segments, Process/Environmental Controls and Tools and Components. Representative products offered by the Process/Environmental Controls segment are electronic test tools; product identification equipment and consumables; water quality instrumentation and consumables; retail petroleum automation products; underground storage tank leak detection systems, and motion, position, speed, temperature and level instruments and sensing devices. The Tools and Components segment is a producer and distributor of general purpose and specialty mechanics' hand tools in the United States. Other products manufactured by the businesses in this segment include toolboxes and storage devices, diesel engine retarders, wheel service equipment, drill chucks and custom-designed headed tools and components.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Dell, Inc.

**Currently held: 130 shares
(0.97% of portfolio)**

Recommendation: Hold

NASD: DELL

Sector: Computers & Peripherals

Industry: Information Technology

Market Cap: \$99.3 B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$37.61
52-Week Price Range	\$31.3/ 42.57
EPS	1.28
Beta (Bloomberg, ValueLine)	0.97
Dividends	none
Dividend yield	none
P/E Trailing	33.3
P/E Current	28.8
P/E Industry	29
P/B	16.77
P/S	2.02

Target Price

DDM (Bloomberg)	\$47.60
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Financial Data

Revenues	41,444 M
Net Income	2,645M
EBITDA	4,167 M
Total Assets	19,311 M
Equity Multiplier	3.08
ROE	42.12%
Profit Margin	12.07%

Growth Rates

-Sales (historical)	23.0%
-Sales (future)	14%
-Earnings (historical)	19.5%
-Earnings (future)	17%

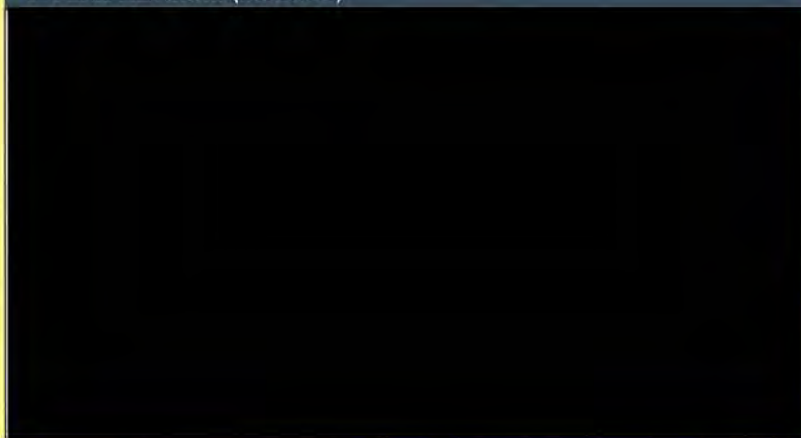
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Revenues and Net Income have risen 17% and 26% this quarter compared to the same quarter in 2004 respectively.
- Is buying back \$1.3Billion in shares
- Clear leader in PC market

PROFILE

Dell designs, develops, manufactures, markets, services and supports a range of computer systems, including desktops, notebooks and enterprise systems. Dell also markets software, peripherals, and support programs. Has 55,200 employees. Chairman: Michael Dell. One Dell Way Round Rock, Texas 78682.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Dow Chemical Company

**Currently held: 0.5% of portfolio
(57 shares)**

**Recommendation: Hold – Increase
by 143 shares**

NYSE: DOW

Sector: Basic Materials

Industry: Chemicals–Plastics and Rubbers

Market Cap: \$48.6B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Dow's 1-year total return was 32% while Dupont's was only 20%, the Basic Material I-Share was 17%, and the S&P was 5%.
- Dow's operating margin is 13.5%, more than double industry average of 6.36%
- Low P/E ratio of 14.7 compared to industry average of 24.
- High dividend yield (3.2%).
- Current Price is \$55.55 and DDM values at \$65.59
- Dow and Alcoa are only materials positions in portfolio, and we have a sell recommendation on Alcoa.

KEY STATISTICS

Stock Data

Current Price:	\$50.03
52-Week Price Range	\$36.35-\$56.52
EPS	2.57
Beta (Bloomberg, ValueLine)	1.17
Dividends	1.34
Dividend yield	3.20%
P/E Trailing	20.4
P/E Current	14.7
P/E Industry	24
P/B	4.32
P/S	1.53

Target Price

DDM (Bloomberg):	\$65.59
DDM (Excel):	\$66.96

Financial Data

Revenues	39625M
Net Income	2430M
EBITDA	3380M
Total Assets	14,700M
Equity Multiplier	1.39
ROE	23%
Profit Margin	6.10%

Growth Rates

-Sales (historical)	2.5%
-Sales (future)	8%
-Earnings (historical)	-21%
-Earnings (future)	34.5%

PROFILE

The Dow Chemical Company (Dow) is engaged in the manufacture and sale of chemicals, plastic materials, agricultural and other specialized products and services. The Company serves customers in 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 165 manufacturing sites in 37 countries and supplies more than 3,300 products. Dow divested its DERAKANE epoxy vinyl ester resin business to Ashland Specialty Chemical in December 2004.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

eSpeed

Currently held: Yes

Recommendation: SELL all 210 shares

NYSE: ESPD

Market Cap: \$495.54M – Mid Cap

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: None

Recent News: 3/4/05 Investor lawsuit filed claiming securities fraud.

Strategy: Grow business in e-commerce markets.

Opportunities: Automated trading is gaining favor in the market.

Risks: May not survive deluge of lawsuits from competitors and shareholders.

Institutional holdings: 18,761,378 (33.28%)

Insider trading (12 month net shares): (7,845,118)

KEY STATISTICS

Stock Data

Sector (S&P)	Technology
Industry (SIC)	Computers-Software/Services
Profile	Computer Related Services – Unclassified

Current Price	\$8.72
52-Week Price Range	\$8.13-22.09
EPS	\$0.46
Beta	1.30
Dividends	\$0.00
Dividend yield	0%
P/E 12 mo.	16.77
P/E Forward	18.80
P/E Industry	63.75
P/B	1.73
P/S	2.84
P/CF	9.88
PEG	3.13

Target Price

FCF, DDM	\$5.17
Market Value to Intrinsic Value	1.67
Expected Return 5-Year	6.00%
Required Return	11.33%

Financial Data

Revenues	\$163,064,000
Net Income	\$25,471,000
EBITDA	\$61,017,000
Total Assets	\$297,568,000
Shareholders Equity	\$271,685,000
Profit Margin	15.62%
Total Asset Turnover	0.55
Equity Multiplier	1.10
ROE	9.38

Growth Rates

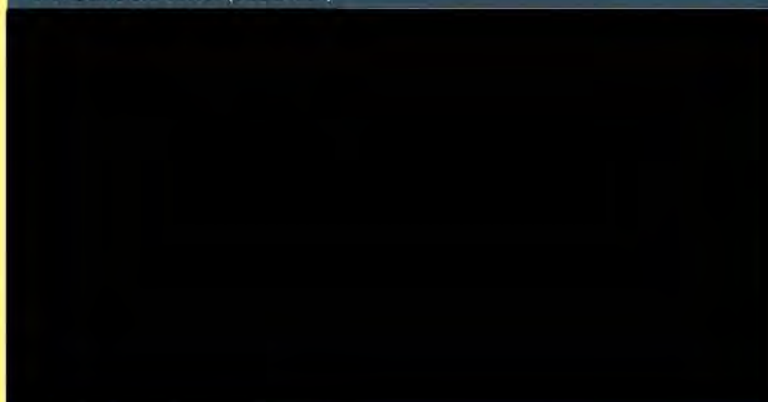
Revenue:	
Historical 5 year	N/A
1 Year est.	0.00%
Earnings:	
Historical 5 year	N/A
Short Term 5 year est. (%)	6

PROFILE

eSpeed Inc. is a provider of electronic marketplace and related trading technology solutions and operates multiple buyer, multiple seller real-time electronic marketplaces. The Company's suite of marketplace tools provides end-to-end transaction solutions for the purchase and sale of financial and non-financial products via the Internet or over the Company's global private network. The Company's products enable market participants to transact business instantaneously, more effectively and at lower cost. The company is a subsidiary of Cantor Fitzgerald and developer of electronic trading technology.

A majority of Company's clients include fixed income trading firms and natural gas and electricity trading firms throughout world. The Company has offices in the United States, Europe and Asia that can transact trading 24 hours a day, around the world.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Boston Properties, Inc.
Currently held: 0.63% of Portfolio
Recommendation: Sell all 55 shares

NYSE: BXP
 Sector: Financials
 Industry: Real Estate Operations, REITs
 Market Cap: \$6.7B – Large Value

KEY STATISTICS

Stock Data

Current Price	\$62.00
52-Week Price Range	\$43-65
EPS	\$2.35
Beta	.24
Dividends	\$0.65
Dividend yield	4.16%
P/E Trailing	23.7
P/E Current	26.3
P/E Industry	21.4
P/B	2.4
P/S	5.0

Target Price

DDM:	\$32.33
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Financial Data

Revenues	\$1,400
Net Income	\$284
EBITDA	\$873
Total Assets	\$9,063
Equity Multiplier	3.13
ROE	12.8%
Profit Margin	22.5%

Growth Rates

-Sales (Historical)	7.8%
-Sales (future)	14.94%
-Earnings (Historical)	(18.06)
-Earnings (Future)	15.95%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Office Sector is overpriced
- Office properties have a lot of competition
- Share price almost double peer group
- Vacancy rates in certain markets are higher than the national average
- Ave rental rates for new leases are below already existing leases
- Lots of cash. dilutive to shareholders

PROFILE

Boston Properties, Inc. is a fully integrated self-administered and self-managed real estate investment trust (REIT) that owns and develops office properties in the United States. Its properties are concentrated in four core markets: Boston, Washington, D.C., midtown Manhattan and San Francisco. As of December 31, 2003, the Company owned or had interests in 140 properties totaling approximately 43.9 million net rentable square feet. Its properties consisted of 131 office properties comprised of 103 Class A office properties (including three properties under construction) and 28 office/technical properties; four industrial properties; three hotels, and two retail properties. Boston Properties owns or controls 43 parcels of land totaling 551.3 acres and structured parking for 31,098 vehicles containing approximately 9.4 million square feet. www.bostonproperties.com

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

BP plc

Holding: 95 shares/ .98% of Tot.

**Recommendation: HOLD /
decrease by 45**

NYSE: BP

Petroleum (Integrated)

S&P 500, Dow Jones Industrials

Market Cap: \$214B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$62.64
52-Week Price Range	\$47.79/66.65
EPS	\$4.30
Beta (Bloomberg, ValueLine)	0.8
Dividends	\$1.66/S
Dividend yield	2.90%
P/E 12 mo. forward/trailing	15/14.4
-Industry	13
P/B (e.g., financials, insurance)	2.84
P/S	0.85
D/E	0.15

Target Price

DDM:	\$71.88
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Financial Data

Revenues	232,571M
Net Income	13,143M
EBITDA	29,991M
Total Assets	181,398M
ROE	16.48%
Profit Margin	5.6%
Total Asset Turnover	2.21
Equity Multiplier	23.4

Growth Rates

-Sales Historical	10%
-Sales Future	9%
-Earnings Historical	8%
-Earnings Future	9%

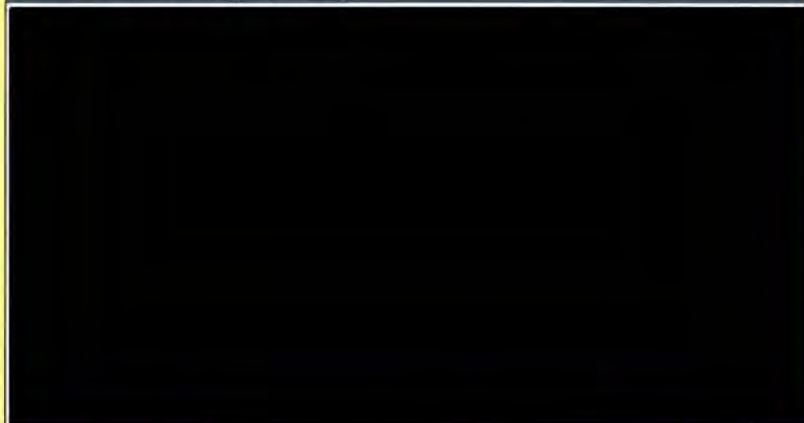
KEY JUSTIFICATIONS FOR RECOMMENDATION

- All time high price
- Over-exposed in oil stocks
- A dollar rise will kill value in holding ADR's
- Great returns to realize on this stock
- More volatile than XOM
- A big oil-sell is needed to hedge portfolio

PROFILE

BP p.l.c. is an oil company with four main businesses: Exploration and Production; Gas, Power and Renewables; Refining and Marketing, and Petrochemicals. Exploration and Production includes oil and natural gas exploration and field development and production, together with pipeline transportation and natural gas processing. Gas, Power and Renewables activities include marketing and trading of natural gas, natural gas liquid, new market development, liquefied natural gas and solar and renewables. The activities of Refining and Marketing include oil supply and trading, as well as refining and marketing. Has 103,700 employees and approx. 171,527 shrhldrs. Chrmn.: Peter Sutherland, CEO: Sir John Browne Inc.: PA. Add.: 1 St James Square. London SW1Y 4PD. Internet: www.bp.com.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Callaway Golf Company

Currently held: No

Recommendation: Buy 400 shares

NYSE: ELY

Recreational Products

S&P 500

Market Cap: \$1.05B – Small Cap Value

KEY STATISTICS

Stock Data

Current Price:	\$12.33
52-Week Price Range	\$20.0/9.28
EPS	\$0.11
Beta (Bloomberg)	1.27
Dividends	\$0.28
Dividend yield	2.00%
P/E 12 mo. forward	18.5
P/E trailing	125.9
P/E 5 yr. range	8-130
P/E industry	17.8
P/B (e.g., financials, insurance)	3.1
P/S	1.47

Target Price

DDM	\$21.84
Expected Return (target)	36.58%
Expected Return SML	11.16%

Financial Data

Revenues	\$934.6M
Net Income	(\$10.1M)
EBITDA	\$27.50
Total Assets	\$748.60

DuPont Analysis

Profit margin	0.01
Total asset turnover	1.26
Equity multiplier	1.25
ROE	1.42%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- New product cycle
- Confirmation of new product sell-through
- Great Balance Sheet – Resumption of Stock Buy Back

PROFILE

Callaway Golf Company designs, manufactures and sells golf clubs (drivers, fairway woods, irons, wedges and putters) and golf balls together with its subsidiaries. It also sells golf accessories, such as golf bags, golf gloves, golf headwear, travel covers and bags, golf towels and golf umbrellas. The Company generally sells its products to golf retailers, sporting goods retailers and mass merchants, directly and through wholly owned subsidiaries and to third-party distributors. The Company also sells pre-owned golf products through its Website, www.callawaygolfpreowned.com. Its products are sold in the United States and in over 100 countries around the world. Callaway Golf Company has about 3,000 employees. Chrmn. & CEO: William Baker. Addr.: 218 Rutherford Road, Carlsbad, CA. 92008. Tel.: 760-931-1771. Internet: www.callawaygolf.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Charming Shoppes, Inc.

Currently held: No

Recommendation: Strong Buy
300 shares

NYSE: CHRS

Market Cap: \$1.05B – Mid Cap

KEY STATISTICS

Stock Data

Sector (S&P) Consumer Discretionary
Industry (SIC) Retail
Profile Women's Clothing Stores

Current Price	\$7.56
52-Week Price Range	\$6.23-9.64
EPS	\$0.59
Beta	1.35
Dividends	\$0.00
Dividend yield	0%
P/E 12 mo.	15.07
P/E Forward	14.81
P/E Industry	23.52
P/B	1.45
P/S	0.43
P/CF	7.07
PEG	0.67

Target Price

FCF, DDM	\$11.81
Market Value to Intrinsic Value	0.74
Expected Return 5-Year	22.00%
Required Return	11.61%

Financial Data

Revenues	\$2,285,680,000
Net Income	\$40,639,000
EBITDA	\$63,638,000
Total Assets	\$1,164,879,000
Shareholders Equity	\$605,085,000
Profit Margin	1.78%
Total Asset Turnover	1.96
Equity Multiplier	1.93
ROE	6.72

Growth Rates

Revenue:	
Historical 5 year	14.50%
1 Year est.	26.00%

Earnings:

Historical 5 year	38.50%
Short Term 5 year est. (%)	22

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: America is getting fatter at an alarming rate. Plus size women go here for trendy clothes.

Recent News: No recent news

Strategy: Make affordable clothes for the plus size woman

Opportunities: Real estate holdings; growing market

Risks: Stigma of selling 'fat people' clothing

Institutional holdings: 121,092,516 (101.84%)

Insider trading (12 month net shares): 1,025,123

PROFILE

Charming Shoppes Inc. is a specialty apparel retailer primarily focused on plus-size women's apparel through three distinct brands: Lane Bryant, Fashion Bug, and Catherine's Plus Sizes.

<http://www.charmingshoppes.com>

1-YEAR RETURNS

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Citigroup, Inc

Currently held: 1.65% of Portfolio 194 shares

Recommendation: **HOLD** / increase by 6 shares

NYSE: C

Sector: Financials

Industry: Money Center Banks

Market Cap: \$251B – Large Value

KEY STATISTICS

Stock Data

Current Price	\$46.45
52-Week Price Range	\$42-52
EPS	\$3.26
Beta	1.13
Dividends	\$0.44
Dividend yield	3.7%
P/E Trailing	12.00
P/E Current	14.9
P/E Industry	15.4
P/B	2.3
P/S	3.8

Target Price

DDM:	\$69.16
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Financial Data

Revenues	\$66,709
Net Income	\$17,046
EBITDA	\$14,246
Total Assets	\$1,484
Equity Multiplier	13.7
ROE	15.8%
Profit Margin	15.7%

Growth Rates

-Sales (Historical)	16.9%
-Sales (Future)	2.02%
-Earnings (Historical)	(4.8) %
-Earnings (Future)	8.78%

Significant News

- 2/11/05: 1,000 plus jobs cut to trim fat
- 1/31/05: MetLife to acquire Travelers Life and Annuity for 11.5 Billion
- 12/10/04: Acquires derivative markets Business from Knight Trading Group
- 11/22/04: Divest CitiCapital for 90 million gain.

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Cut 1,000 or more employees
- Revenues growth predicted at 9%
- 11.5 Billion sale of Travelers Life and Annuity from MetLife
- Numerous Acquisitions: First American Bank in TX and the derivative markets business of Knight Trading Group.

PROFILE

Citigroup Inc. is a financial services holding company that conducts its activities through the Global Consumer, Global Corporate and Investment Bank (GCIB), Private Client Services, Global Investment Management (GIM) and Proprietary Investment Activities segments. Global Consumer includes a global, full-service consumer franchise delivering banking, lending, insurance and investment services through a network of branches, offices and electronic delivery systems. The businesses included in the GCIB segment provide a range of banking and financial products and services. Private Client Services provides investment advice, financial planning and brokerage services to affluent individuals, small and mid-size companies, non-profits and large corporations. GIM offers life insurance, annuity, asset management and personalized wealth management products and services. The Proprietary Investment Activities segment includes the Company's venture capital activities and other investments.

www.citigroup.com

1-YEAR RETURNS (INDEXED)

GENERAL INFORMATION

Constellation Brands Inc

Currently held: Yes

Recommendation: Hold all 130 shares

NYSE: STZ

Consumer / Non-Cyclical

Beverages (Alcoholic)

Market Cap: \$5.6 – Mid-cap Value

KEY STATISTICS

Stock Data

Current Price:	\$59.93
52-Week Price Range	\$31/59.93
EPS (ttm)	\$2.52
Beta (Reuters)	0.27
Dividends	N/A
Dividend yield	N/A
P/E (12 mo. forward/trailing, 5 yr. range, industry)	
ttm company	20.70
ttm industry	18.12
5yr range company	10.15 – 21.26
5yr range industry	15.75 – 27.79

Net Margin

(ttm company)	7.42%
(ttm industry)	11.00%
(5yr company)	5.37%
(5yr industry)	10.19%

Target Price

\$40 - \$45

Financial Data

Revenues (FY04 in \$M)	\$3,552
Net Income (FY04 in \$M)	\$220
Total Assets (02/29/04 in \$M)	\$5,558

ROE

ttm company	11.80%
ttm industry	62.29%
5yr average company	16.37%
5yr average industry	45.43%

Growth Rates (sales, earnings) (historical and future):

Short Term (1yr)

Sales	30.05%
EPS	-5.98%

Long Term (3yr)

Sales	16.86%
EPS	16.54%

Institutional holdings

Fidelity – 6.92%
Wellington Mgmt – 5.18%
Artisan Partners – 3.65%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Lower net profit margins than the industry.
- Lower ROE than the industry.
- High P/E at the upper end of the 5yr range of both the company and the industry.
- Dec 04 acquired Mondavi Corp. for \$1.36 billion, including the assumption of approximately \$325 million of Mondavi net debt.

PROFILE

Constellation Brands, Inc. is an international producer and marketer of beverage alcohol brands with a portfolio across the wine, spirits and imported beer categories.

The Company is a multi-category supplier of beverage alcohol in the United States, a producer and exporter of wine from Australia, and New Zealand and both a producer and drinks wholesaler in the United Kingdom.

Products include: Corona Extra, Pacifico, St. Pauli Girl, Black Velvet, and Fleischmann's.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Danaher Corp

Currently held: Yes 62 shares

**Recommendation: HOLD /
increase by 38 shares**

NYSE: DHR

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$16.9B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$52.41
52-Week Price Range	\$43.8 – 53.9
EPS	\$2.28
Beta (Bloomberg)	1.00
Dividends	.06
Dividend yield	0.1%
P/E Trailing	24.13
P/E Current	22.0
P/E Industry	
P/B (e.g., financials, insurance)	3.91
P/S	2.47

Target Price

DDM	\$63.56
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Financial Data

Revenues	\$6.89 B
Net Income	\$746M
EBITDA	\$1.105B
Total Assets	\$8.493B
Total asset turnover	.8111
Equity multiplier	1.8386
ROE	16.15
Debt / Equity Ratio	0.29
Profit margin	10.83%

Growth Rates

- Sales (Historical)	11.0%
- Sales (Future)	18.40%
- Earnings (Historical)	17.5%
- Earnings (Future)	17.0%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Fourth quarter 2004 earnings increase of 28%
- “+” Series Platform Technology now include Limit Controllers
- Acquisition of LEM and increase market share in Europe and paid for in cash

PROFILE

Danaher Corporation is engaged in the design, manufacture and marketing of industrial and consumer products. It conducts its operations through two business segments, Process/Environmental Controls and Tools and Components. Representative products offered by the Process/Environmental Controls segment are electronic test tools; product identification equipment and consumables; water quality instrumentation and consumables; retail petroleum automation products; underground storage tank leak detection systems, and motion, position, speed, temperature and level instruments and sensing devices. The Tools and Components segment is a producer and distributor of general purpose and specialty mechanics' hand tools in the United States. Other products manufactured by the businesses in this segment include toolboxes and storage devices, diesel engine retarders, wheel service equipment, drill chucks and custom-designed headed tools and components.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Dell, Inc.

**Currently held: 130 shares
(0.97% of portfolio)**

Recommendation: Hold

NASD: DELL

Sector: Computers & Peripherals

Industry: Information Technology

Market Cap: \$99.3 B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$37.61
52-Week Price Range	\$31.3/ 42.57
EPS	1.28
Beta (Bloomberg, ValueLine)	0.97
Dividends	none
Dividend yield	none
P/E Trailing	33.3
P/E Current	28.8
P/E Industry	29
P/B	16.77
P/S	2.02

Target Price

DDM (Bloomberg)	\$47.60
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Financial Data

Revenues	41,444 M
Net Income	2,645M
EBITDA	4,167 M
Total Assets	19,311 M
Equity Multiplier	3.08
ROE	42.12%
Profit Margin	12.07%

Growth Rates

-Sales (historical)	23.0%
-Sales (future)	14%
-Earnings (historical)	19.5%
-Earnings (future)	17%

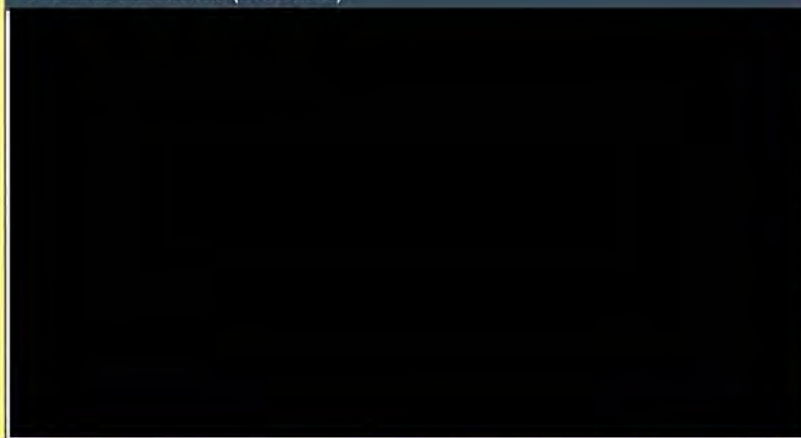
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Revenues and Net Income have risen 17% and 26% this quarter compared to the same quarter in 2004 respectively.
- Is buying back \$1.3Billion in shares
- Clear leader in PC market

PROFILE

Dell designs, develops, manufactures, markets, services and supports a range of computer systems, including desktops, notebooks and enterprise systems. Dell also markets software, peripherals, and support programs. Has 55,200 employees. Chairman: Michael Dell. One Dell Way Round Rock, Texas 78682.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Dow Chemical Company

**Currently held: 0.5% of portfolio
(57 shares)**

**Recommendation: Hold – Increase
by 143 shares**

NYSE: DOW

Sector: Basic Materials

Industry: Chemicals–Plastics and Rubbers

Market Cap: \$48.6B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Dow's 1-year total return was 32% while Dupont's was only 20%, the Basic Material I-Share was 17%, and the S&P was 5%.
- Dow's operating margin is 13.5%, more than double industry average of 6.36%
- Low P/E ratio of 14.7 compared to industry average of 24.
- High dividend yield (3.2%).
- Current Price is \$55.55 and DDM values at \$65.59
- Dow and Alcoa are only materials positions in portfolio, and we have a sell recommendation on Alcoa.

KEY STATISTICS

Stock Data

Current Price:	\$50.03
52-Week Price Range	\$36.35-\$56.52
EPS	2.57
Beta (Bloomberg, ValueLine)	1.17
Dividends	1.34
Dividend yield	3.20%
P/E Trailing	20.4
P/E Current	14.7
P/E Industry	24
P/B	4.32
P/S	1.53

Target Price

DDM (Bloomberg):	\$65.59
DDM (Excel):	\$66.96

Financial Data

Revenues	39625M
Net Income	2430M
EBITDA	3380M
Total Assets	14,700M
Equity Multiplier	1.39
ROE	23%
Profit Margin	6.10%

Growth Rates

-Sales (historical)	2.5%
-Sales (future)	8%
-Earnings (historical)	-21%
-Earnings (future)	34.5%

PROFILE

The Dow Chemical Company (Dow) is engaged in the manufacture and sale of chemicals, plastic materials, agricultural and other specialized products and services. The Company serves customers in 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 165 manufacturing sites in 37 countries and supplies more than 3,300 products. Dow divested its DERAKANE epoxy vinyl ester resin business to Ashland Specialty Chemical in December 2004.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

eSpeed

Currently held: Yes

Recommendation: SELL all 210 shares

NYSE: ESPD

Market Cap: \$495.54M – Mid Cap

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: None

Recent News: 3/4/05 Investor lawsuit filed claiming securities fraud.

Strategy: Grow business in e-commerce markets.

Opportunities: Automated trading is gaining favor in the market.

Risks: May not survive deluge of lawsuits from competitors and shareholders.

Institutional holdings: 18,761,378 (33.28%)

Insider trading (12 month net shares): (7,845,118)

KEY STATISTICS

Stock Data

Sector (S&P)	Technology
Industry (SIC)	Computers-Software/Services
Profile	Computer Related Services – Unclassified

Current Price	\$8.72
52-Week Price Range	\$8.13-22.09
EPS	\$0.46
Beta	1.30
Dividends	\$0.00
Dividend yield	0%
P/E 12 mo.	16.77
P/E Forward	18.80
P/E Industry	63.75
P/B	1.73
P/S	2.84
P/CF	9.88
PEG	3.13

Target Price

FCF, DDM	\$5.17
Market Value to Intrinsic Value	1.67
Expected Return 5-Year	6.00%
Required Return	11.33%

Financial Data

Revenues	\$163,064,000
Net Income	\$25,471,000
EBITDA	\$61,017,000
Total Assets	\$297,568,000
Shareholders Equity	\$271,685,000
Profit Margin	15.62%
Total Asset Turnover	0.55
Equity Multiplier	1.10
ROE	9.38

Growth Rates

Revenue:	
Historical 5 year	N/A
1 Year est.	0.00%
Earnings:	
Historical 5 year	N/A
Short Term 5 year est. (%)	6

PROFILE

eSpeed Inc. is a provider of electronic marketplace and related trading technology solutions and operates multiple buyer, multiple seller real-time electronic marketplaces. The Company's suite of marketplace tools provides end-to-end transaction solutions for the purchase and sale of financial and non-financial products via the Internet or over the Company's global private network. The Company's products enable market participants to transact business instantaneously, more effectively and at lower cost. The company is a subsidiary of Cantor Fitzgerald and developer of electronic trading technology.

A majority of Company's clients include fixed income trading firms and natural gas and electricity trading firms throughout world. The Company has offices in the United States, Europe and Asia that can transact trading 24 hours a day, around the world.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Exxon Mobil

Holding: 135 shares/1.22% of T.

**Recommendation: HOLD /
decrease by 35 shares**

NYSE: XOM

Petroleum (Integrated)

S&P 500, Dow Jones Industrials

Market Cap: \$323B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$60.43
52-Week Price Range	\$39.91/64.04
EPS	\$3.6
Beta (Bloomberg, ValueLine)	0.8
Dividends	\$1.08/S
Dividend yield	2.20%
P/E 12 mo. Current/trailing	13.4/14.9
-Industry	13
P/B (e.g., financials, insurance)	3.27
P/S	1.24
D/E	0.05

Target Price

DDM:	\$69.17
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Financial Data

Revenues	298,035M
Net Income	25,330M
EBITDA	51,646M
Total Assets	195,256M
ROE	24.89%
Profit Margin	8%
Asset Turnover	1.53
Equity Multiplier	1.92

Growth Rates

-Sales Historical	2%
-Sales Future	8.5%
-Earnings Historical	7%
-Earnings Future	11%

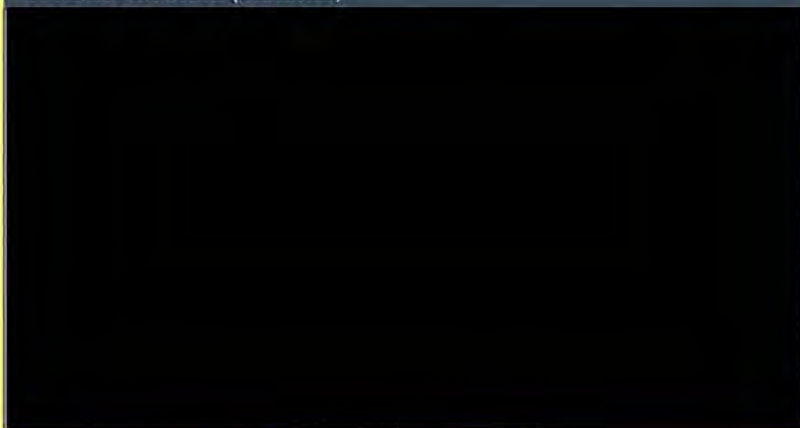
KEY JUSTIFICATIONS FOR RECOMMENDATION

- All time high
- Fund is over-exposed in oil given high risk of future oil prices.
- Good Cash flow
- Appx. 15B barrels of oil, and 55trill Cu.Ft of natural gas in proven reserves.
- Lower risk than BP in terms of volatility

PROFILE

Exxon Mobil Corporation is engaged in the energy and petrochemical business. Through its divisions and affiliated companies, Exxon Mobil operates or markets products in the United States and approximately 200 other countries and territories. The Company's principal business is energy, involving 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. Has 88,300 employees and approx. 659,000 shrhldrs. Chrmn. & CEO: Lee Raymond Inc.: NJ. Add.: 5959 Las Colinas Blvd, Irving, TX 75039. Internet: www.exxonmobil.com.

1-YEAR RETURNS (INDEXED)



GENERAL INFORMATION

Fidelity Diversified Int'l

Currently held: Yes
Recommendation: HOLD all
1,101,414 shares

FDIVX

KEY STATISTICS

Morningstar Rating: 5
Percentile Ranking: 1 (3yr)
Equity Style
NAV: \$29.12
Load: 0
12b-1 Fees: 0
Expense Ratio: 1.12
Min. Investment: Closed
Turnover Rate: 55%
Sharpe ratio: 1.11
Beta: 0.88
Alpha: 3.68

Portfolio Composition:

Vodafone Grp PLC	2.48%
Novartis	2.12%
BP PLC	1.98%
HSBC Hldgs	1.58%
Total SA	1.54%

Sector Holdings:

Information	16.05%
Service	46.66%
Manufacturing	37.29%

Manager Tenure: Since 4/1/01

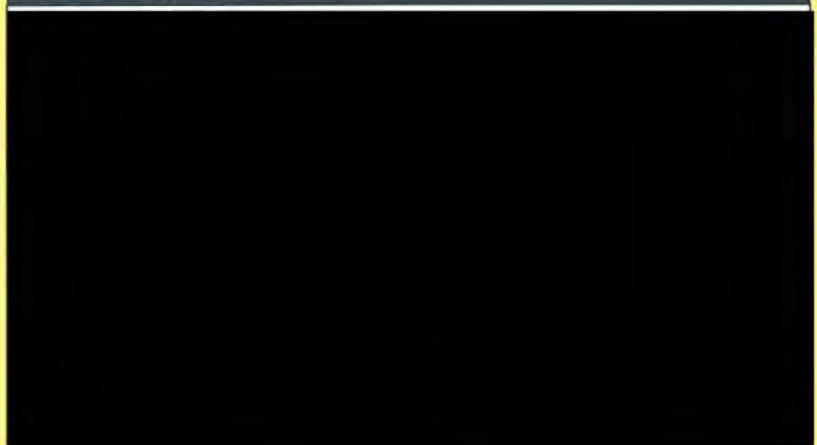
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Best performer out of the international group but some gains needed to be realized.
- Sizeable exposure to manufacturing outside the US which should continue to benefit from global economic expansion.

PROFILE

Fidelity Diversified International Fund is an open-end fund incorporated in the USA. The Fund's objective is capital growth. The Fund normally invests primarily in common stocks of non-U.S. issuers. The Fund allocates its investments across countries and regions considering the size of the market in each country and region relative to the size of the international market.

1-YEAR RETURNS



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Fidelity Select Medical Delivery

Currently held: No

**Recommendation: BUY 200
shares**

FSHCX

KEY STATISTICS

Morningstar Rating: 4
Percentile Ranking: 1
Style: Equity Mid Growth
NAV: 46.73
Load: 0
12b-1 Fees: 0
Expense Ratio: 1.24%
Min. Investment: \$2500
Turnover Rate: 196%
Sharpe Ratio: 0.94
Beta: 0.41
Alpha: **6.49**

Top Holdings:

UNITEDHEALTH GROUP	11.76%
HUMANA INC	9.79%
AETNA INC.	9.73%
PACIFICARE HLTH SY	8.01%
WELLCHOICE INC	7.26%
WellCare Health Plans	5.01%
SIERRA HEALTH	4.74%
WELLPOINT INC	4.64%
WellPoint Health Networks	4.64%

Manager: Matthew Sabel

Tenure: 12 Jan 2005

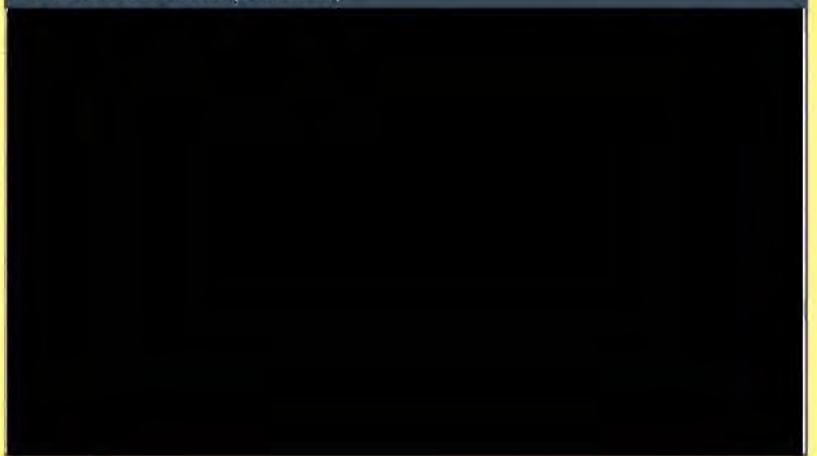
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Medical delivery and managed care growth due to Baby Boomers and increased longevity.
- #1 healthcare fund for 3-mo, 1-yr, 3-yr and 5-yr periods

PROFILE

Fidelity Select Medical Delivery Portfolio 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.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Flextronics International, Ltd.

Currently held: No

Recommendation: BUY 500 shares

NDQ: FLEX

Analyst: T.J. Gillespie

Equipment Manufacturer

Market Cap: \$7.3B – Mid Cap Growth

KEY STATISTICS

Stock Data

Current Price:	\$11.74
52-Week Price Range	\$10/19
EPS	.67
ESP 2005 Est.	.86
Beta (ValueLine)	1.9
P/E Trailing	18.8
P/E Forward	14.6
P/E Industry Forward	25
PEG Forward	.73

Target Price

FCF	27
Expected Return 5 years	25.2%
Required Return 5 years	14.6%
Growth Rate Used	20%

Financial Data

Revenues	14,530
Net Income	390
EBITDA	740
Total Assets	9,583
Shareholder Equity	4,367
DuPont Analysis - Profit margin 2.68%, Total asset turnover 1.52, Equity multiplier 2.19	
ROE	8.9%

Growth Rates:

Historical 5 year Growth	-3%
Future Short-term 5 year Growth	20%
Future Long-term Growth	15%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Outsourcing Play
- Widening operating margins from more efficient manufacturing and vertical integration
- Acquisition of Nortel product line is accretive to earnings
- Attractive price given growth potential .73 PEG

PROFILE

Flextronics International, Ltd. provides advanced contract manufacturing services to original manufacturers in the communications, computer, wireless and IT infrastructure industries. Produces printed circuit board assemblies, and provides design, manufacturing, supply chain and logistics services. Sales to Asia accounted for 45% of total sales, Europe 41%, and Americas, 14%. Has about 82,000 employees. AXA Financial owns 12% of stock. CEO: Michael Marks.

1-YEAR RETURNS (INDEXED)

GENERAL INFORMATION

General Dynamics

Currently held: 0.65% of portfolio

Recommendation: Sell all 35 shares

NYSE: GD

Sector: Capital Goods

Industry: Aerospace and Defense

Market Cap: \$21.2B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- The war in Afghanistan and Iraq has boosted defense companies, but how long will it last?
- Since GD's business comes primarily from defense rather than commercial, the Government is biggest customer; therefore, a loss of government contract to competitor would be detrimental to the company.
- The war has driven GD's price to an overvalued level based on two separate dividend discount models.

KEY STATISTICS

Stock Data

Current Price:	\$106.88
52-Week Price Range	\$84.96-\$109.98
EPS	6.00
Beta (Bloomberg, ValueLine)	0.99
Dividends	\$1.44
Dividend yield	1.35%
P/E Trailing	18.3
P/E Current	16.9
P/E Industry	24
P/B	3.12
P/S	1.09

Target Price

DDM (Bloomberg):	\$87.57
DDM (Excel):	\$87.23

Financial Data

Revenues	16617M
Net Income	1004M
EBITDA	1467M
Total Assets	16183M
Equity Multiplier	2.72
ROE	17.5%
Profit Margin	6.20%

Growth Rates

-Sales (historical)	16.5%
-Sales (future)	9.00%
-Earnings (historical)	8.50%
-Earnings (future)	6.20%

PROFILE

General Dynamics Corporation (General Dynamics) is engaged in mission-critical information systems and technologies; land and expeditionary combat vehicles, armaments and munitions; shipbuilding and marine systems, and business aviation. General Dynamics has four primary business groups: Information Systems and Technology, Combat Systems, Marine Systems and Aerospace. It also operates a small Resources group. During the year ended December 31, 2004, the Company acquired Spectrum Astro, Inc. and TriPoint Global Communications Inc. In November 2004, General Dynamics acquired Engineering Technology Inc. In March 2005, the Company acquired the Propulsion Systems business unit of General Dynamics.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

General Electric Company
Currently held: 155 shares (1% of portfolio)

Recommendation: HOLD / increase by 45 shares

NYSE: GE

Industry: Industrial Conglomerate

Market Cap: \$66.98B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$36.09
52-Week Price Range	\$28.88/37.75
EPS	1.58
Beta (Bloomberg, ValueLine)	1.05
Dividends	0.82
Dividend yield	2.4%
P/E Trailing	23.5
P/E Current	21.3
P/E Industry	23
P/B	3.69
P/S	2.51

Target Price

DDM:	\$37.56
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Financial Data

Revenues	152,363M
Net Income	16,593M
EBITDA	28,491M
Total Assets	750,330M
Equity Multiplier	6.80
ROE	15.05%
Profit Margin	10.89%

Growth Rates

-Sales (historical)	13%
-Sales (future)	6%
-Earnings (historical)	12.5%
-Earnings (future)	7%

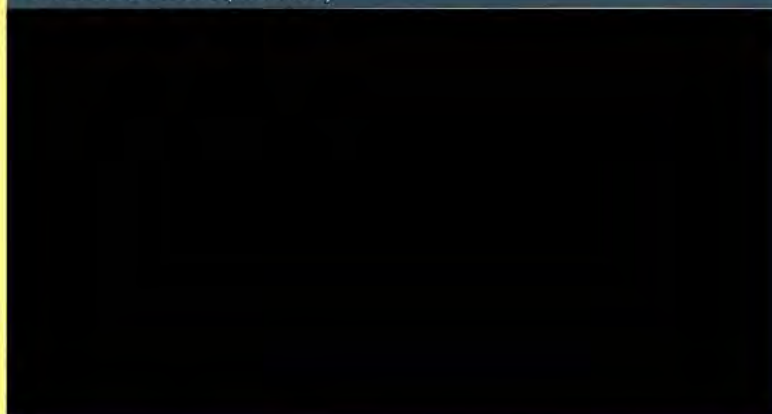
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Cost savings through moving all 8 business units to China
- Double-digit growth in America, Europe, and especially in Asia
- Constant decrease in financial leverage

PROFILE

General Electric (GE) is a diversified industrial corporation whose products include appliances, lighting products, aircraft engines, and plastics. GE also provides television, cable, internet, distribution, engineering, and financial services. The company employs about 305,000 employees and has 534,000 stockholders. Address: 3135 Easton Turnpike, Fairfield, CT 06431.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

General Growth Properties, Inc
Currently held: 0.93% of Portfolio
Recommendation: SELL all 145 shares

NYSE: GGP

Sector: Financials

Industry: Real Estate Operations, REITs

Market Cap: \$7.7B – Large Value

KEY STATISTICS

Stock Data

Current Price	\$35.02
52-Week Price Range	\$24-37
EPS	\$1.15
Beta	0.63
Dividends	\$0.36
Dividend yield	4.00%
P/E Trailing	34.00
P/E Current	30.78
P/E Industry	28.10
P/B	4.9
P/S	4.2

Target Price

DDM:	\$18.15
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Financial Data

Revenues	\$1,262
Net Income	\$267
EBITDA	\$650
Total Assets	\$9,582
Equity Multiplier	5.73
ROE	16.8%
Profit Margin	14.1%

Growth Rates

-Sales (Historical)	29.4%
-Sales (Future)	23.14%
-Earnings (Historical)	10.2 %
-Earnings (Future)	16.09%

Discussion: REITs & Rising Interest Rates

***According to Ibbotson Associates, there is a low correlation of .03, between changes in REIT yields and changes in Treasury Yields. A 30 year study concluded this finding.

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Current Price well above DDM
- Use a REIT ETF, similar REIT exposure with more diversification.
- GGP is a common holding in REIT ETFs.

PROFILE

General Growth Properties Inc. is primarily engaged in the ownership, operation, management, leasing, acquisition, development and expansion of regional malls and community shopping centers in the United States. The Company, either directly or through GGP Limited Partnership (the Operating Partnership) and subsidiaries, owns 120 operating retail properties or regional malls and community centers (the Consolidated Centers), and has ownership interests in 43 regional mall shopping centers (the Unconsolidated Centers). Together, these comprise the Company Portfolio. The Company also owns General Growth Management, Inc. (GGMI) and certain other miscellaneous mixed-use commercial business properties and potential development sites.

www.generalgrowth.com

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Heinz Corporation
Holding: 163 shares/1.12% of T.
Recommendation: HOLD

NYSE: HNZ

Food Processing

S&P 500, Dow Jones Industrials

Market Cap: \$13B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$36.75
52-Week Price Range	\$34.53/40.61
EPS	\$2.35
Beta (Bloomberg, ValueLine)	0.55
Dividends	\$1.14/S
Dividend yield	3.10%
P/E 12 mo. Current/Trailing	15.6/16.6
-Industry	19
P/B (e.g., financials, insurance)	6.01
P/S	1.48
D/E	1.95

Target Price

DDM:	\$43.82
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Financial Data

Revenues	8,415M
Net Income	804M
EBITDA	1,614M
Total Assets	9,877M
ROE	42.4%
Profit Margin	9.5%
Total Asset Turnover	0.85
Equity Multiplier	5.21

Growth Rates

-Sales Historical	-0.5%
-Sales Future	2.5%
-Earnings Historical	1%
-Earnings Future	5.5%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Foreign profits could be brought home at a low tax rate.
- Strong dividend
- Good Cash flow
- Acquired Russia's 2nd largest ketchup producer
- Developing markets = Opportunity
- Good sales figures recently

PROFILE

H. J. Heinz Company manufactures and markets a line of processed food products. 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. H. J. Heinz's business is organized and classified according to the geographic regions where it operates and distributes its products, including North America, comprising of North American consumer products and United States, comprising of foodservice, Europe, Asia/Pacific and other operating entities. Has about 37,500 employees and approx. 47,600 shrhldrs. Chrmn. & CEO: W.R. Johnson Inc.: PA. Add.: P.O Box 57, Pittsburgh, PA 15230. Tel.: 412-456-6014. Internet: www.heinz.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Helix Technology Corp

Currently held: No

Recommendation: Buy 200 shares

NASDAQ: HELX

Semiconductors

S&P 500

Market Cap: \$411.54M – Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$15.19
52-Week Price Range	\$26.18-12.53
EPS	\$0.80
Beta (Bloomberg)	2.17
Dividends	\$0.32
Dividend yield	2.00%
P/E 12 mo. forward	18.0
P/E trailing	20.2
P/E 5 yr. range	17-122
P/E industry	20
P/B (e.g., financials, insurance)	3.2
P/S	2.65

Target Price

DDM	\$31.24
Expected Return (target)	49.58%
Expected Return SML	16.11%

Financial Data

Revenues	\$159.7M
Net Income	\$22.9M
EBITDA	\$26.80
Total Assets	\$167.00

DuPont Analysis

Profit margin	0.14
Total asset turnover	0.96
Equity multiplier	1.20

ROE 16.46%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- End markets bottoming
- Consolidation
- Sourcing opportunity

PROFILE

Helix Technology Corporation is a manufacturer of specialized vacuum pumping and measurement systems that meet the demanding process requirements of manufacturers in the semiconductor, data storage and flat panel display markets. The Company combines its vacuum pumping and measurement components with its On-Board diagnostic and control technology to provide comprehensive, high-performance vacuum solutions. Helix provides both the hardware and software elements that integrate process control, diagnostics and communication capabilities for all components within the vacuum system. This integration capability extends to vacuum system components manufactured by other suppliers and allows the Company's products to interoperate with their products. Helix also provides original equipment manufacturers (OEMs) and end users of its systems a range of global support services, from vacuum systems design assistance to vacuum process performance monitoring. Helix Technology Corporation has about 492 employees. Chrmn.: Marvin Schorr, CEO: Robert Lepofsky Addr.: Nine Hampshire Street, Mansfield, MA 02048. Tel.: 508-337-5500. Internet: www.helixtechnology.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Helmerich & Payne Inc.

Currently held: No

Recommendation: Buy 100 shares

NYSE: HP

Oil Well Services & Equipment

S&P 500

Market Cap: \$1.96B – Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$39.94
52-Week Price Range	\$23.93/41.43
EPS	\$0.52
Beta (Bloomberg)	0.69
Dividends	\$0.33
Dividend yield	1.00%
P/E 12 mo. forward	74.2
P/E trailing	23.8
P/E 5 yr. range	15-103
P/E industry	62.6
P/B (e.g., financials, insurance)	2.0
P/S	2.97

Target Price

DDM	\$49.67
Expected Return (target)	22.47%
Expected Return SML	7.97%

Financial Data

Revenues	\$593.30
Net Income	\$4.40
EBITDA	\$96.30
Total Assets	\$1406.80
DuPont Analysis	
Profit margin	0.01
Total asset turnover	0.44
Equity multiplier	1.54
ROE	0.48%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Increased Rig Utilization = Visibility into further rate strength
- Superior Product Advantage - Flex Rig

PROFILE

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 eight international locations during the fiscal year ended September 30, 2004: Venezuela, Ecuador, Colombia, Argentina, Bolivia, Equatorial Guinea, Chad 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. Helmerich & Payne Inc. has about 3,056 employees. Chrmn. & CEO: W. Helmerich III. Addr.: 1437 South Boulder Ave, Tulsa, OK 74119. Tel.: 918-742-5531. Internet: www.hpinc.com.

1-YEAR RETURNS (INDEXED)

GENERAL INFORMATION

**Hennessy Cornerstone
Growth Fund**
Currently held: Yes, 1,920.803
shares
Recommendation: HOLD
HFCGX

KEY STATISTICS

Morningstar Rating: 4
Style: Small Blend
NAV: 18.47
Load: 0
12b-1 Fees: 0
Expense Ratio: 1.25%
Min. Investment: \$2500
Annual Turnover: 107.00%
Sharpe Ratio: 0.97
Beta: 0.80
Alpha: 13.70

Top Holdings:

U S G CP	3.87%
ALAMOSA HOLDINGS INC	3.87%
TEROSO CORP	3.59%
CARPENTER TECH	3.51%
SIERRA HEALTH SVS	3.45%
PILGRIMS PRIDE CP	3.14%
PACIFICARE HLTH SY	3.05%
JOY GLOBAL INC	2.83%
MCDERMOTT INT PANAMA	2.79%

Manager: Neil J. Hennessy
Lead Manager Since: 01-Jul-00

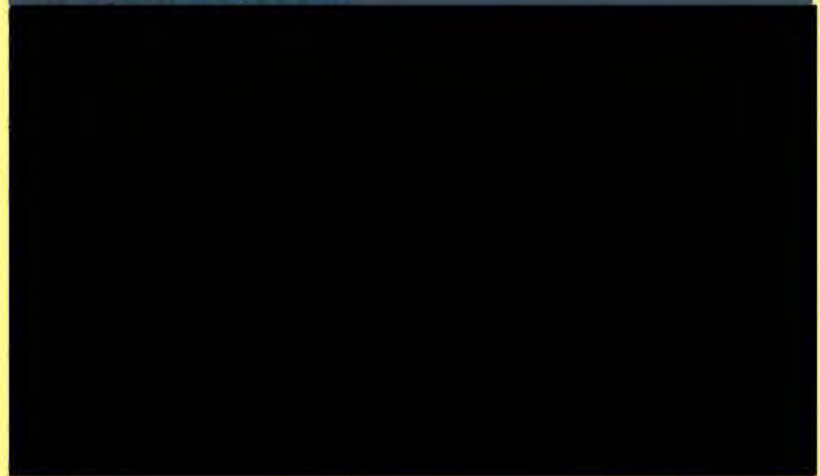
KEY JUSTIFICATIONS FOR RECOMMENDATION

- 3 year avg annual return of 14.21% compared with 2.42% of S&P500
- Buys the best stocks during the screening process, regardless of size

PROFILE

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.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Hewlett-Packard Company
Currently held: 0.61%
Recommendation: Hold all 165 shares

NYSE: HPQ

Information Technology

S&P 500

Market Cap: \$64.3 B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$21.71
52-Week Price Range	\$24.29 / \$16.08
EPS	1.33
Beta (Bloomberg, ValueLine)	1.69
Dividends	\$.08
Dividend yield	1.50%
P/E 12 mo. Trailing	15.7
-Industry	30
P/B	1.6
P/S	2.09

Target Price

DDM (Excel)	\$22.52
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Financial Data

Revenues	49,205 M
Net Income	2,177 M
EBITDA	4,254 M
Total Assets	9,491 M
ROE	9.29%
Equity Multiplier	2.0
Total Asset Turnover	1.06
Profit Margin	4.38%
Growth Rates	
-Sales (historical/future)	11.0% / 8.5%
-Earnings (historical/future)	7.5% / 12.86%

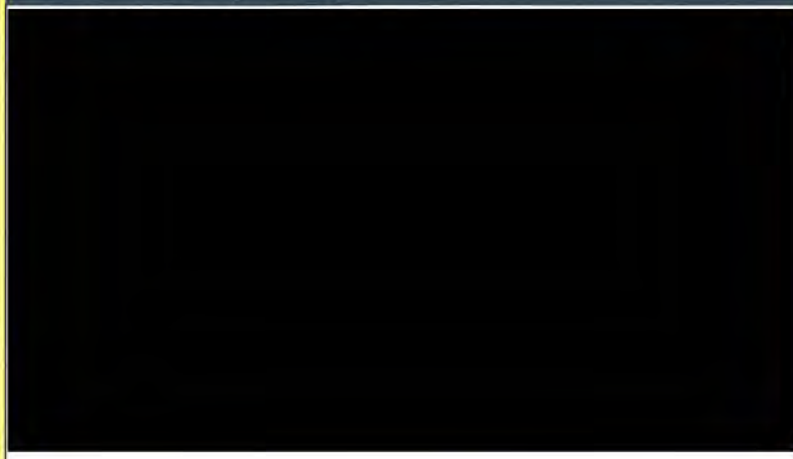
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Refocusing on core strategies
- Key strategic L-T partnerships with AOL & APPLQ
- Possibility of spinning off PC division
- New Small Business Server
- Continuing repurchase of stock

PROFILE

Hewlett-Packard Company (HP), incorporated in 1947, is a technology solutions provider to consumers, businesses and institutions globally. The Company's offerings span information technology (IT) infrastructure, personal computing and access devices, global services, and imaging and printing. Product and service categories include desktops and workstations; notebooks and tablet personal computers (PCs); printing and multifunction; handheld devices; monitors and projectors; fax, copiers and scanners; digital photography; entertainment; storage; servers; supplies and accessories; networking, and software products. During the fiscal year ended October 31, 2004 (fiscal 2004), HP organized its operations into seven business segments: the Imaging and Printing Group (IPG), the Personal Systems Group (PSG), Enterprise Storage and Servers (ESS), HP Services (HPS), HP Financial Services (HPFS), Software and Corporate Investments.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

iShares Cohen & Steers Realty Majors

Currently held: **NO**

Recommendation: **BUY 100 shares**

AMEX: ICF

Market Cap: \$156 Billion – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$127.20
52-Week Price Range	\$94 / \$138
EPS	none
Beta (Bloomberg, ValueLine)	.55
Dividends	none
Dividend yield	4.53%
P/E 12 mo. Trailing	none
Industry	54
P/B	none
P/S	none
Expense Ratio	.35%

Target Price

DDM N/A

Financial Data

Revenues	none
Net Income	none
EBITDA	none
Total Assets	none
ROE	none
Equity Multiplier	none
Total Asset Turnover	none
Profit Margin	none
Growth Rates	
-Sales (historical/future)	none
-Earnings (historical/future)	none

#	Company Name	Ticker	% ETF
1	SIMON PPTY GRP INC	SPG	8.6%
2	EQUITY OFFICE PTY TR	EOP	8.34%
3	EQUITY RESIDENTAL	EQR	6.4%
4	VORNADO REALTY TRUST	VNO	5.99%
5	GEN GROWTH PROP INC	GGP	5.66%
6	PROLOGIS SBI	PLD	5.05%
7	PUBLIC STG INC	PSA	4.78%
8	ARCHSTONE-SMITH TR	ASN	4.67%
9	BOSTON PPTYS INC	BXP	4.54%
10	KIMCO REALTY CP	KIM	4.1%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Contains sold individual REIT Holdings
- Diversification through a single instrument
- Low transaction costs
- Largest Holding: SPG (Favorite Segment)
- 3 Year Return: 20.65%

PROFILE

The iShares Cohen & Steers Realty Majors Index Fund seeks investment results that correspond to the performance of large, actively traded U.S. real estate investment trusts, as represented by the Cohen & Steers Realty Majors Index.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

iShares NASDAQ Biotechnology Index Fund

Currently held: Yes

**Recommendation: Hold all 50
shares**

NYSE: IBB

S&P 500, Dow Jones Industrials

Market Cap: \$65.33B – Mid Cap Growth

KEY STATISTICS

Stock Data

Current Price:	\$66.24
52-Week Price Range	\$61/85
Average P/E for holdings	25
Average P/B	2.05
Average P/S	5.4
Average P/CF	16.4

Exchange Traded Fund

Profile – Seeks returns that correspond to the results and yields generated on the NASDAQ Biotechnology Index

Equity/Fixed Income Style	Growth
NAV	\$1.3B
Load	none
12b-1 Fees	none
Expense Ratio	.05%
Min. Investment	none
Turnover Rate	36%
Sharpe ratio (3 yr.)	-.05
Beta	1.18
Alpha	-6.38

Top Holdings:

Amgen	17.3%
Gilead Sciences	3.5%
Teva Pharm	3.2%
Biogen IDEC Inc.	3.5%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Low expense ratio of only 5 basis points
- Allows for diversity throughout the biotech industry
- Underperformance the last 3 years present an opportunity for a rebound in this sector

PROFILE

iShares NASDAQ Biotechnology Index Fund is an Exchange Traded Fund that attempts to match its returns with that of the NASDAQ Biotechnology Index. The fund uses a process of representative sampling, holding securities that have a similar investment profile to its index. The fund will normally invest 90% of its assets in securities of the index or American Depository Receipts. The fund may invest up to 10% of its assets in securities outside the fund's index.

1-YEAR RETURNS (INDEXED)

GENERAL INFORMATION

iShares S&P GLBL

Healthcare

Currently held: 4.30% (495 shares)

Recommendation: Hold / decrease by 100 shares

AMEX: IXJ

S&P 500

Market Cap: \$60.5 M – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$49.59
52-Week Price Range	\$50.99 / \$44.01
EPS	none
Beta (Bloomberg, ValueLine)	0.88
Dividends	none
Dividend yield	.80%
P/E 12 mo. Trailing	none
-Industry	22
P/B	none
P/S	none

Target Price

DDM	N/A
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Financial Data

Revenues	none
Net Income	none
EBITDA	none
Total Assets	none
ROE	none
Equity Multiplier	none
Total Asset Turnover	none
Profit Margin	none
Growth Rates	
-Sales (historical/future)	none
-Earnings (historical/future)	none

#	Company Name	Ticker	% ETF
1	PFIZER INC	PFE	11.74%
2	JOHNSON & JOHNSON	JNJ	8.46%
3	GLAXOSMITHKLINE PLC	GSK	6.51%
4	NOVARTIS AG	NOVN	5.93%
5	MERCK & CO INC	MRK	3.72%
6	ROCHE HOLDING AG	ROG	3.70%
7	AMGEN INC	AMGN	3.67%
8	ASTRAZENECA PLC	AZN	3.51%
9	LILLY (ELI) & CO	LLY	3.44%
10	ABBOTT LABORATORIES	ABT	3.40%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Healthcare Sector is poised for growth
- Consistently outperformed benchmark
- Top 10 holdings are strong companies
- Diversification through a single asset

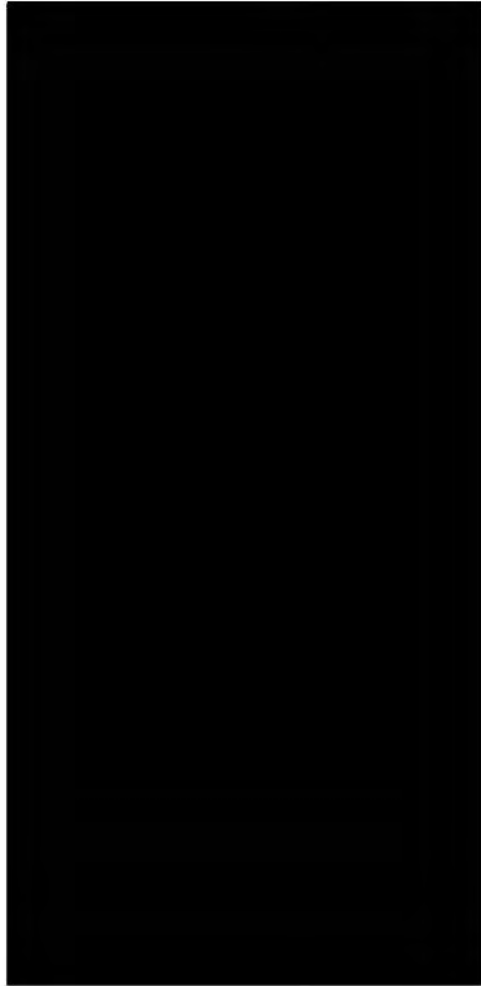
PROFILE

iShares S&P Global Healthcare Sector Index Fund is an exchange-traded fund incorporated in the USA. The Fund seeks investment results that correspond to the performance of the S&P Global Healthcare Index. The Fund uses a Representative Sampling strategy to track the Index.

- Lot Size: 1
- Expense Ratio: 0.65%

1-YEAR RETURNS (INDEXED)





SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

J.M. Smucker Co.
Currently held: Yes (87 shares)
Recommendation: HOLD /
increase by 13 shares

NYSE: SJM

Market Cap: \$3.0B – Mid Cap

KEY STATISTICS

Stock Data

Sector (S&P) Consumer Staples
 Industry (SIC) Food/Beverage/Tobacco
 Profile Canned Fruits, Vegetables,
 Preserves, Jams, & Jellies

Current Price	\$55.07
52-Week Price Range	\$40.80-53.50
EPS	\$2.27
Beta	0.65
Dividends	\$1.00
Dividend yield	1.90%
P/E 12 mo.	19.20
P/E Forward	22.51
P/E Industry	21.82
P/B	1.79
P/S	1.59
P/CF	54.46
PEG	2.05

Target Price

FCF, DDM	\$53.66
Market Value to Intrinsic Value	0.95
Expected Return 5-Year	11.00%
Required Return	7.76%

Financial Data

Revenues	\$1,880,381,000
Net Income	\$129,141,000
EBITDA	\$192,585,000
Total Assets	\$1,684,125,000
Shareholders Equity	\$1,210,693,000
Profit Margin	6.87%
Total Asset Turnover	1.12
Equity Multiplier	1.39
ROE	10.67

Growth Rates

Revenue:	
Historical 5 year	7.00%
1 Year est.	10.50%
Earnings:	
Historical 5 year	10.50%
Short Term 5 year est. (%)	11

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: None

Recent News: The acquisition of Multifoods has had a positive impact on sales and earnings but financials hurt by merger, restructuring and integration costs.

Strategy: Reducing costs through use of alt. materials

Opportunities: Atkins craze is subsiding, more demand for products related to bread/ whole grain foods.

Risks: Rising costs of commodities may severely impact bottom line if trends continue.

Institutional holdings: 30,441,832 (52.09%)

Insider trading (12 month net shares): 23,101

PROFILE

J.M. Smucker Co. operates principally in one industry, the manufacturing and marketing of branded food products on a worldwide basis although the majority of the Company's sales are in the United States.

<http://www.smucker.com>

1-YEAR RETURNS

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Kenneth Cole Productions, Inc

Currently held: No

Recommendation: Buy 100 shares

NYSE: KCP

Shoe/Fashion

S&P 500

Market Cap: \$555M – Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$29.31
52-Week Price Range	\$24.66/37.39
EPS	\$1.77
Beta (Bloomberg)	1.12
Dividends	\$0.64
Dividend yield	2.20%
P/E month forward	16.0
P/E trailing	14.6
P/E 5 yr. range	7-36
P/E industry	16.9
P/B (e.g., financials, insurance)	3.3
P/S	1.31

Target Price

DDM	\$38.02
Expected Return (target)	25.04%
Expected Return SML	10.33%

Financial Data

Revenues	\$516.20
Net Income	\$35.90
EBITDA	\$64.90
Total Assets	\$304.6M
DuPont Analysis	
Profit margin	0.07
Total asset turnover	1.69
Equity multiplier	1.41
ROE	16.56%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Long term/short term debt equals zero
- Secondary Brand Licensing Opportunities
- Great Balance Sheet; \$3.00/ share in cash
- Significant Stock Buyback Program
- Consistent Dividend Increases

PROFILE

Kenneth Cole Productions, Inc. designs, sources and markets a broad range of fashion footwear and handbags and, through license agreements, designs and markets apparel and accessories. The Company markets its products principally under its Kenneth Cole New York, Kenneth Cole Reaction and Unlisted brand names, along with its newly licensed brand for footwear, Bongo, each targeted to appeal to different consumers. During the year ended December 31, 2004, the Company launched the Tribeca brand, which is specifically designed for department store distribution, while in the year ended December 31, 2003, it added the Bongo trademark brand for footwear through a license agreement. The Company markets its products to more than 7,500 department and specialty store locations, as well as through its Consumer Direct business, which includes an expanding base of retail and outlet stores, consumer catalogs and websites, including on-line e-commerce. Kenneth Cole has about 1,800 employees. Chrmn. & CEO: Kenneth Cole. Addr.: 603 West 50th Street, New York, NY: 10019. Tel.: 212-265-1500. Internet: www.kennethcole.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

La-Z-Boy Inc

Currently held: No

Recommendation: BUY 100 shares

NYSE: LZB

Furniture & Fixtures

S&P 500

Market Cap: \$762.16M – Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$13.89
52-Week Price Range	\$12.75-22.78
EPS	\$0.85
Beta (Bloomberg)	1.24
Dividends	\$0.44
Dividend yield	3.00%
P/E 12 mo. forward	9.8
P/E trailing	17.4
P/E 5 yr. range	8-29
P/E industry	20
P/B (e.g., financials, insurance)	2.5
P/S	1.13

Target Price

DDM	\$18.66
Expected Return (target)	21.70%
Expected Return SML	10.99%

Financial Data

Revenues	\$1998.90
Net Income	\$51.02
EBITDA	\$23.10
Total Assets	\$1123.10
DuPont Analysis	
Profit margin	0.02
Total asset turnover	2.01
Equity multiplier	1.95
ROE	9.69%

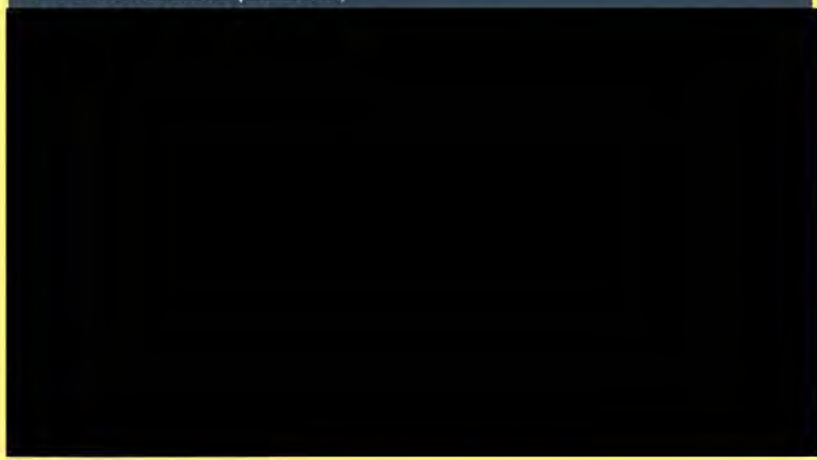
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Restructuring Opportunity
- Minimal Consensus Expectations
 - 5 out of 8 analysts take a hold/sell recommendation
- Expectations for \$1.50 in FY06 EPS vs. \$1.05 consensus

PROFILE

La-Z-Boy Incorporated is primarily a residential furniture manufacturer and distributor in the United States, specializing in reclining chairs and upholstered furniture. It manufactures and markets furniture for every room of the home, as well as for the office, hospitality, health care and assisted-living industries. The Company is divided into two segments: the Upholstery Group, which manufactures and distributes upholstered furniture, and the Case goods Group, which manufactures and distributes wooden furniture. The operating units in the Upholstery Group are Bauhaus, Clayton Marcus, England, La-Z-Boy, La-Z-Boy Contract, La-Z-Boy UK and Sam Moore. The operating units in the Case goods Group are American Drew, American of Martinsville, Hammary, Kincaid, Lea and Pennsylvania House. La-Z-Boy has about 16,034 employees. Chrnm.: Patrick Norman. CEO: Kurt Darrow. Addr.: 1284 North Telegraph Road, Monroe, MI. 48162. Tel.: 734-241-4074. Internet: www.lazboy.com.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

PROFILE

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Limited Brands, Inc.
Currently held: Yes (150 shares)
Recommendation: HOLD /
increase by 50 shares

NYSE: LTD

Market Cap: \$10.19B – Mid Cap

KEY STATISTICS

Stock Data

Sector (S&P) Consumer Discretionary
 Industry (SIC) Retail
 Profile Women's Clothing Stores

Current Price	\$23.52
52-Week Price Range	\$18.34-27.89
EPS	\$1.40
Beta	1.20
Dividends	\$0.60
Dividend yield	2.30%
P/E 12 mo.	19.24
P/E Forward	17.79
P/E Industry	23.52
P/B	2.29
P/S	1.08
P/CF	17.24
PEG	1.42

Target Price

FCF, DDM	\$24.12
Market Value to Intrinsic Value	1.03
Expected Return 5-Year	12.50%
Required Return	10.78%

Financial Data

Revenues	\$9,408,312,000
Net Income	\$738,740,000
EBITDA	\$626,677,000
Total Assets	\$7,873,000,000
Shareholders Equity	\$5,266,000,000
Profit Margin	7.85%
Total Asset Turnover	1.20
Equity Multiplier	1.50
ROE	14.03

Growth Rates

Revenue:	
Historical 5 year	0.50%
1 Year est.	8.00%

Earnings:	
Historical 5 year	9.00%
Short Term 5 year est. (%)	12.5

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: None

Recent News: Increased same store sales year-to-year by 4%

Strategy: Diversify product lines while continuing efforts as a leader in "shopping mall" marketing.

Opportunities: Continued brand awareness of subsidiary units.

Risks: Consumer spending and confidence may wane.

Institutional holdings: 314,672,529 (77.42%)

Insider trading (12 month net shares): (2,832,383)

PROFILE

Limited Brands, Inc. (formerly The Limited, Inc.) sells women's and men's apparel, women's intimate apparel and personal care products under various trade names through its specialty retail stores and direct response (catalog and e-commerce) businesses. The Company sells under store names such as The Limited, Limited Too, Victoria's Secret and Bath & Body Works.

<http://www.limited.com>

1-YEAR RETURNS

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Marathon Oil

Holding: 90 Shares/.6% of Tot.

Recommendation: HOLD

NYSE: MRO

Petroleum (Integrated)

S&P 500, Dow Jones Industrials

Market Cap: \$12.8B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$47.15
52-Week Price Range	\$30.30/49.31
EPS	\$3.4
Beta (Bloomberg, ValueLine)	0.9
Dividends	\$1.12/S
Dividend yield	3%
P/E 12 mo. Current/trailing	10.7/11.1
-Industry	13
P/B (e.g., financials, insurance)	1.62
P/S	0.31
D/E	0.52

Target Price

DDM:	\$50.51
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Financial Data

Revenues	41,234M
Net Income	1,321M
EBITDA	3,009M
Total Assets	19,482M
ROE	22%
Profit Margin	3%
Asset Turnover	2.12
Equity Multiplier	3.21

Growth Rates

-Sales historical	2%
-Sales future	8.5%
-Earnings historical	7%
-Earnings future	11%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Increasing Oil/Gas prices.
- Plans to boost output by 5-9% annually through 2008
- Early mover in exploration and production of LNG – Thought to be primary energy source of the future
- Strong dividend
- Growth in world economy
- New discoveries Gulf of Mexico, Norway, and Africa.

PROFILE

Marathon Oil Corporation is engaged in worldwide exploration and production of crude oil and natural gas. Principal exploration activities are in the United States, Norway, Equatorial Guinea, Angola and Canada. Principal development activities are in the United States, the United Kingdom, Ireland, Norway, Equatorial Guinea, Gabon and Russia. Marathon is also pursuing opportunities in north and West Africa and the Middle East. Has 28,287 employees. Chrmn. & CEO: Clarence Cazelot, Jr. Inc.: DE. Add.: 5555 San Felipe Rd., Houston, TX. Internet: www.marathon.com.

1-YEAR RETURNS (INDEXED)

GENERAL INFORMATION

Matthews Pacific Tiger Fund

Currently held: Yes (1,823.59 shares)

**Recommendation: Hold/ increase by 500 shares
MAPTX**

KEY STATISTICS

Morningstar Rating: 4
Percentile Ranking: 6th (3yr)
Equity Style
NAV: \$16.16
Load: 0
12b-1 Fees: 0
Expense Ratio: 1.48
Min. Investment: \$2,500
Turnover Rate: 15%
Sharpe ratio: 1.14
Beta: .99
Alpha: 7.37

Portfolio Composition:

Bangkok Bank	3.66%
Swire Pacific	3.60%
Hon Hai	3.57%
Advanced Info Serv	3.54%
Venture Manufacturing	3.45%

Sector Holdings:

Information	24.81%
Service	44.25%
Manufacturing	30.94%

Manager Tenure: Since 9/13/94

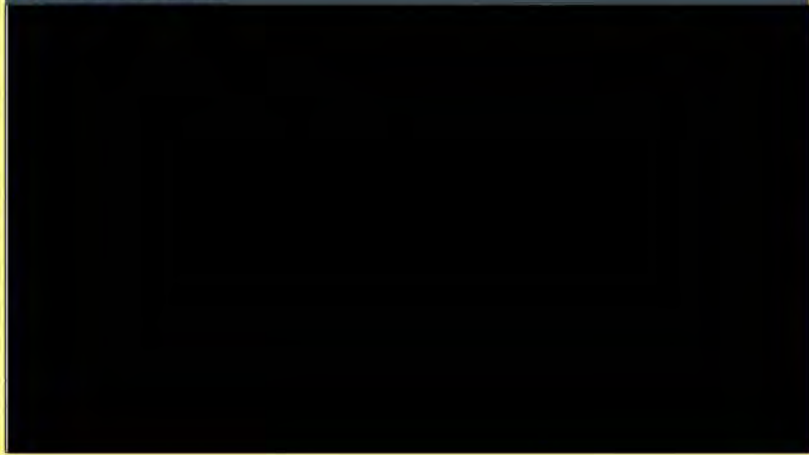
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Good diversity play with respect to Pacific Rim countries.
- Area should benefit along with China if US continues expansion since US demands cheap products from the region.
- Fund performed well over the last year but it was time to realize some gains.

PROFILE

Matthews Pacific Tiger Fund is an open-end fund incorporated in the USA. The Fund's objective is long-term capital appreciation. The Fund invests at least 80% of its assets in the common and preferred stock of companies located in the Pacific Tiger countries.

1-YEAR RETURNS



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

MBNA Corp

Currently held: Yes (135 shares)

Recommendation: HOLD

NYSE: KRB

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$33.4B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$24.97
52-Week Price Range	\$29.7 – \$22.3
EPS	\$2.05
Beta (Bloomberg)	1.37
Dividends	0.56
Dividend yield	1.9%
P/E Trailing	12.7
P/E Current	12.82
P/E Industry	
P/B	2.50

Target Price

DDM	\$35.80
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Financial Data

Revenues	\$38.58B
Net Income	\$2.3386B
EBITDA	\$2.350B
Total Assets	\$59.113B
Total asset turnover	.6527
Equity multiplier	5.319
ROE	21.04
Debt / Equity Ratio	N/A
Profit margin	48.74%

Growth Rates

-Loans (Historical)	11.0%
-Loans (Future)	12.5%
-Earnings (Historical)	24.0%
-Earnings (Future)	13.0%

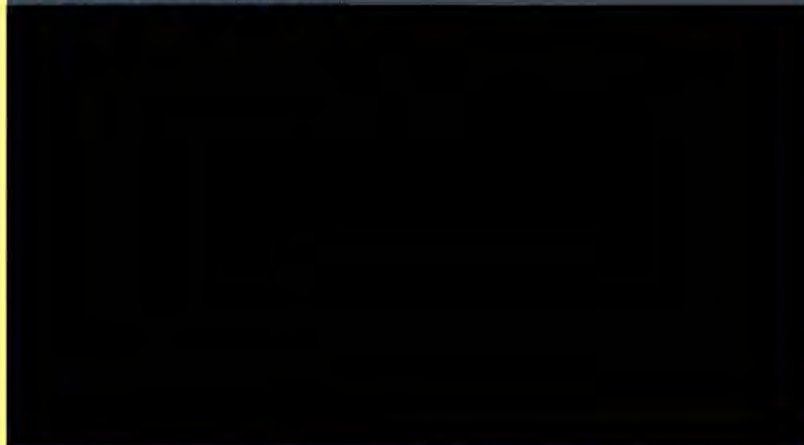
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Positioning itself for increased industry competition
- Third largest credit card company in the world
- Earnings per share growth of 33.6% and 14.5% in 2003 and 2004, respectively.
- Acquired \$550 million AmSouth credit card portfolio

PROFILE

MBNA Corporation (MBNA) is the parent company of MBNA America Bank, N.A. (the Bank). Through the Bank, the Company operates as an independent credit card lender and issuer of endorsed credit cards, marketed primarily to members of associations and customers of financial institutions and other organizations. In addition to its credit card lending, MBNA makes other consumer loans, including installment and revolving unsecured loan products, and offers insurance and deposit products. The Bank has two wholly owned foreign bank subsidiaries, MBNA Europe Bank Limited and MBNA Canada Bank, through which the Company conducts its business in Europe and Canada, respectively. MBNA is also the parent company of MBNA America (Delaware), N.A., a national bank that offers mortgage loans, aircraft loans and business loan products.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

McCormick & CO Inc

Currently held: Yes 89 shares

Recommendation: SELL 39 shares

NYSE: MKC

Consumer / Non-Cyclical

Food Processing

Market Cap: \$5.1 – Mid-cap Value

KEY STATISTICS

Stock Data

Current Price:	\$34.89
52-Week Price Range	\$31/39
EPS (ttm)	\$1.52
Beta (Reuters)	0.07
Dividend yield	1.70%
P/E (12 mo. forward/trailing, 5 yr. range, industry)	
ttm company	24.82
ttm industry	20.54
5yr range company	16.14 – 25.60
5yr range industry	14.94 – 34.26

Net Margin

(ttm company)	8.11%
(ttm industry)	7.21%
(5yr company)	7.16%
(5yr industry)	6.89%

Target Price

\$31 - \$32

Financial Data

Revenues (FY04 in \$M)	\$2,526
Net Income (FY04 in \$M)	\$214
Total Assets (11/30/04 in \$M)	\$2,369

ROE

ttm company	26.22%
ttm industry	23.44%
5yr average company	31.80%
5yr average industry	26.04%

Growth Rates (sales, earnings) (historical and future):

Short Term (1yr)

Sales	11.31%
EPS	8.66%

Long Term (3yr)

Sales	9.22%
EPS	15.78%

Institutional holdings

Fidelity – 7.52%
State Farm – 6.83%
First Manhattan – 4.31%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- High P/E, close to the upper limit of the 5yr range.
- Industry with low net profit margins.
- Purchased C.M. van Sillevoldt B.V. for euro 58 million in cash. The company sells spices, herbs, and seasonings under the Silvo brand in The Netherlands and the India brand in Belgium.

PROFILE

McCormick & Company, Incorporated is a diversified specialty food company engaged in the manufacture, marketing and distribution of spices, herbs, seasonings and other flavors to the entire food industry.

The Company operates in two business segments, consumer and industrial. The consumer and industrial segments manufacture, market and distribute spices, herbs, seasonings, flavorings and other specialty food products throughout the world. The consumer segment sells to the consumer food market under a variety of brands, including McCormick, Zatarain's in the United States, Ducros in continental Europe, Club House in Canada and Schwartz in the United Kingdom. The industrial segment sells to food processors, restaurant chains, distributors, warehouse clubs and institutional operations.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Merck

Currently held: No

Recommendation: Buy 100 Shares

NYSE: MRK

Sector: Healthcare

Industry: Major Drugs

Market Cap: \$68.9B – Large Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Current Price is \$31.98 and the target price from the DDM is \$39.62.
- Pharmaceutical industry may be undervalued.
- Re-release of Vioxx may improve brand image with regard to social responsibility because the drug was voluntarily withdrawn.
- Have several new drugs in research and development pipeline, and low number of expirations of patents on existing drugs.
- P/E ratio is far below industry average.
- Dividend yield is much greater than industry average of 1.59%.

KEY STATISTICS

Stock Data

Current Price:	\$33.81
52-Week Price Range	\$25.60-\$48.78
EPS	\$2.61
Beta	0.80
Dividends	\$1.49
Dividend yield	4.9%
P/E Trailing	11.3
P/E Current	13.8
P/E Industry	33
P/B	4.05
P/S	3.15

Target Price

DDM (Excel):	\$39.62
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Financial Data

Revenues	22939M
Net Income	5813M
EBITDA	7975M
Total Assets	42572M
Equity Multiplier	2.46
ROE	33.6%
Profit Margin	25.8%

Growth Rates

-Sales (historical)	10.00%
-Sales (future)	4.50%
-Earnings (historical)	10.00%
-Earnings (future)	8.00%

PROFILE

Merck & Co., Inc. (Merck) is a global research-driven pharmaceutical company that discovers, develops, manufactures and markets a range of products to improve human and animal health, directly and through its joint ventures. Merck's products include therapeutic and preventive agents, generally sold by prescription, for the treatment of human disorders.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Morgan Stanley India Investment

Currently held: Yes (325 shares)
Recommendation: Hold
NYSE: IIF

KEY STATISTICS

Morningstar Rating: 4
Percentile Ranking: 7th (3yr)
Equity Style
NAV: \$29.50
Load: 0
12b-1 Fees: 0
Expense Ratio: 1.56
Min. Investment:
Turnover Rate: 52%
Sharpe ratio: 1.37
Beta: .75
Alpha: 22.7

Portfolio Composition:

Bharat Heavy Electricals Ltd	6.73%
Hero Honda Motors Ltd	4.84%
Infosys Technologies Ltd	4.60%
Cipla Ltd	4.31%
Oil & Natural Gas	4.27%

Sector Holdings:

Information	10.42%
Service	32.14%
Manufacturing	57.45%

Manager Tenure: Since 6/30/04

KEY JUSTIFICATIONS FOR RECOMMENDATION

- GDP growth averaged 6.25% over the past 10 years, projected to be 7.2% in 2005.
- 3.8% Inflation (Consumer Prices) in 2004, benign inflation outlook for 2005.
- Best of both worlds, growth with low historical inflation for India, in relative terms.

PROFILE

Morgan Stanley India Investment Fund, Inc. is a non-diversified, closed-end management investment company incorporated in the USA. The Fund's objective is long-term capital appreciation. The Fund invests at least 65% of its total assets in equity securities of Indian issuers.

1-YEAR RETURNS

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Occidental Petroleum Corp
Currently held: 0.56% of Portfolio (54 shares)
Recommendation: HOLD

NYSE: OXY

Sector: Energy

Industry: Oil & Gas Operations

Market Cap: \$25B – Large Value

KEY STATISTICS

Stock Data

Current Price	\$71.67
52-Week Price Range	\$43-74
EPS	\$6.50
Beta	.54
Dividends	\$0.31
Dividend yield	1.7%
P/E Trailing	11.5
P/E Current	12.68
P/E Industry	21
P/B	2.7
P/S	2.5

Target Price

DDM:	\$64.85
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Financial Data

Revenues	\$11,368
Net Income	\$2,606
EBITDA	\$5,573
Total Assets	\$21,391
Equity Multiplier	2.02
ROE	24.3%
Profit Margin	22.6%

Growth Rates

-Sales (Historical)	21.9%
-Sales (Future)	.66%
-Earnings (Historical)	58.3%
-Earnings (Future)	21.39%

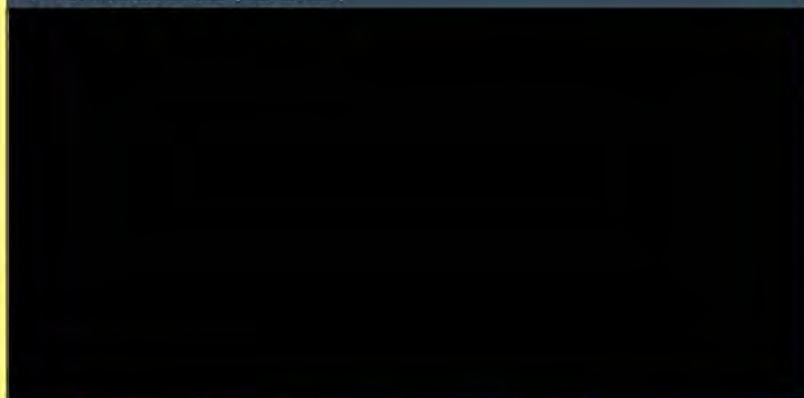
KEY JUSTIFICATIONS FOR RECOMMENDATION

- New Contract with Libya National Oil Company
- Exited the unprofitable vinyl specialty resin business
- Dr. Dale Laurence (President of the Oil and Gas Company retired due to health problems)
- In 2004, OXY reduced its debt by \$665 million, which lowered interest expense by \$65 Million.

PROFILE

Occidental Petroleum Corporation (Occidental) conducts business in two industry segments: the Oil and Gas segment, and the Chemicals segment. The oil and gas segment explores for, develops, produces and markets crude oil and natural gas. The chemical segment manufactures and markets basic chemicals, vinyls and performance chemicals. Occidental's domestic oil and gas operations are located in Elk Hills and other smaller locations in California, the Hugoton field in Kansas and Oklahoma, the Permian Basin in West Texas and New Mexico, and the Gulf of Mexico. International operations are located in Colombia, Ecuador, Oman, Pakistan, Qatar, Russia, the United Arab Emirates and Yemen. Occidental also has exploration interests in several other countries. The Company, through its affiliates, owns and operates chemical manufacturing plants at 24 sites in the United States.
www.oxy.com

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Olin Corporation

Currently held: No

Recommendation: Buy 300 shares

NYSE: OLN

Conglomerates

S&P 500

Market Cap: \$1.4B – Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$22.25
52-Week Price Range	\$15.20/25.35
EPS	\$0.77
Beta (Bloomberg)	1.26
Dividends	\$0.80
Dividend yield	3.9%
P/E 12 month forward	12.2
P/E trailing	31.1
P/E 5 yr. range	9-60
P/E industry	20.6
P/B (e.g., financials, insurance)	4.7
P/S	0.84

Target Price

DDM	\$32.90
Expected Return (target)	27.51%
Expected Return SML	11.10%

Financial Data

Revenues	\$1996.80
Net Income	\$-24.00
EBITDA	\$160.30
Total Assets	\$1618.60
DuPont Analysis	
Profit margin	0.26
Total asset turnover	1.10
Equity multiplier	8.21
ROE	2.35%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Industry Utilization for Caustic Soda > 100% = Continued Pricing Power for OLN
- Winchester Sales Benefiting from war effort
- Healthy Dividend Yield

PROFILE

Olin Corporation is a manufacturing company that operates three principal business units: Chlor Alkali Products, Metals and Winchester. The Chlor Alkali Products business manufactures chlorine and caustic soda, sodium hydrosulfite, hydrochloric acid and bleach products that have various applications in the household, industrial, paper, textile and other manufacturing industries. 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 small caliber ammunition and related products to domestic and international retailers, law enforcement agencies and domestic and international militaries. The Company operates predominantly in the United States. It has sales offices and subsidiaries in various countries, including Japan and Australia, which support the worldwide export of its products. Olin Corporation has about 5,700 employees. Chrmn.: Randall Larrimore. CEO: Joseph Rupp. Addr.: 501 Merritt 7 PO Box 4500, Norwalk, CT: 06856. Tel.: 203-750-3000. Internet: www.olin.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Overseas Shipping Group Inc.

Currently held: Yes (80 shares)

**Recommendation: HOLD/
increase by 120 shares**

NYSE: OSG

Water Transportation

Market Cap: \$2.5B – Mid-Cap Value

KEY STATISTICS

Stock Data

Current Price:	\$62.95
52-Week Price Range	\$31/66
EPS 2004	10.24
EPS 2005 Est.	11.40
Beta (Bloomberg, ValueLine)	.85, 1.05
Dividends	.70
Dividend yield	1.1%
P/E Trailing	6.2
P/E Forward	5.6
P/E Industry	12.5
PEG Forward	.70

Target Price

DDM	68.22
Expected Return 5 Years	9.45%
Required Return 5 Years	9.12%
Growth Rate Used	10%

Financial Data

Revenues	790
Net Income	401
EBITDA	501
Total Assets	2,680
Shareholder Equity	1,426
DuPont Analysis - Profit margin 50.8%, Total asset turnover .29, Equity multiplier 1.88, ROE 28%	

Growth Rates

Historical 5 Year Growth	52%
Future 1 Year Est.	11%
Future 5 Year Short-term	10%
Future Long-term Growth	5%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Positioned to take advantage of oil demand
- Recent acquisition allows for operating leverage
- Great Margins
- Exposure to the price of freight: relationship between oil demand and shipping supply

PROFILE

Overseas Shipping Group, Inc. is a major shipping company with a fleet of 100 ships totaling 13.4 million deadweight tons. This includes the recent acquisition of Stelmar giving Overseas Shipping a leading presence in the petroleum products and Panamax crude trades. Tankers and petroleum product carriers account for 96% of total tonnage. Has 1,750 Employees, 465 shareholders of record. Address: 511 Fifth Ave., New York, NY 10017. President & CEO Morten Amtezen.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Park Electrochemical Corp.

Currently held: No

Recommendation: **BUY 300 shares**

NYSE: PKE

Electronic Instruments & Controls

S&P 500

Market Cap: \$400.17 – Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$20.43
52-Week Price Range	\$18.25/27.40
EPS	\$0.86
Beta (Bloomberg)	1.45
Dividends	\$0.24
Dividend yield	1.60%
P/E 12 mo. forward	20.9
P/E trailing	23.7
P/E 5 yr. range	7-26
P/E industry	26.5
P/B (e.g., financials, insurance)	1.6
P/S	1.86

Target Price

DDM	\$33.09
Expected Return (target)	39.17%
Expected Return SML	16.11%

Financial Data

Revenues	\$194.20
Net Income	(\$3.85)
EBITDA	\$12.02
Total Assets	\$311.10

DuPont Analysis

Profit margin	0.15
Total asset turnover	0.62
Equity multiplier	1.28
ROE	11.90%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Demand Fundamentals Bottoming
- >\$10.00/share in Net Cash on the Balance Sheet
- Institution of a Stock Buyback
- No Debt

PROFILE

Park Electrochemical Corp. is engaged in the design, production and marketing of advanced electronic materials used to fabricate complex multilayer printed circuit boards and other electronic interconnection systems. Park specializes in advanced materials for high-layer count circuit boards and high-speed and radio frequency (RF) microwave electronic systems and digital broadband telecommunications, Internet and networking applications. The Company's electronic materials business operates under the Nelco name through fully integrated business units in Asia, Europe and North America. The Company is also engaged in the design, production and marketing of advanced composite materials through its FiberCote Industries subsidiary. In February 2004, the Company discontinued its financial support of Dielektra GmbH, a wholly owned subsidiary. Park Electrochemical Corporation has about 1,200 employees. CEO: Brian Shore Addr.: 5 Dakota Drive, Lake Success, NY. 11042. Tel.: 516-354-4128. Internet: www.parkelectro.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Perrigo Company

Currently held: Yes

Recommendation: SELL all 295 shares

NYSE: PRGO

HealthCare

Biotechnology Pharmaceuticals

Market Cap: \$1.2 – Mid-cap Value

KEY STATISTICS

Stock Data

Current Price:	\$19.11
52-Week Price Range	\$16/24
EPS (ttm)	\$0.81
Beta (Reuters)	0.75
Dividends	\$0.16
Dividend yield	0.92%
P/E (12 mo. forward/trailing, 5 yr. range, industry)	
ttm company	21.86
ttm industry	35.39
5yr range company	15.09 – 92.72
5yr range industry	22.59 – 64.15

Net Margin

(ttm company)	6.42%
(ttm industry)	7.04%
(5yr company)	5.33%
(5yr industry)	4.63%

Target Price

\$10 - \$15

Financial Data

Revenues (FY04 in \$M)	\$898.2
Net Income (FY04 in \$M)	\$80.6
Total Assets (6/26/04 in \$M)	\$759

ROE

ttm company	10.99%
ttm industry	7.43%
5yr average company	10.45%
5yr average industry	3.67%

Growth Rates (sales, earnings) (historical and future):

Short Term (1yr)

Sales	7.69%
EPS	46.71%

Long Term (3yr)

Sales	6.03%
EPS	50.06%

Institutional holdings

Royce & Associates – 12.86%
Wellington Management – 11.38%
Perkins Wolf McDonnell & Co – 10.13%

KEY JUSTIFICATIONS FOR RECOMMENDATION

In Nov. 2004 Perrigo acquired Agis Industries, the 2nd largest pharmaceutical company in Israel, with the stated intention to enter the generic pharmaceutical market. While the intention is to be appreciated, the Board of Directors expects synergistic results no earlier than FY 2007, which is beyond our investment horizon. Furthermore, the \$818M transaction (with \$409M in cash) will affect Perrigo's financial performance in the next 2 yr time frame.

PROFILE

Perrigo Company, incorporated in 1887, is a manufacturer of store brand over-the counter (OTC) pharmaceutical and nutritional products, which gets sold under a retailer's label in the US.

In addition, the Company manufactures OTC pharmaceutical and nutritional products in the United Kingdom and OTC pharmaceutical and prescription drug products in Mexico.

The Company sells over 1,200 store- brand products under brand names like Good Sense and Dr. Rosenblat, and are categorized as analgesics, cough/cold/allergy/sinus, gastrointestinal and vitamins/nutritional supplements/diet aids.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Pfizer

Currently held: Yes

Recommendation: Hold all 160 shares

NYSE: PFE

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$196B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$26.88
52-Week Price Range	\$38.9 – \$22
EPS	\$2.13
Beta (Bloomberg)	0.91
Dividends	.76
Dividend yield	2.1%
P/E Trailing	12.6
P/E Current	16.87
P/E Industry	
P/B (e.g., financials, insurance)	2.76
P/S	3.78

Target Price

DDM	\$37.20
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Financial Data

Revenues	\$55.52B
Net Income	\$11.36B
EBITDA	\$17.37B
Total Assets	\$123.68B
Total asset turnover	.4489
Equity multiplier	1.8917
ROE	17.38
Debt / Equity Ratio	.275
Profit margin	20.46%

Growth Rates

-Sales (Historical)	11.0%
- Sales (Future)	7.6%
- Earnings (Historical)	21.5%
-Earnings (Future)	13.5%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Increased Capital Spending by more than \$500M
- Celebrex has been allowed back in the market
- New Anti-smoking drug, Varenicline, is in phase III testing and if approved could generate \$500million in sales per year.

PROFILE

Pfizer Inc. (Pfizer) is a research-based, global pharmaceutical company. The Company discovers, develops, manufactures and markets prescription medicines for humans and animals, as well as consumer healthcare products. The Company operates in three business segments: Human Health (previously named Pharmaceutical), Consumer Healthcare and Animal Health. It also operates several other businesses, including the manufacture of empty soft-gelatin capsules, contract manufacturing and bulk pharmaceutical chemicals. Pfizer completed the acquisition of Esperion Therapeutics, Inc. on February 10, 2004. Esperion is a biopharmaceutical company focused on the development of high-density lipoprotein (HDL)-targeted (good cholesterol) therapies for the treatment of cardiovascular disease.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Pixar Inc

Currently held: Yes (29 shares)

**Recommendation: Hold /
increase by 21 shares**

NYSE: PIXR

Services

Motion Pictures

Market Cap: \$5.1 – Mid-cap Growth

KEY STATISTICS

Stock Data

Current Price:	\$98.71
52-Week Price Range	\$61/98.71
EPS (ttm)	\$2.37
Beta (Reuters)	0.65
Dividends	N/A
Dividend yield	N/A
P/E (12 mo. forward/trailing, 5 yr. range, industry)	
ttm company	37.48
ttm industry	24.42
5yr range company	18.10 – 68.46
5yr range industry	18.53 – 70.26

Net Margin

(ttm company)	51.74%
(ttm industry)	21.15%
(5yr company)	45.96%
(5yr industry)	17.65%

Target Price

\$100+

Financial Data

Revenues (FY04 in \$M)	\$273.5
Net Income (FY04 in \$M)	\$141.7
Total Assets (02/29/04 in \$M)	\$1,275

ROE

ttm company	13.31%
ttm industry	12.32%
5yr average company	14.15%
5yr average industry	0.38%

Growth Rates (sales, earnings) (historical and future):

Short Term (1yr)

Sales	4.18%
EPS	9.53%

Long Term (3yr)

Sales	57.33%
EPS	49.66%

Institutional holdings

TCW Group – 17.3%
Wellington Mgmt – 7.16%
Fidelity – 5.50%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Close to the end of the agreement with Disney. Expect higher margins from the new distribution agreement and freedom of choice for new projects.
- Low P/E compared with the 5yr upper limit for both the company and the industry.
- Net Profit Margins almost double the industry, which already enjoys high margins.
- Solid business model

PROFILE

Pixar is a digital animation studio with the technical, creative and production capabilities to create a new generation of animated feature films.

As of January 3, 2004, the Company has created and produced five full-length animated feature films: Toy Story, A Bug's Life, Toy Story 2, Monsters, Inc., and Finding Nemo, which were marketed and distributed by The Walt Disney Company.

Pixar also produces short films, which allows the Company to develop creative talent and computer animation technology. In addition, the Company markets and sells its RenderMan software to other visual effects studios.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Premcor, Inc.

Currently held: Yes (100 shares)

Recommendation: HOLD

NYSE: PCO

Market Cap: \$4.96B – Mid Cap

KEY STATISTICS

Stock Data

Sector (S&P) Energy
Industry (SIC) Energy
Profile Petroleum Refining

Current Price	\$59.44
52-Week Price Range	\$29.68-61.50
EPS	\$5.58
Beta	1.05
Dividends	\$0.08
Dividend yield	0.10%
P/E 12 mo.	9.44
P/E Forward	9.88
P/E Industry	17.23
P/B	2.30
P/S	0.32
P/CF	7.68
PEG	2.20

Target Price

FCF, DDM	\$43.90
Market Value to Intrinsic Value	1.26
Expected Return 5-Year	4.50%
Required Return	9.96%

Financial Data

Revenues	\$15,334,800,000
Net Income	\$5,689,600,000
EBITDA	\$1,086,300,000
Total Assets	\$477,900,000
Shareholders Equity	\$2,134,400,000
Profit Margin	37.10%
Total Asset Turnover	32.09
Equity Multiplier	0.22
ROE	266.57

Growth Rates

Revenue:	
Historical 5 year	N/A
1 Year est.	20.00%

Earnings:	
Historical 5 year	N/A
Short Term 5 year est. (%)	4.5

KEY JUSTIFICATIONS FOR RECOMMENDATION

Catalyst: Sweet Crude, rising prices

Recent News: How high will oil go?

Strategy: Take advantage of reduced costs as a domestic producer of oil

Opportunities: Oil could go to \$100/ barrel

Risks: Oil could go to \$10/ barrel

Institutional holdings: 68,872,745 (77.20%)

Insider trading (12 month net shares): (19,968,000)

PROFILE

Premcor, Inc. is an independent petroleum refiner and marketer of unbranded transportation fuels and heating oil throughout the United States.

<http://www.premcor.com>

1-YEAR RETURNS

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Proctor & Gamble
Currently held: Yes (112 shares)
Recommendation: HOLD /
increase by 88 shares
 NYSE: PG
 Conglomerate
 S&P 500, Dow Jones Industrials
 Market Cap: \$140.6B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$55.52
52-Week Price Range	\$57.4 – \$48.9
EPS	\$2.32
Beta (Bloomberg)	.93
Dividends	1.00
Dividend yield	1.9%
P/E Trailing	20.77
P/E Current	21.3
P/E Industry	
P/B	8.96
P/S	2.74

Target Price

DDM	\$70.50
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Financial Data

Revenues	\$51.41B
Net Income	\$6.481B
EBITDA	\$9.827B
Total Assets	\$57.048B
Profit margin	12.6%
Total asset turnover	.9011
Equity multiplier	3.301
ROE	37.51
Debt / Equity Ratio	1.17

Growth Rates

-Sales (Historical)	9.5%
-Sales (Future)	10.8%
-Earnings (Historical)	10.0%
-Earnings (Future)	9.5%

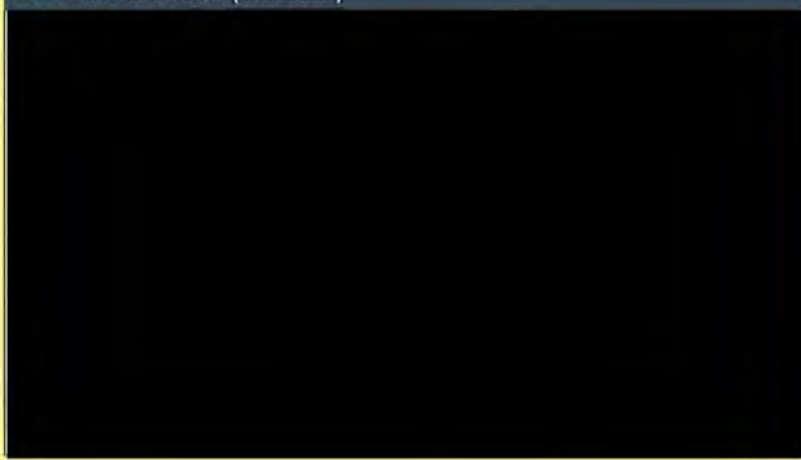
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Recent acquisition of Gillette for \$57B
- Completion of preliminary study on Intrinsic, by the FDA
- Highest revenue and revenue growth in the industry

PROFILE

The Procter & Gamble Co. manufactures and markets a range of consumer products in various countries throughout the world. The Company markets over 300 branded products in more than 160 countries. The Company manages its business in five product segments: Fabric and Home Care, Baby and Family Care, Beauty Care, Health Care and Snacks and Beverages. In March 2003, the Company entered into an agreement to acquire a controlling interest in Wella from the majority shareholders. In September 2003, it completed this purchase of the shares of Wella AG. In June 2004, the Company and Wella entered into a Domination and Profit Transfer Agreement (the Domination Agreement). Under the Domination Agreement, they are entitled to exercise full-operating control and receive 100% of the future earnings of Wella. In June 2004, it purchased the remaining 20% stake of its China venture from its partner, Hutchison Whampoa China Ltd. (Hutchison), giving the Company full ownership of its operations in China.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

ProLogis Trust

Currently held: Yes (265 shares)

Recommendation: Sell

Analyst: T.J. Gillespie

NYSE: PLD

REIT

Market Cap: \$7.3B – Mid Cap Value

KEY STATISTICS

Stock Data

Current Price:	\$37.35
52-Week Price Range	\$27/43
EPS	1.08
EPS 2005 Est.	1.30
Funds from Operations 2004	2.43
Funds from Operations 2005	2.55
Beta (Bloomberg, ValueLine)	.82, .60
Dividends	1.46
Dividend yield	3.72%
P/FFO Trailing	16.2
P/FFO Forward	15.4
P/FFO Industry	13.4

Target Price

DDM	37.12
Expected Return 5 years	8.00%
Required Return 5 years	8.57%
Growth Rate Used	9%

Financial Data

Revenues	598
Net Income	233
EBITDA	764
Total Assets	8,877
Total Debt	3,444

Growth Rates for Funds from Operations

Historical 5 years	.05%
Future Short-term	9%
Future Long-term	8%

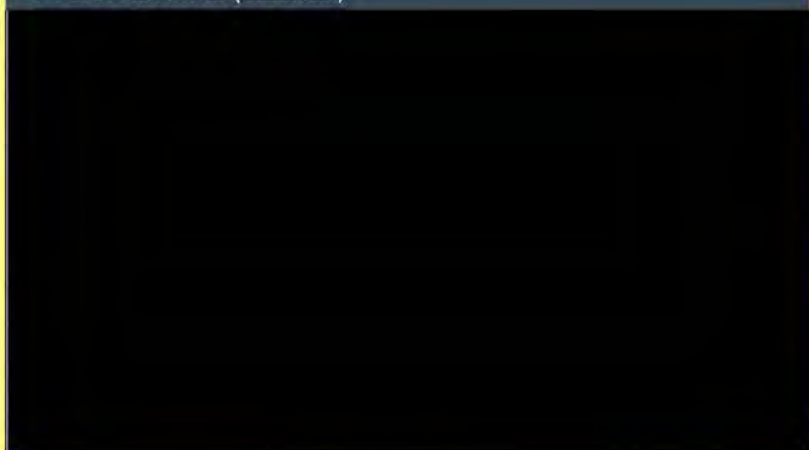
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Low Dividend Yield relative to other REITs
- Real Estate Bubble?
- Low growth
- Expensive current valuation

PROFILE

ProLogis Trust is a real estate investment trust which owns and manages a network of global distribution centers. ProLogis has an ownership interest of approximately 230 million square feet in 1,737 distribution facilities operated and under development in about 70 markets located throughout North America, Europe and Asia. ProLogis employs approximately 725 employees in the United States and Europe. Chairman: K. Dane Brooksher. President: Irving Lyons III. Address 14100 East 35th Place Aurora, Colorado 80011.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Reader's Digest Association, Inc.
Currently held: No
Recommendation: Buy 100 shares

NYSE: RDA
 Printing & Publishing
 S&P 500
 Market Cap: \$1.6B – Small Cap

KEY STATISTICS

Stock Data

Current Price:	\$17.44
52-Week Price Range	\$12.50/17.83
EPS	\$0.77
Beta (Bloomberg)	0.98
Dividends	\$0.40
Dividend yield	2.30%
P/E 12month forward	22.7
P/E trailing	17.5
P/E 5 yr. range	8-27
P/E industry	18.8
P/B (e.g., financials, insurance)	3.2
P/S	2.56

Target Price

DDM	\$22.39
Expected Return (target)	23.18%
Expected Return SML	9.56%

Financial Data

Revenues	\$2388.50
Net Income	\$49.50
EBITDA	\$177.20
Total Assets	\$2442.70

DuPont Analysis

Profit margin	0.02
Total asset turnover	0.98
Equity multiplier	5.27

ROE 10.69%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Core Magazines Gaining Momentum
- Improved Balance Sheet = Opportunity for Debt Rating Upgrade
- Resumption of Stock Buybacks
- Recently doubled its Dividend

PROFILE

The Reader's Digest Association, Inc. is globally engaged in publishing and direct marketing, and creates and delivers products that inform, enrich, entertain and inspire, including magazines, books, recorded music collections and home videos. The Company is best-known for publishing its flagship magazine, Reader's Digest. Reader's Digest has a worldwide circulation of about 19 million and over 85 million readers each month. Reader's Digest is published in 49 editions and 20 languages. The Company conducts business through three operating segments: Reader's Digest North America, Consumer Business Services and International Businesses. The Company's Books and Home Entertainment products consist of Reader's Digest Select Editions, series books, general books, recorded music collections and series, and home video products and series. It markets these products principally by direct mail through its Reader's Digest North America and Reader's Digest International reportable segments. The Reader's Digest Association has about 4,300 employees. Chrmn. And CEO: Thomas Ryder Addr.: Reader's Digest Road, Pleasantville, NY: 10570. Tel.: 914-238-1000. Internet: www.readersdigest.com.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Rockwell Collins

Currently held: Yes (100 shares)

Recommendation: HOLD

Analyst: T.J. Gillespie

NYSE: COL

Aerospace, Defense

Market Cap: \$7.1B – Mid-Growth

KEY STATISTICS

Stock Data

Current Price:	\$46.02
52-Week Price Range	\$29/48
EPS 2004	1.63
Est. EPS 2005	2.11
Beta (Value Line)	1.1
Dividends	.39
Dividend yield	.81%
P/E Trailing	29.7
P/E Forward	22.9
Cash Flow per share	2.15

Target Price

DDM	38.23
Expected 5 Year Return	9.3%
Required 5 Year Return	10.2%
Growth Rate Used	12%

Financial Data

Revenues	2,930
Net Income	310
EBITDA	393
Total Assets	2,591
Shareholder Equity	833
DuPont Analysis - Profit margin 10.3%, Total asset turnover 1.13, Equity multiplier 3.11, ROE 36.1%	

Growth

Growth in Earnings Historical 4 years	7%
Short-term 5 year estimate	12%
Long-term	8%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Commercial market still suffers from over capacity
- Overvalued valued according to our models
- Government spending is unlikely to increase over current levels given deficit spending
- Low dividend for a stable low growth company

PROFILE

Rockwell Collins is a maker of aviation electronics and mobile & airborne communications systems for multinational corporations and governmental agencies. The company is divided up into two divisions: Commercial Systems (62% of 2003 sales) and Governmental Systems (38% of Sales) that provide defense and electronic systems to domestic and foreign governmental agencies. Has 14,700 employees. Address: 400 Collins Road NE, Cedar Rapids, IA 52498.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Royce Special Equity Inv
Currently held: Yes, 3,111.711
shares
Recommendation: HOLD

RYSEX

KEY STATISTICS

Morningstar Rating:	4
Style:	Small Value
NAV:	18.88
Load:	0
12b-1 Fees:	0
Expense Ratio:	1.19%
Min. Investment:	\$2,000
Turnover Rate:	
Sharpe Ratio:	1.19
Beta:	0.52
Alpha:	11.87

Top Holdings:	
BORDERS GROUP INC	3.5%
BANTA CORP	3.34%
LUBRIZOL CP	2.75%
BANDAG A	2.66%
BIO RAD LABS CL A	2.62%
LANCASTER COLONY	2.56%
AMER WOODMARK CP	2.48%
SCHWEITZER MAUDIT	2.45%
HILB ROGAL HOBBS	2.30%

Manager: Charles R. Dreifus
Manager Since: 01-May-98

KEY JUSTIFICATIONS FOR RECOMMENDATION

PROFILE

Royce Special Equity Fund seeks long-term growth of capital. The fund normally invests at least 80% of assets in equity securities. It primarily invests at least 65% of assets in equities of small and micro-cap companies with market capitalizations less than \$1 billion. The portfolio manager applies an intensive value approach which combines classic value analysis, the identification of good businesses and accounting cynicism.

1-YEAR RETURNS (INDEXED)

GENERAL INFORMATION

Rydex Juno Fund

Currently held: No
Recommendation: Buy
1,715.818 shares

RYJUX

KEY STATISTICS

Morningstar Rating: Not Rated
Percentile Ranking: N/A
Fixed Income Style (Short Duration)
NAV: \$18.65
Load: None
12b-1 Fees: 0
Expense Ratio: 1.38
Min. Investment: \$25,000
Turnover Rate:
Sharpe ratio: -0.73
Beta: 0.31
Alpha: -11.20

Portfolio Composition:
Short Position in Long Bond 100%
Hedged with Futures

Manager Tenure: 12/10/04

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Long Bond along with Treasury yields are too low considering Fed raising rates and solid economic fundamentals in the US.
- The yield curve will steepen and the best way to realize gains from rising rates is to short duration.
- Past performance of the fund is expected given the strategy was in place during a bull bond market.

PROFILE

Rydex Series - Juno Fund is an open-end fund incorporated in the USA. The Fund's objective is to provide total returns that will inversely correlate to the price movements of a benchmark for U.S. Treasury debt instruments or futures contract on a specified debt instrument. The Fund invests all of its assets in the Juno Master Fund, which has an identical investment objective.

1-YEAR RETURNS

GENERAL INFORMATION

Scudder – Precious Metals

Currently held: Yes (274.326 shares)

Recommendation: Sell

SGLDX

KEY STATISTICS

Morningstar Rating: 5
 Percentile Ranking: 3rd (3yr)
 Equity Style
 NAV: \$15.70
 Load: 0
 12b-1 Fees: 0
 Expense Ratio: 1.38
 Min. Investment: \$1,000
 Turnover Rate: 76%
 Sharpe ratio: 0.99 (3 yr)
 Beta: .70
 Alpha: 26.64

Portfolio Composition:

Placer Dome	8.08%
Glamis Gold Ltd	5.36%
Aber Diamond	4.82%
Cryatallex Int'l	4.48%
Bema Gold	4.36%

Sector Holdings:

Industrial	100%
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Manager Tenure: Since 04/05/02

KEY JUSTIFICATIONS FOR RECOMMENDATION

- If we believe that the US Dollar will strengthen then Gold should be sold, and so should Gold Mining Firms.
- Too much exposure to Gold as Portfolio's top holdings concentrated in Gold miners.

PROFILE

Scudder Gold & Precious Metals Fund is an open-end fund incorporated in the USA. The Fund's objective seeks the maximum return (principal change and income). The Fund invests at least 80% of net assets in common stocks and other equities of US and foreign companies engaged in activities related to gold, silver, platinum, diamonds or other precious metals and minerals.

1-YEAR RETURNS



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Semiconductor HOLDRs Trust

**Currently held: 0.59% (100
shares)**

Recommendation: Hold

AMEX: SMH

S&P 500

Market Cap: \$1.2 B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$32.08
52-Week Price Range	\$43.82 / \$27.78
EPS	none
Beta (Bloomberg, ValueLine)	1.99
Dividends	none
Dividend yield	.40%
P/E 12 mo. Trailing	none
-Industry	54
P/B	none
P/S	none

Target Price

DDM	N/A
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Financial Data

Revenues	none
Net Income	none
EBITDA	none
Total Assets	none
ROE	none
Equity Multiplier	none
Total Asset Turnover	none
Profit Margin	none
Growth Rates	
-Sales (historical/future)	none
-Earnings (historical/future)	none

#	Company Name	Ticker	% ETF
1	Intel Corporation	INTC	19.71%
2	Texas Instruments Incorporated	TXN	15.82%
3	Applied Materials Inc	AMAT	14.07%
4	Analog Devices, Inc.	ADI	7.63%
5	Maxim Integrated Products Inc	MXIM	6.90%
6	Linear Technology Corporation	LLTC	5.91%
7	Xilinx Inc	XLNX	4.55%
8	KLA-Tencor Corporation	KLAC	4.09%
9	Altera Corporation	ALTR	3.86%
10	Micron Technology Inc.	MU	3.52%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Leading indicator for Computer Sector
- Bottom of its cycle
- Industry now has a grip on its inventory and poised for production
- Impact of Nanotechnology

PROFILE

Semiconductor HOLDRs Trust issues depository receipts called Semiconductor HOLDRs. The Trust will hold shares of common stock issued by companies that develop, manufacture and market integrated circuitry and other products made from semiconductors which allow for increased speed and functionality in components for computers and other electronic devices.

Lot Size: 100

Fee: \$2.00

Issuance Fee: \$10.00

Cancellation Fee: \$10.00

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Sherwin-Williams CO
Currently held: Yes (65 shares)
Recommendation: HOLD /
increase by 35 shares
 NYSE: SHW
 Services
 Retail (Home Improvement)
 Market Cap: \$6.3 – Mid-cap **Value**

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Low P/E compared with the industry 5yr range.
- Housing segment is still strong and will generate demand for SHW products.
- Industry with low Net Profit Margins.
- Acquired interest in a similar company from China at the end of 2004.

KEY STATISTICS

<u>Stock Data</u>	
Current Price:	\$43.92
52-Week Price Range	\$33/46
EPS (ttm)	\$2.71
Beta (Reuters)	0.68
Dividend yield	1.82%
<u>P/E (12 mo. forward/trailing, 5 yr. range, industry)</u>	
ttm company	16.65
ttm industry	18.74
5yr range company	N/A – N/A
5yr range industry	13.12 – 63.64
<u>Net Margin</u>	
(ttm company)	6.48%
(ttm industry)	6.57%
(5yr company)	4.74%
(5yr industry)	5.61%

Target Price
 \$45 - \$50

<u>Financial Data</u>	
Revenues (FY04 in \$M)	\$6,113
Net Income (FY04 in \$M)	\$393
Total Assets (02/29/04 in \$M)	\$4,274

<u>ROE</u>	
ttm company	30.41%
ttm industry	21.42%
5yr average company	20.02%
5yr average industry	19.20%

Growth Rates (sales, earnings) (historical and future):

<u>Short Term (1yr)</u>	
Sales	13.06%
EPS	20.27%

<u>Long Term (3yr)</u>	
Sales	6.47%
EPS	17.45%

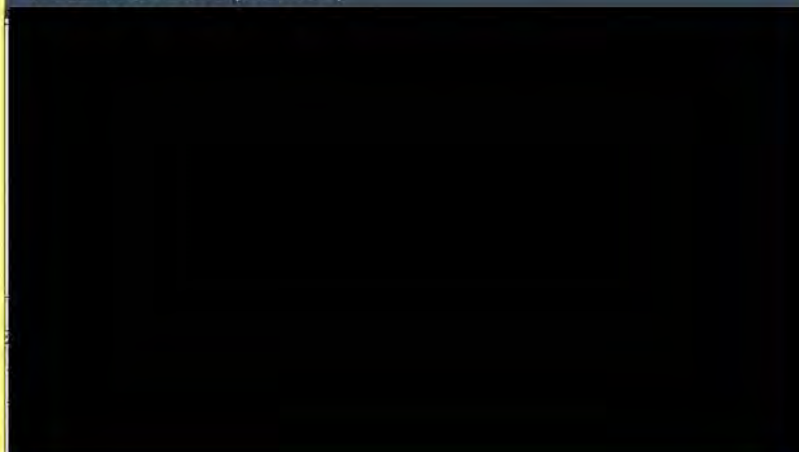
Institutional holdings
 State Street Advisors – 4.95%
 Bank of Ireland – 4.73%
 Barclays – 4.30%

PROFILE

The Sherwin-Williams Company (Sherwin-Williams) is engaged 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 has four operating segments: Paint Stores, Consumer, Automotive Finishes and International Coatings.

The Paint Stores segment markets and sells architectural paints and coatings, industrial and marine products; original equipment manufacturer (OEM) product finishes and related items throughout North America and the Caribbean. It consisted of 2,983 company-operated specialty paint stores in the United States, Canada, Virgin Islands, Puerto Rico and Mexico at December 31, 2004.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Simon Property Group, Inc.
Currently held: 1.83% of Portfolio
Recommendation: SELL 160 shares

NYSE: SPG

Sector: Financials

Industry: Real Estate Operations, REITs

Market Cap: \$13B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$61.32
52-Week Price Range	\$44-65
EPS	\$1.44
Beta	0.70
Dividends	\$2.08
Dividend yield	4.6%
P/E Trailing	34.1
P/E Current	43.5
P/E Industry	28.10
P/B	5.0
P/S	5.3

Target Price

DDM:	\$35.00
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Financial Data (2004 In Billions)

Revenues	\$2,641
Net Income	\$449
EBITDA	2,060
Total Assets	\$15,685
Equity Multiplier	5.55
ROE	15.9%
Profit Margin	17%

Growth Rates

-Sales (Historical)	14.8%
-Sales (Future)	6.9%
-Earnings (Historical)	1.3%
-Earnings (Future)	11.12%

Discussion: REITs & Rising Interest Rates

***According to Ibbotson Associates, there is a low correlation of .03, between changes in REIT yields and changes in Treasury Yields. A 30 year study concluded this finding.

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Solid Property Type (Premium Outlet Malls-Demographic Driven)
- Acquisition of Chelsea Property Group
- Current Price well above DDM
- Use a REIT ETF, similar REIT exposure with more diversification.
- SPG is a common holding in REIT ETFs, looking for one with the highest weighting.

PROFILE

Simon Property Group, Inc. (SPG) operates as a self-administered and self-managed real estate investment trust (REIT) engaged in the ownership, development and management of retail real estate, primarily regional malls, Premium Outlet centers and community shopping centers. As of December 31, 2004, SPG owned or had an interest in 299 properties in North America containing an aggregate of 203 million square feet of gross leasable area in 39 states plus Puerto Rico, Canada and Mexico. SPG also held interests in 49 European shopping centers in France, Italy, Poland and Portugal and four Premium Outlet centers in Japan.
www.simon.com

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Software HOLDRs Trust
Currently held: 0.71% (100 shares)
Recommendation: Hold

AMEX: SWH
 S&P 500
 Market Cap: \$60.5 M – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$34.94
52-Week Price Range	\$50.99 / \$44.01
EPS	none
Beta (Bloomberg, ValueLine)	0.88
Dividends	none
Dividend yield	.80%
P/E 12 mo. Trailing	none
-Industry	66
P/B	none
P/S	none

Target Price

DDM	N/A
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Financial Data

Revenues	none
Net Income	none
EBITDA	none
Total Assets	none
ROE	none
Equity Multiplier	none
Total Asset Turnover	none
Profit Margin	none
Growth Rates	
-Sales (historical/future)	none
-Earnings (historical/future)	none

#	Company Name	Ticker	% ETF
1	Microsoft Corporation	MSFT	23.20%
2	Sap Aktiengesellschaft	SAP	17.91%
3	Computer Associates Int'l	CA	12.82%
4	Adobe Systems Incorporated	ADBE	8.35%
5	Oracle Corporation	ORCL	7.91%
6	Intuit Inc.	INTU	7.68%
7	PeopleSoft Inc.	PSFT	4.86%
8	VERITAS Software Corp	VRTS	3.69%
9	BMC Software Inc	BMC	3.24%
10	Check Point Software Technologies	CHKP	3.08%

KEY JUSTIFICATIONS FOR RECOMMENDATION

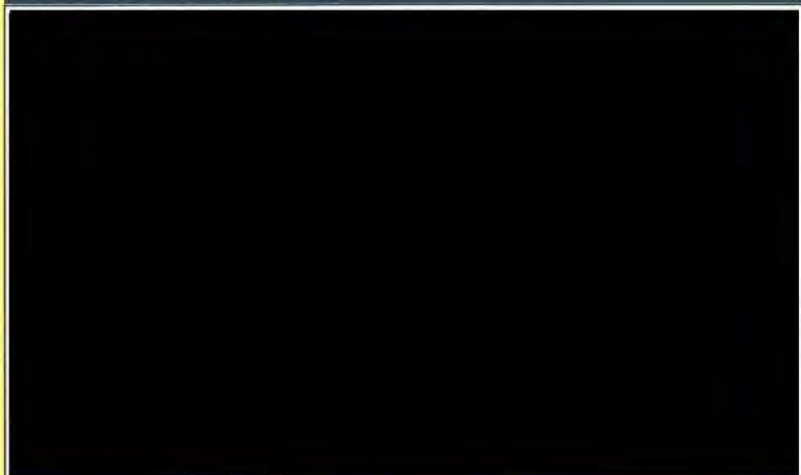
- Increase in information technology spending
- Consistently outperformed its benchmark (AMEX Semiconductor HOLDRs)
- Modest valuations, substantial FCF, EPS and revenue growth

PROFILE

Software HOLDRs Trust issues depository receipts called Software HOLDRs. The Trust will hold shares of common stock issued by companies that are involved in various segments of the software industry. These companies are among the 20 largest and most liquid with US-traded common stock involved in the software industry as measured by market capitalization and trading volume.

Lot Size: 100
 Fee: \$2.00
 Issuance Fee: \$10.00
 Cancellation Fee: \$10.00

1-YEAR RETURNS (INDEXED)



GENERAL INFORMATION

SSGA Emerging Markets Fund

Currently held: Yes (1898.711 shares)

Recommendation: Hold
SSEMXX

KEY STATISTICS

Morningstar Rating: 4
Percentile Ranking: 37th (3yr)
Equity Style
NAV: \$15.69
Load: 0
12b-1 Fees: 0.15
Expense Ratio: 1.25
Min. Investment: \$1,000
Turnover Rate: 64%
Sharpe ratio: 1.21
Beta: 1.03
Alpha: 7.96

Portfolio Composition:

Samsung Electronics	5.80%
Petroleo Brasileiro	2.05%
Lukoil (ADR)	1.56%
Teva Pharm	1.46%
POSCO	1.41%

Sector Holdings:

Information	21.11%
Service	30.09%
Manufacturing	48.80%

Manager Tenure: N/A

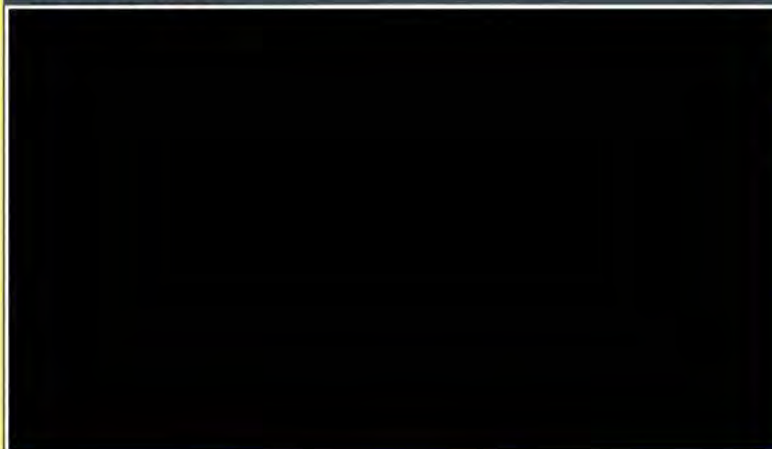
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Good diversity play in terms of exposure to Korea and Brazil.
- Since it has done so well, especially over the last year, it was time to take some off the table.
- If synchronous global expansion continues as we expect, then this fund should do well over the next year considering manufacturing exposure.

PROFILE

SSgA Emerging Markets Fund is an open-end fund incorporated in the USA. The Fund's objective is to provide maximum total return, primarily through capital appreciation. The Fund invests at least 80% of its assets in securities issued by companies domiciled, or doing a substantial portion of their business in countries that have a developing or emerging economy or securities market.

1-YEAR RETURNS



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Student Loan Corp

Currently held: Yes (15 shares)

**Recommendation: HOLD /
increase by 35 shares**

NYSE: STU

Customer Financial Services

Market Cap: \$4.6B – Mid Cap Value

KEY STATISTICS

Stock Data

Current Price:	\$224.90
52-Week Price Range	\$129/212
EPS	14.25
Beta (Bloomberg, ValueLine)	.88-.75
Dividends	4.32
Dividend yield	2.09%
P/E Forward	14.52
P/E 5 Year Range	8.7-14.5
P/B	4.4
P/B Industry	3.3
Net Interest Margin	2.3%

Target Price

DDM	271
Expected 5 Year Return	11.18%
Required Return	8.3%
Growth Rate Used	28%

Financial Data

Revenues	552.8
Book Value	27,190.6
Net Income	454.5
Return on Equity	22.8%
Historical 5-Year Loan Growth	32%
Forecast Growth 5-Years	28%
Long-term Growth	10%

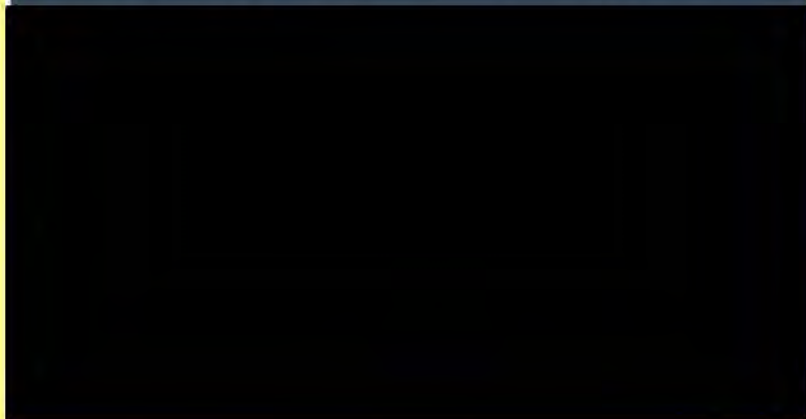
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Trading at a Discount to DDM
- High expected loan growth
- Demographic Play on Echo Boom Generation
- Continued High Cost of Education
- Worth a 4.4 P/B given growth prospects
- Impressive historical loan growth 32%

PROFILE

Student Loan Corp. services federally insured student loans through a trust agreement with Citibank, and is a wholly owed subsidiary of Citigroup. Its loan portfolio consists of student loan that originated from the Federal Family Education Loan Program, which includes Federal Stafford, Federal Parents Loan to Undergraduate Students (PLUS), and Federal Consolidation Loans. It also participates in the secondary loan market through purchases of Federal Stafford Loans, PLUS Loans, and Federal Consolidation Loans.

-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Sysco Corp

Currently held: Yes (77 shares)

**Recommendation: HOLD /
increase by 23 shares**

NYSE: SY Y

Conglomerate

S&P 500, Dow Jones Industrials

Market Cap: \$22.5B – Large Growth

KEY STATISTICS

Stock Data

Current Price:	\$35.90
52-Week Price Range	\$29.5 - \$41.3
EPS	\$1.37
Beta (Bloomberg)	0.82
Dividends	1.92
Dividend yield	1.4%
P/E Trailing	
P/E Current	24.61
P/E Industry	
P/B (e.g., financials, insurance)	8.73
P/S	0.77

Target Price

DDM	\$38.31
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Financial Data

Revenues	\$29.34B
Net Income	\$907.2M
EBITDA	\$5.673B
Total Assets	\$7.847B
Total asset turnover	3.738
Equity multiplier	3.06
ROE	35.38
Debt / Equity Ratio	.541
Profit margin	3.09%

Growth Rates

- Sales (Historical)	11.5%
- Sales (Future)	13.5%
- Earnings (Historical)	20.0%
- Earnings (Future)	14.5%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- 15x the market cap of its closest competitor
- Rising cost of food has posted a small threat, however Sysco has been able to continue increasing sales by cutting costs tremendously
- Horizontal Integration with Nashville Tomato and Pirana Produce.

PROFILE

SYSCO Corporation (SYSCO) is an American distributor of food and related products primarily to the foodservice or food-prepared-away-from-home industry. SYSCO provides its products and services to approximately 400,000 customers, including restaurants, healthcare and educational facilities, lodging establishments and other foodservice customers. Products distributed by the company include a full line of frozen foods, such as meats, fully prepared entrees, fruits, vegetables and desserts, and a full line of canned and dry foods, fresh meats, imported specialties and fresh produce. The company also supplies a wide variety of non-food items, including paper products, such as disposable napkins, plates and cups; tableware, such as china and silverware; restaurant and kitchen equipment and supplies, and cleaning supplies. In April 2004, SYSCO acquired Overton Distributors, Inc., in May 2004, it acquired International Food Group, Inc. and in December 2004, it acquired Robert's Foods.

1-YEAR RETURNS (INDEXED)

GENERAL INFORMATION

T Rowe Price ST Bond Fund

Currently held: Yes (2,031.265 shares)

Recommendation: Hold / increase

PRWBX

KEY STATISTICS

Morningstar Rating: 4
 Percentile Ranking: 1 (3yr)
 Short Term Fixed Income Style
 NAV: \$4.72
 Load: 0
 12b-1 Fees: 0
 Expense Ratio: 0.55
 Min. Investment: \$2,500
 Turnover Rate: N/A
 Sharpe ratio: 0.92
 Beta: .33
 Alpha: 0.09

Portfolio Composition By Rating:

Governments	27.2%
AAA	17.5%
AA	12.7%
A	17.0%
BBB	23.5%
BB	1.0%
Not Rated	1.2%

Sector Holdings:

Duration 1.64yrs

Manager Tenure: Since 01/01/95

KEY JUSTIFICATIONS FOR RECOMMENDATION

- Good play as money market securities will constantly reprice themselves as rates rise.
- Discount that money market securities are purchased at gets larger.

PROFILE

T. Rowe Price Short-Term Bond Fund is an open-end fund incorporated in the USA. The Fund's objective is a high level of income consistent with minimal fluctuation in principal value and liquidity. The Fund invests in a diversified portfolio of short- and intermediate-term investment grade corporate, government and mortgage-backed securities.

1-YEAR RETURNS



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Thor Industries, Inc.
Currently held: Yes (99 shares)
Recommendation: SELL

NYSE: THO

Capital Goods

Mobile Homes & RVs

Market Cap: \$1.8 – Mid-cap **Value**

KEY STATISTICS

Stock Data

Current Price:	\$30.23
52-Week Price Range	\$22/37
EPS (ttm)	\$2.10
Beta (Reuters)	0.78
Dividend yield	0.38%
P/E (12 mo. forward/trailing, 5 yr. range, industry)	
ttm company	14.98
ttm industry	20.31
5yr range company	6.73 – 29.30
5yr range industry	6.33 – 32.78

Net Margin

(ttm company)	5.04%
(ttm industry)	4.05%
(5yr company)	4.24%
(5yr industry)	3.49%

Target Price

\$20 - \$25

Financial Data

Revenues (FY04 in \$M)	\$2,187
Net Income (FY04 in \$M)	\$106
Total Assets (07/31/04 in \$M)	\$762

ROE

ttm company	23.72%
ttm industry	17.53%
5yr average company	19.05%
5yr average industry	13.33%

Growth Rates (sales, earnings) (historical and future):

Short Term (1yr)

Sales	39.22%
EPS	34.55%

Long Term (3yr)

Sales	38.6%
EPS	48.9%

Institutional holdings

Fidelity – 8.27%
Royce & Associates – 4.60%
First Pacific – 3.13%

KEY JUSTIFICATIONS FOR RECOMMENDATION

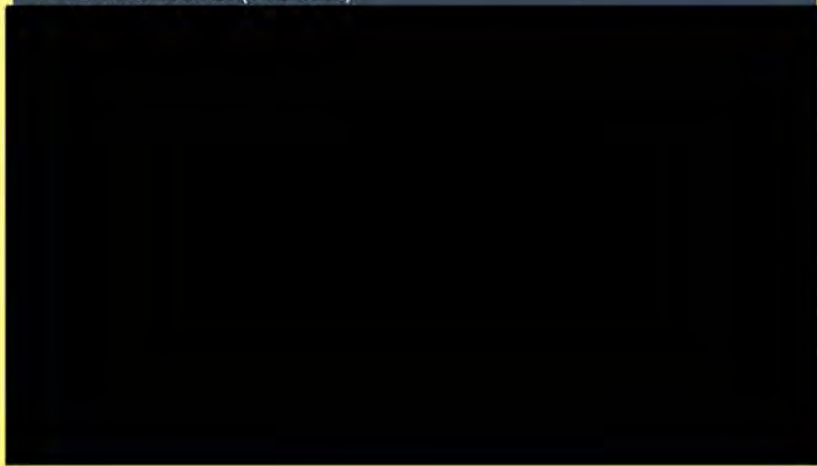
- Recreational Vehicles market and company earnings will be eroded if the oil price stabilizes above \$60, like it's forecasted to.
- Very low net profit margins, which make the company vulnerable giving the present economic circumstances.

PROFILE

Thor Industries, Inc. produces and sells a range of recreation vehicles and small and mid-sized buses in the United States and Canada through its subsidiaries. The principal types of recreation vehicles that it produces include conventional travel trailers, fifth wheels, Class A and Class C motor homes and park models.

Thor also manufactures and sells related parts and accessories. Thor's principal recreation vehicle operating subsidiaries are Airstream, Inc., Dutchmen Manufacturing, Inc., Four Winds International, Inc., Keystone RV Company, Komfort Corp., Thor America, Inc., Citair, Inc., Thor California, Inc. and Damon Corporation.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

United Parcel Service

Currently held: **0.68%** of portfolio
(45 shares)

Recommendation: **Hold / increase**
by 55 shares

NYSE: UPS

Sector: Transportation

Industry: Air Transport and Trucking

Market Cap: \$96.0B – Large Value

KEY STATISTICS

Stock Data

Current Price:	\$72.65
52-Week Price Range	\$67.51-\$89.11
EPS	2.95
Beta (Bloomberg, ValueLine)	0.86
Dividends	\$1.12
Dividend yield	1.40%
P/E Trailing	30.6
P/E Current	27.4
P/E Industry	28
P/B	5.83
P/S	2.62

Target Price

DDM (Bloomberg):	\$81.09
DDM (Excel):	\$82.29

Financial Data

Revenues	36500M
Net Income	3325M
EBITDA	6630M
Total Assets	28909M
Equity Multiplier	1.95
ROE	20.5%
Profit Margin	9.10%

Growth Rates

-Sales (historical)	6.00%
-Sales (future)	7.00%
-Earnings (historical)	13.50%
-Earnings (future)	12.00%

KEY JUSTIFICATIONS FOR RECOMMENDATION

- UPS almost has 60% of the package freight market.
- Effective use of cash flow: (1) increase dividend payout and (2) increase share repurchase program to \$2 Billion.
- Share repurchase is strong signal that top management feels the company is undervalued.
- UPS historical earnings growth was larger than Fedex (biggest competitor) and the industry average.

PROFILE

United Parcel Service, Inc. (UPS) concentrates its operations in the field of transportation services, primarily domestic and international letter and package delivery. The Company delivers packages and documents throughout the United States and in over 200 other countries and territories. It delivers packages each business day for 1.8 million shipping customers to 6.1 million consignees. In 2003, UPS delivered an average of more than 13 million pieces per day worldwide. The Company has established a global transportation infrastructure consisting of a ground fleet of more than 88,000 vehicles, ranging from custom-built delivery vehicles to large tractors and trailers and almost 600 airplanes. Through its non-package subsidiaries, UPS is also a global provider of specialized transportation, logistics and financial services. In December 2004, the Company acquired CNF, Inc.'s Menlo Worldwide Forwarding.

1-YEAR RETURNS (INDEXED)

SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

Urban Outfitters Inc
Currently held: Yes, 90 shares
Recommendation: Hold

NYSE: URBN
 Sector: Services
 Industry: Retail

KEY STATISTICS

Stock Data

Current Price:	\$47.12
52-Week Price Range	\$47.12-48.90
EPS	0.98
Beta (Bloomberg, ValueLine)	
Dividends	N/A
Dividend yield	N/A
P/E Trailing	49.38
P/E Current	25.90
P/E Industry	
P/B	10.73
P/S	5.29

Target Price DDM:

Financial Data

Revenues	752.25M
Net Income	81.84M
EBITDA	163.47M
Total Assets	359,595
Equity Multiplier	
ROE	26.005
Profit Margin	

Growth Rates

-URBN (This Year)	31.6%
-URBN (Next Year)	25.3%
-Industry (This Year)	15.6%
-Industry (Next Year)	15.4%

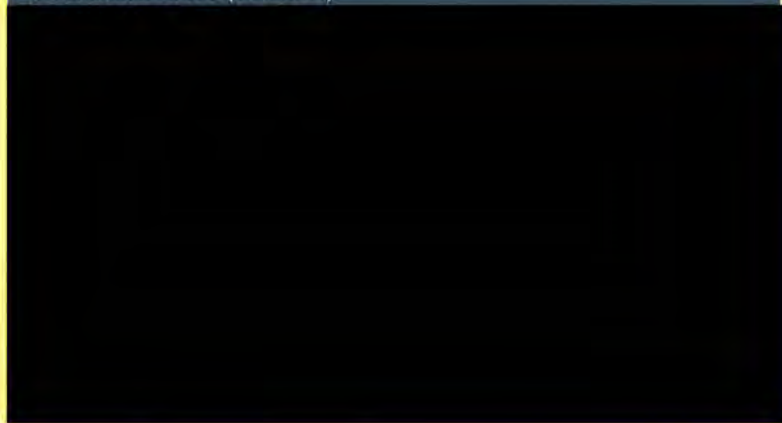
KEY JUSTIFICATIONS FOR RECOMMENDATION

- Continually setting new 52 week high's
- Same store sales up double digit returns in various Urban Outfitters chain
- Profits up 72%

PROFILE

Urban Outfitters, Inc. is a lifestyle merchandising company that operates specialty retail stores under the Urban Outfitters, Anthropologie and Free People brands, as well as a wholesale division under the Free People brand. The Company offers differentiated collections of fashion apparel, accessories and home goods in inviting and dynamic store settings. In addition to its retail stores, Urban Outfitters offers its products and markets its brands directly to the consumer through its e-commerce Websites, and the Urban Outfitters and Anthropologie catalogs.

1-YEAR RETURNS (INDEXED)



SECURITY RECOMMENDATION

SUNTRUST PORTFOLIO

SPRING 2005

CRUMMER GRADUATE SCHOOL OF BUSINESS

GENERAL INFORMATION

UTStarcom, Inc.

Currently held: No

Recommendation: Buy 500 shares

NDQ: UTSI

Communication Services

Market Cap: \$1.45B – Mid Cap Value

KEY JUSTIFICATIONS FOR RECOMMENDATION

- China Growth Play
- Strong Balance Sheet
- Lowered expectations allow for large appreciation potential, i.e. PEG .58
- Widening margins in handset business

KEY STATISTICS

Stock Data

Current Price:	\$10.76
52-Week Price Range	12/32
EPS 2004	.37
EPS 2005 Est.	1.15
CF per share 2004	1.50
CF per share 2005	2.40
Beta (ValueLine)	1.75
P/E Trailing	34.3
P/E Forward	11
Industry Forward	17
P/CF Trailing	8.47
P/CF Forward	5.29
PEG Forward	.58

Target Price

FCF	41.18
Expected 5 Year Return	36.4%
Required 5 Year Return	13.8%
Growth Rate Used	19%

Financial Data

Revenues	2,830
Net Income	105
EBITDA	190
Total Assets	2,226
Shareholder Equity	1,380
DuPont Analysis - Profit margin 3.71%, Total asset turnover 1.27, Equity multiplier 1.61, ROE 7.61%	

Growth Rates:

Historical 5 Year	75%
Future Short-term	19%
Future Long-term	13%

PROFILE

UTStarcom, Inc. primarily provides IP-based wireless and wireline & switching communications equipment to service providers that operate in rapidly growing nations. Its equipment provides inexpensive solutions to end users, while offering providers the ability to migrate to the next generation of IP-based networks. 2003 sales by region: China 86%, Japan 10%. The handset business makes up 25% of sales. Chairman, CEO, President: Hong Lu. Address: 1275 Harbor Bay Parkway, Alameda, CA 94502.

1-YEAR RETURNS (INDEXED)

