MARQUETTE
UNIVERSITY

Applied Investment Management (AIM) Program

AIM Fund Investment Advisory Board Meeting
September 11, 2007

AIM Equity Fund Presentations

Student Presenter	Company Name	Ticker	Price
Katherine Provo	General Communications Inc.	GNCMA	$12.43
Jason Bednar	Life Time Fitness Inc.	LTM	$56.01
Gregory Sirotek	Ameristar Casinos, Inc	ASCA	$28.14
Nicholas Ihn	Tempur-Pedic International Inc.	TPX	$31.03
Luke Junk	Tessera Technologies	TSRA	$36.63
Break			
Stanley Zurawski	Frontier Financial Corp.	FTBK	$23.98
Yaoting Zhuang	Piedmont Natural Gas Inc.	PNY	$26.32
Luke Lamanna	Mine Safety Applications Company	MSA	$47.92
Paul Simenauer	Morningstar Inc.	MORN	$48.16

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General Communications Inc.
GNCMA
Price: $12.43 (11.03-$16.10)
Fiscal Year Ends: December 31, 2007

September 5, 2007 — Katherine Provo
791.46 (707.56 – 856.48) — Telecom Sector

General Communication, Inc. is the leading integrated, facilities-based communications provider in Alaska, offering it services to both residential and business customers. The company offers long-distance and phone service between Alaska and the US along with other foreign countries; cable television services throughout Alaska; and facilities-based competitive local access services in Anchorage, Fairbanks, and Juneau. The company also engages in the resale of wireless telephone services and the sale of wireless telephone handsets and accessories. General Communications was founded in 1979 and is based in Anchorage, Alaska.

Recommendation

GNCMA is poised to achieve strong revenue and EPS growth from their growth initiatives along with the increased sales of their 'triple-play' services. The favorable economic condition in Alaska, along with GNCMA's continued financial improvement in the past quarters, makes their stock an attractive investment at its current price which is near its 52 week low.

Key Statistics	Sept. 2007
Market Cap	$696.2M
Shares Outstanding	54.7M
Average Volume	270,679
Beta	1.07
EPS (TTM)	$0.29
2007 EPS est.	$0.38
WACC	6.77%
P/E (TTM)	43.97
PEG	3.0
Debt/Equity	2.0
ROE	6.59%
ROA	2.06%
Operating Margin	12.6%
Target Price	$17.00

Investment Thesis

- **Operating location.** Alaska leads the nation in disposable household income, 129% above the national average of $43,052. Alaska is also one of the fastest growing telecommunication markets and the 8th fastest growing population in the US, with twice the average number of computers online per capita.
- **Increased fiber optic network reach.** GNCMA is currently undertaking a $30 million project to build a new fiber optic cable connecting southeast Alaska directly to its other fiber facilities. This will expand its addressable market and provide new and faster services to over 50,000 people in Southeast Alaska. This network expansion will increase revenues and likely decrease operating costs by reducing the usage of their competitors' facilities.
- **Competitive edge.** GNCMA is the leading provider of telecommunications services in Alaska. It is the largest long distance carrier in the region and currently has a 45% share of the state's long distance market and 85% share of all new high-speed internet customers in their market the past quarter. GNCMA expanded its market share of local access lines from 26% to 27% in 1Q07 at the expense of their largest competitor, Alaska Communications (ALSK).

- **Continued growth opportunities.** GNCMA has experienced significant year-over-year growth (9.6%) which is anticipated to continue in the near future. The company has taken steps towards increasing its long term value by capturing more local market share. In 2Q07 they launched service in two additional markets, bringing the total number of new markets entered to four for 1H07. Along with revenue growth, the company has also been successful at cutting costs with EBITDA margin improving in all segments, totaling 400bps increase for the quarter.

Valuation

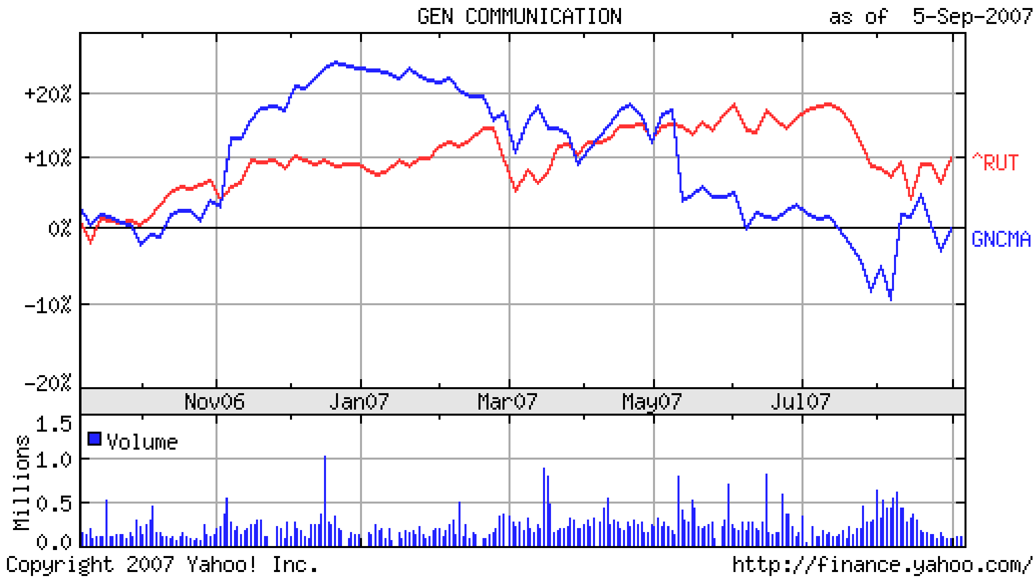
Using a discounted cash flow model assuming a WACC 6.77%, annual near and intermediate EBITDA growth ranging between 5 and 10%, and terminal growth of 4%, indicates GNCMA's intrinsic value of $17.80. The stock is currently trading at approximately 7 times the estimated '07 EBITDA, which is a discount to their peers who trade above 8X. Applying an 8 multiple to GNCMA's estimated EBITDA yields an intrinsic value of $18.30. Given that GNCMA historically trades slightly at a discount to its peers, $17.50 appears to be is a reasonable stock price estimate.

Risks

- **Concentration of Customers.** GNCMA relies on a small number of customers who make up a large portion of their revenue. Verizon, Sprint Nextel, and Dobson accounted for 20.2% of the revenue in FY 2006. Although they have contracts with GNCMA through at least 2009, these companies can seek early termination of their contract if certain obligations are not met. Additionally, the demand for GNCMA's services depends upon their ability to obtain and retain their long distance and wireless customers.
- **Competition.** There is substantial competition in the communications industry. After stealing market share from Alaska Communications Systems and other competitors, it is quite possible that a price war could break out in an effort to persuade customers to switch away from GNCMA. With the development of new technologies, it is expected that competition will increase in the future with increased wireless companies entering the region along with satellite cable companies.
- **Legislation.** GNCMA's business is subject to extensive government legislation. Changes in government legislation or regulation could be detrimental to their business, financial position, or liquidity. Many aspects of the current regulation are now undergoing judicial proceedings or legislative proposals which could adversely affect the company.

Management

Ronald Duncan is the President, CEO and Co-Founder of the firm. He also serves on the Board of Directors of the National Cable and Telecommunications Association. He has held the position of president since 1989 and had previously served as executive vice president for GNCMA. Wilson Hughes has been the executive vice president and general manager of the company since 1991. He is a valuable asset to the company with more than 35 years of experience as an executive, engineer, and project manage in the communications, engineering, and construction industries in Alaska.



Ownership

% of Shares Held by All Insider and 5% Owners:	5.08%
% of Shares Held by Institutional & Mutual Fund Owners:	93%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Wellington Management Company	5,072,500	10.1%
State Teachers Retirement System of OH	4,024,678	8.0%
Barclays Global Investors, NA	2,825,579	5.7%
Westport Asset Management	2,795,828	5.6%
Eagle Asset Management, Inc	2,532,952	5.1%

Source: Yahoo! Finance

Life Time Fitness Inc.

LTM

Price: $56.01 ($45.65-$63.90)

Fiscal Year Ends: December 31

September 5, 2007 — Jason Bednar

Russell 2000 Index: 790.46 (712.17 - 856.48) — Consumer Goods Sector

Life Time Fitness, Inc., through its subsidiaries, designs, builds, and operates sports and athletic, fitness, family recreation, and resort/spa centers in the United States. In addition to traditional "health club" offerings, most Life Time Fitness centers include an expansive selection of premium amenities and services, offered within a resort-like setting. Amenities include indoor and outdoor swimming pools, basketball and racquet courts, personal trainers and group fitness programs, child care centers, cafés and spas. As of June 13, 2007, it operates 65 centers in 15 states. The company was founded in 1990 and is headquartered in Eden Prairie, Minnesota.

Recommendation

Key Statistics	Sept 5, 2007
Market Cap	$2.09B
Shares Outstanding	39.0M
Average Volume	721,149
Beta	0.87
EPS (TTM)	1.57
2007 Est. EPS	1.76
P/E (TTM)	35.52
5-year Exp. Growth	25%
PEG	1.42
ROE	13.37%
Gross Margin	39.5%
Operating Margin	20.0%
Profit Margin	9.9%
Target Price	$70.00

Life Time Fitness possesses a great growth opportunity in the health and fitness market. LTM's strategy is to grow at a steady and contained pace, adding new centers at a 12-15% annual rate. Their operations have been successful in each market entered, with annual memberships and total revenues growing faster than 20% and 30%, respectively. Same-center revenue has been growing at an attractive 5%-10% rate since the LTM went public.

In the most recent quarter, several expenses as a percentage of sales declined, helping to increase profit margins. Management also raised their full-year profit guidance during their recent earnings release. Presently, this figure stands at 25%-27% top-line growth and 26%-30% bottom-line growth. These growth expectations make the current valuation of 25 times forward earnings appear even more attractive. LTM's tax rate has also fallen since 2004 and their ROE is approaching 15%. LTM is a consumer discretionary recommendation, catering to country club lifestyles with $50 to $80 monthly membership fees. Hence it should be insulated as its consumers are less affected to be impacted by fluctuations in the economy. Also, Life Time stands to benefit as employers seek to maintain healthy employees by giving them gym memberships in an effort to reduce health expenses incurred by the employer.

Investment Thesis

- **Strong Top and Bottom Line Growth.** Life Time has proven their ability to grow revenues and earnings through fitness center and in-store growth. LTM has been successfully increasing same-stores sales through increased revenues from existing members. LTM has also been able to expand its margins, resulting in income growing quicker than revenues.

- **Management Interest.** Founder, Chairman, and CEO Bahram Akradi remains active in LTM and holds an 11.5% equity interest in the company.

- **Stable Store Growth with Constant Demand.** Life Time unit stores typically grow at a rate of 15%, resulting in 10 additional stores this fiscal year. The company has historically used this as a metric for organic growth and has given no indication of straying from this rate. The company is able to sustain this pace through picking locations with strong demand for its services; a typical center will open with 3,000-4,000 members.

- **Unique and Sustainable Concept.** Few fitness center chains have been as successful or offer customer service comparable to Life Time. Other chains operate with limited space and do not offer the same amenities. Those fitness centers that do compare in size and amenities have exhibited limited success in expanding the brand. The concept introduced by Life Time has been successful in gaining consumer interest and maintaining members despite a monthly fee that sits at a premium relative to companies like Bally and LA Fitness.

Valuation

A discounted cash flow valuation model was not suitable for LTM given the firm's large annual capital expenditures related to its growth. Using a P/E model with growth rates averaging 20% in the near and intermediate term, LTM should be worth $70 per share. LTM currently is priced at the midpoint of its historic P/E range of 33-37. Further, P/B and P/S ratios are at their historical norms. At a $70 targeted price, this represents a 25% upside in the current stock price.

Risks

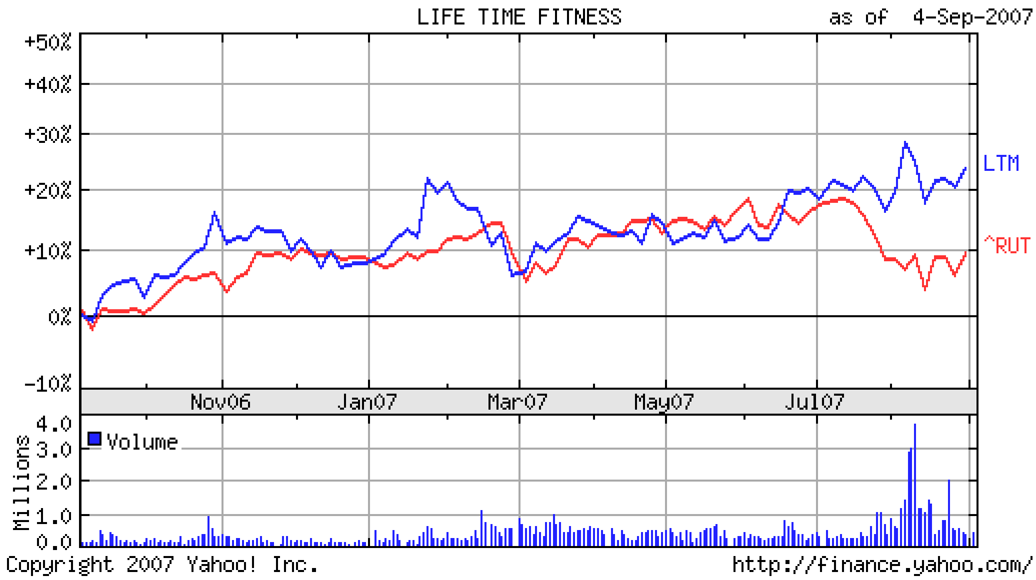
- **Growing Amount of Debt.** Long-term debt at the company has been growing as the company spends $20-$30 million per new center that it adds. This has been limiting net margin expansion due to the growing interest expense and needs to be monitored.

- **Share Creep.** Life Time does exhibit signs of a growing company that rewards employees and management with stock options, creating share creep that dilutes earnings. Also evident in many growing firms, Life Time recently announced the pricing of a stock offering to raise cash, issuing 1.5 million shares at $55.40 per share to raise funds in order to repay debt. However, this was also done in conjunction with the company's addition to the S&P Midcap 400 in order to meet increasing demand for the company's stock.

- **Consumer Discretionary Business.** LTM operates in the consumer discretionary sector, which could negatively affect their operations if future consumer spending patterns were to weaken. However, LTM's typical customer is more insulated from economic downturns, and the fitness industry outperformed the overall economy during the '01-'02 slowdown.

Management

Bahram Akradi is the founder, Chairman of the Board, CEO, and President of Life Time Fitness. Akradi founded the company in 1992 and has been a director and President since its inception. He has over twenty years of experience in providing a healthy way of life, serving as the co-founder and executive vice-president of U.S. Swim and Fitness Corporation from 1984-1989 prior to the creation of Life Time.



Ownership

% of Shares Held by Insiders:	13%
% of Shares Held by Institutional & Mutual Fund Owners:	< 90%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Fidelity Management	4,400,000	11.86%
Bahram Akradi	4,296,000	11.58%
Norwest Equity	3,525,000	9.50%
William Blair	2,777,000	7.48%
US Trust Corporation	2,616,000	7.05%

Source: Yahoo! Finance

Ameristar Casinos, Inc.

ASCA

Price: $28.14 ($20.05-$38.00)

Fiscal Year Ends: December 31

September 5, 2007 — Gregory Sirotek

Russell 2000 Index: 790.46 (712.17 – 856.48) — Consumer Service

Ameristar Casinos Inc. engages in the development, ownership, and operation of casinos and related hotel, food and beverage, entertainment, and other facilities in the United States. It offers various table games, including blackjack, craps and roulette, and live poker, as well as slot machines, and multi-coin nickel and penny denomination games. The company also provides various dining, lodging, and entertainment options. Its signature restaurant concepts include steakhouses and elaborate buffets with display cooking and casual dining restaurants with sports bars. As of December 31, 2006, the company operated seven properties in Missouri, Iowa, Mississippi, Louisiana, Colorado, and Nevada. On April 4, 2007, Ameristar agreed to acquire Resorts East Chicago from Resorts International Holding LLC for $675million in cash and is scheduled to close in 4Q07. The company was founded in 1954 and is based in Las Vegas, Nevada.

Recommendation

Ameristar positions itself well in the cyclical gaming industry with its portfolio of 7 casinos, limiting its exposure to weakness in individual local economies, and also the volatility of the Las Vegas market. Since acquiring casinos in 2000, Ameristar has shown that it can substantially improve operations at those existing properties through re-branding, expansion, and cost containment practices. Most recently with the renovation and re-branding of Ameristar Black Hawk, the company experienced increases in net revenue and operating income of 67.9% and 494.6%, respectively, for the last three quarters of 2006 over those same quarters in 2005. I expect the company will be able to continue their success with future acquisitions and expansions, including the recently acquired Resorts East Chicago, where management believes they can double EBITDA within three to four years of ownership. Furthermore, the cost containment initiatives have proven to successfully increase margins without affecting revenue growth. I am recommending the addition of Ameristar Casinos Inc. to the AIM portfolio with a target price of $34.50. The stock's dividend yield is 1.4%.

Key Statistics	Sept 5, 2007
Market Cap	$1.62B
Shares Outstanding	57.48M
Average Volume	657,363
Beta	1.75
EPS (TTM)	1.38
2007 Estimated EPS	1.37
P/E (TTM)	20.33
PEG	2.29
WACC	9.58%
LT Debt/Total Cap	42.9%
ROE	8.0%
Operating Margin	18.05%
Dividend Yield	1.4%
Target Price	$34.50

Investment Thesis

- **Favorable regulatory environment and strong demographic trends.** Taxes from gaming operations have become an integral source of revenue in many states, which allows for casino expansion. Furthermore, Baby Boomers in their peak earning years are likely to take expensive vacations and are also more likely to visit casinos when they retire. This environment has fueled the current expansion of four of Ameristar's existing seven casinos. The company has also entered into a definitive agreement with Resorts International Holdings to acquire Resorts East Chicago.

- **Growth derived organically and also through expansion and acquisitions.** Management has a goal of doubling the company's EBITDA though acquisitions or new greenfield opportunities within the next 3-5 years. The firm made a major commitment to that goal with the acquisition of Resorts East Chicago with expected EBITDA generation in the mid-$60 million range in 2007. Revenues grew organically by 270 bps during 2Q07 compared to 2Q06. Furthermore, management's focus on property level cost containment allowed property level EBITDA margins to expand by 180 bps to 32.9% during the same period.

Valuation

A 10-year discounted cash flow analysis indicates that Ameristar's intrinsic value is $36.52. On the basis of the company trading at a P/E ratio of 21, the target price assuming the $1.56 FY08 consensus EPS estimate (Thomson) is $32.76. Taking both of these valuation metrics into account, my target price for Ameristar is $34.50.

Risks

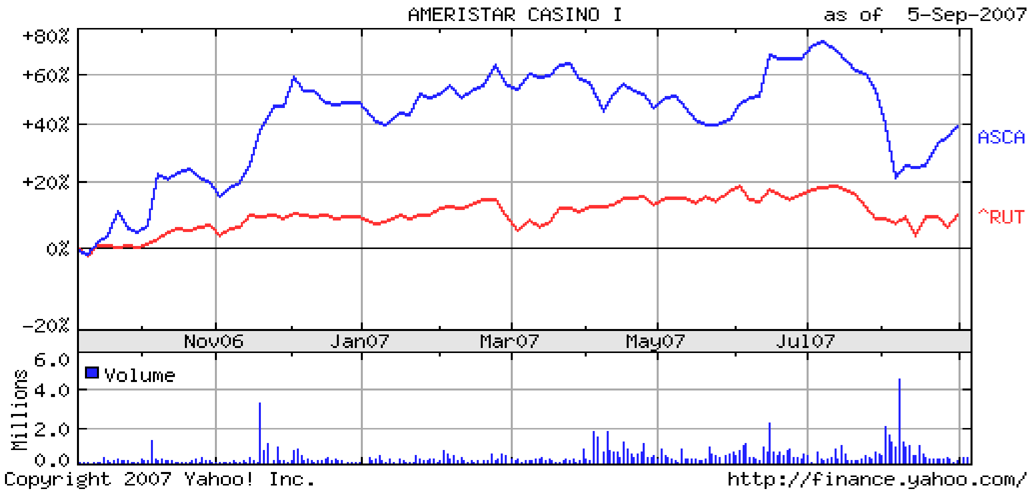
- **If jurisdictions in which Ameristar operates choose to raise gaming taxes and fees**. State and local authorities raise a significant amount of revenue through taxes and fees on gaming activities. From time to time, legislators and government officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. Periods of economic downturn and budget deficits may intensify the efforts of state and local governments to raise revenues through increases in gaming taxes. However, this phenomenon may also entice states to allow casino operation or expansion where they previously have not.

- **Increased competition could have a material adverse effect on future operations.** There are significant competitive threats in several of Ameristar's major markets, including St. Charles, Vicksburg, and possibly Kansas. However, Ameristar currently holds the largest or the second largest market share in each of its markets. Furthermore, the company has committed to the expansion and renovation of its existing properties in order to retain, or increase, their market share. Finally, the barriers to entry are high in the casino business, with many regulatory hurdles as well as substantial up-front costs associated with building and marketing the properties.

- **Gaming is a consumer leisure expense making revenues potentially cyclical.** Consumer spending on commercial casino gambling has increased at a 9% CAGR over a 15 year period from 1989 to 2004, and has never decreased on a YOY basis. However, revenues could be impacted by an economic downturn.

Management

With the recent passing of former CEO Craig Neilsen, John Boushy was appointed as CEO. Prior to joining Ameristar, he was the executive vice-president in charge of development, design and construction at Harrah's. The co-chairmen of Ameristar are Gordon Kanofsky and Ray Neilsen, who is Craig Neilsen's son.



Ownership

% of Shares Held by All Insider and 5% Owners:	1.0%
% of Shares Held by Institutional & Mutual Fund Owners:	46%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Bamco Inc.	5,444,392	9.47%
Caxton Associates, L.L.C.	1,961,793	3.41%
PENN Capital Management Co., Inc.	1,839,110	3.20%
Barclays Global Investors UK Holdings	1,543,902	2.69%
Legg Mason Inc.	1,406,432	2.45%

Source: Yahoo! Finance

Tempur-Pedic International Inc.
TPX
Price: $31.03 ($15.98-$)
Fiscal Year Ends: December 31

September 5, 2007 — Nicholas Ihn
Russell 2000 Index: 790.46 (787.77 – 856.48) — Consumer Services Sector

Tempur-Pedic International Inc. specializes in the manufacture, marketing, and distribution of bedding products worldwide. Its products include pillows, mattresses, and adjustable beds, as well as various cushions and other comfort products. Tempur-Pedic markets its products through furniture, bedding, and specialty stores, as well as department stores; Internet; chiropractors, medical retailers, and hospitals; and third party distributors. It sells its products under the brand names, TEMPUR and Tempur-Pedic. The company was founded in 1989 and is headquartered in Lexington, Kentucky.

Recommendation

Tempur-Pedic has positioned itself as a leader in the mattress/padding market with its Q1'07 revenues increasing to 17.7% compared to the industry rate of 4%. TPX is growing from a niche player into a major industry driver. With the successful Q2 new product rollout and two new lines, along with a proposed price increase in select models, TPX's gross margin will likely remain high (47%) as well as continue to provide a return on equity in excess of 70%. Based on a target price of $39.81 – a 28% underpricing - it is recommended that TPX be added to the AIM portfolio.

Key Statistics	Sept. 5, 2007
Market Cap	$2.46B
Shares Outstanding	79.28M
Average Volume	1,550,150
Beta	0.83
EPS (TTM)	1.44
2007 Estimated EPS	1.66
P/E (TTM)	21.59
PEG	0.99
WACC	10.85%
Debt/Assets	217.2%
ROE	73.75%
Gross Margin	47.0%
Operating Margin	22.5%
Target Price	$39.81

Investment Thesis

- **Patent Retention/Competitive Advantage.** Tempur-Pedic is the leading manufacturer of visco-elastic foam mattresses. TPX maintains this status by retaining a large number of patents. Tempur-Pedic currently holds 14 US patents (with an additional 16 patents pending), as well as 49 foreign patents (with an additional 35 patents pending). No patent that TPX holds will expire before 2020 and they expect to maintain a competitive advantage into the foreseeable future.
- **International Market Penetration.** Tempur-Pedic products are currently sold in 6050 domestic retailers and 4450 international stores. The five year goal is to increase these number to 8000 domestic and 6500 international. The initial steps have been taken to accommodate this by increasing plant capacity (new manufacturing plant in New Mexico), as well as opening 30 new specific retailers in the first two quarters of 2007. Currently, only 305 of TPX's sales are outside the US and management is making a conscious effort to capitalize on international markets through advertisement and increased distribution channels.

- **New Product Rollouts.** For the second half of 2007, Tempur-Pedic is rolling out two new product lines (the BellaSona Bed and Symphony Bed). These products were introduced in January 2007 and are currently in the production phase.
- **Emergence of Dividends.** TPX recently declared its first quarterly dividend ($0.08/share) along with a stock repurchase plan. These instances show cash flow stability in the company along with quality management and confidence in the future.
- **Attractive Valuation.** The most striking numbers associated with Tempur-Pedic are strong return on equity (73.7%) and return on assets (19.6%). In addition TPX's operating margin (22%) and gross margin (48%), exceed those of their competitors, which are 5.2% and 41%, respectively.

Valuation

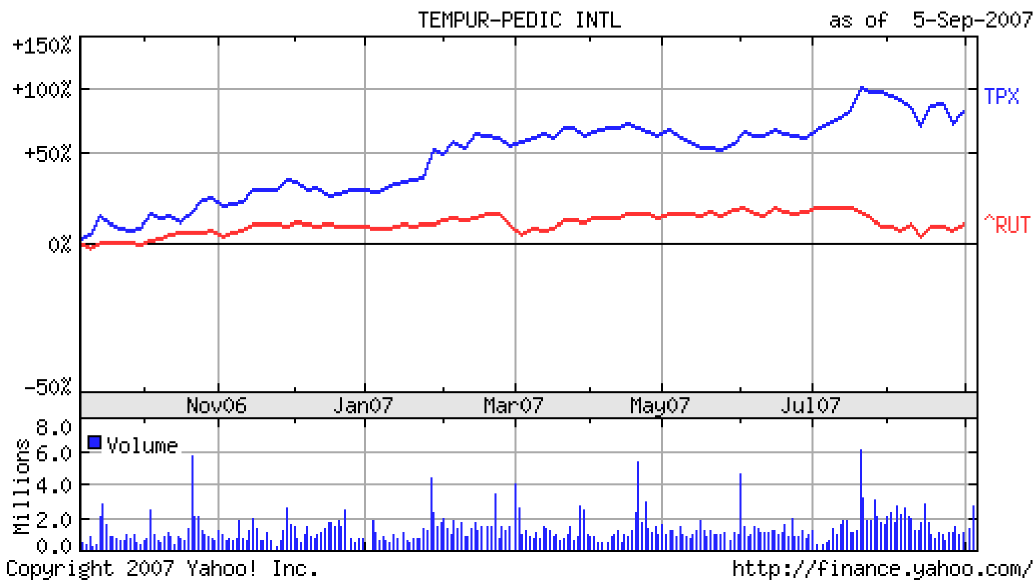
A 10-year discounted cash flow analysis indicates that TPX's intrinsic value is $39.81. With the current price of $31.03, this provides a 28.3% upside potential. TPX's forward P/E is 15.67x exceeding the rate of its nearest competitor Sealy Corp. (ZZ) at 12.58x.

Risks

- **Maintenance of Margin.** As a patent holding innovator, Tempur-Pedic has gained much market share from their competition. This has lead to many companies producing similar looking foam mattresses. Even though all of TPX's patents last until at least 2020, patent infringement is a near term risk, with legal cost possibly diminishing overall profits.
- **Increasing Material Costs.** As a specialty mattress/padding producer, materials cost higher per product relative to competition. There is a risk of material costs increasing (via shortage or increased supplier power) and that Tempur-Pedic's sales margins may not be able to keep up with these increases. However; Tempur-Pedic currently has been able to control material costs and continues to raise the price of their current product lines between 3-5% annually without decreasing sales. This could change with rising costs and increased competition.
- **Location of New Suppliers:** As Tempur-Pedic continues to grow its current suppliers/manufacturers may have difficulties producing enough goods to fill order, resulting in an inability to capitalize on demand. TPX has taken steps to prevent problems in the near future with the construction of a new manufacturing facility in New Mexico; however, this balance must be continually watched in order to allow TPX to grow indefinitely.

Management

Tempur-Pedic's group of Executive Officers may be new to the company, but they bring a wealth of diversified expertise in the fields of health, consumer electronics, chemical materials, engineering, etc. They have all held executive positions for companies such as StairMaster, Gillette, Oral-B/Braun, Black & Decker, and Lexmark. Tempur-Pedic's CEO, Thomas Bryant, has been with the company since 2001, and has been an executive in the sports medicines/support field since 1989.



Ownership

% of Shares Held by All Insider and 5% Owners:	8%
% of Shares Held by Institutional & Mutual Fund Owners:	>90%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Goldman Sachs Group Inc	4,788,331	6.04 %
TA Associates, Inc.	4,437,877	5.60 %
Putnam Investment Management, LLC	4,008,259	5.06 %
Kayne Anderson Rudnick Investment Management LLC	3,650,085	4.60 %
Wellington Management Company, LLP	3,195,192	4.03 %

Source: Yahoo! Finance

Tessera Technologies

TSRA

Price: \$36.08 (\$30.58 – \$46.43)
Fiscal Year Ends: December 31

September 5, 2007 — Luke Junk
Russell 2000 Index: 790.46 (700.44 – 856.48) — Hardware Sector

Tessera Technologies is an intellectual property company that develops and licenses a portfolio of over 1,000 patented semiconductor packaging technologies, which includes advanced semiconductor packaging, substrate, interconnect and micro-optics solutions. These patents are licensed to semiconductor companies, enabling them to produce high-performance packages for products such as mobile phones, MP3 players, digital cameras, personal computers, and other electronics products. Tessera Technologies currently licenses its packaging technology to 70 companies, including Intel, Samsung, Sharp, Sony, Texas Instruments, and Toshiba. The company was founded in 1990, employs 270 full-time employees, and is headquartered in San Jose, California.

Recommendation

Tessera Technologies is a high-growth company with multiple catalysts that will drive long-term growth. Since the company's IPO in late 2003, revenues have grown at a 78% CAGR while operating income has grown at a 112% CAGR. New markets like consumer optics and favorable trends in existing markets, such as the trend towards higher integration via smaller form factors, will continue to drive revenue growth. In addition to these catalysts, two patent trials scheduled for March 2008 represent significant revenue upside (~50%) that is not reflected in analyst estimates for 2008. Following a recent sell-off by retail investors, the stock's valuation levels represent an attractive entry point. I am recommending the addition of Tessera Technologies to the AIM equity portfolio with a target price of \$50.00.

Key Statistics	Aug 24, 2007
Market Cap	\$1,747M
Shares Outstanding	47.67M
Average Volume	1,247,997
Beta	1.457
EPS (TTM)	1.69
2008 Estimated EPS	1.45
P/E (TTM)	21.4
PEG	0.6
WACC	12.94%
Debt/Equity	N/A
ROE	23.66%
Gross Margin	88.0%
Operating Margin	30.9%
Target Price	\$50.00

Source: Morningstar, Thomson

Investment Thesis

- **Long-term growth story at trough valuation.** Tessera Technologies is an inexpensive long-term growth story following a recent sell-off by retail investors. Following the sell-off, the stock's valuation of just over 21 times earnings is just above a trough. Over the last three years, the stock's valuation has tracked well above current levels, averaging over 33 times earnings over that time period.

- **High barriers to entry.** Competitors in the semiconductor packaging industry face extremely high barriers to entry. Tessera's patent portfolio includes over 1070 patents, up about 2 times since 2004. The company vehemently defends this patent portfolio in court, winning settlements from multiple companies including Sharp, Micron Technology, and Texas Instruments. Tessera has never lost a court case involving its patents.

- **Multiple catalysts for growth.** There are a number of growth catalysts for Tessera. These catalysts include growth in the market for its chip-scale packaging technology (growing at a 27% CAGR[1]), a trend towards higher integration in smaller form factors in the wireless market (smartphone shipments to double by 2009[2]), and the company's entrance into the consumer optics market.

- **Significant revenue upside not reflected in estimates.** Two patent trials scheduled for March 2008 represent significant revenue upside (~50%) for CY2008 that is not reflected in analyst estimates for 2008. Victories and/or settlements in either case would result in lump-sum past production payments and future royalty revenues.

Valuation

My 10-year discounted cash flow model for Tessera Technologies, which uses two growth periods and a 12.94% discount rate, yields an intrinsic value of $50.22. Period one (years 1-5) assumes an initial growth rate of 30% that declines 5% annually, while period two (years 5-10) assumes a constant growth rate of 5%. The terminal growth rate is 3%. Assuming valuation returns to historical levels, an earnings multiple of 33 for the company's conservative 2008 EPS estimates yields a value of $47.85. In consideration of both of these valuation metrics, my target price for Tessera is $50.00.

Risks

- **Ability to defend patent portfolio.** Although the company has never lost a case involving its patent portfolio, there is no guarantee that it will continue to be as successful at protecting its intellectual property in the future.

- **Limited market exposure.** Most of the company's revenues are derived from end markets for consumer electronics devices such as digital cameras, MP3 players, mobile phones, and PCs. Weakness in these markets would significantly impact the company's revenues.

- **Customer concentration.** A large portion of Tessera's revenues are attributable to a small portion of customers. Intel, Micron Technology, Qimonda, Samsung, and Texas Instruments have all been 10% customers at least once in the last three years.

Management

CEO Bruce McWilliams, Ph.D., boasts more than 20 years of management experience in the semiconductor industry. He has been the CEO of Tessera Technology since 1999, guiding the company out of operating losses early in the decade into the period of prosperity it currently enjoys.

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[1] Gartner Dataquest
[2] TSRA Analyst Day Presentation

Ownership

% of Shares Held by Insiders:	0.1%
% of Shares Held by Institutional & Mutual Fund Owners:	101.9%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Morgan Stanley	4,662,524	9.82%
Goldman Sachs Group	4,660,656	9.81%
Alger Management	3,269,98	6.89%
Wells Fargo & Company	2,339,255	4.93%
Barclays Global Investors UK Holdings	1,642,214	3.46%

Source: Yahoo! Finance

Frontier Financial Corp.

FTBK

Price: $23.98 ($20.17-$31.33)

Fiscal Year Ends: December 31

September 5, 2007 — Stan Zurawski

Russell 2000 Index: 790.46 (712.17 – 856.48) — Financial Services Sector

Frontier Financial Corp. (FTBK) is a regional bank headquartered in Everett, Washington. Founded in 1978, Frontier has grown to more than $3 billion in assets. The bank operates 50 branches in 9 counties surrounding Seattle and 3 counties in Oregon. Frontier emphasizes commercial real estate and construction lending to businesses in its region. In July of 2007, the bank announced the acquisition of the Bank of Salem (BSOG), extending its footprint into Oregon. Major competitors of Frontier include Washington Mutual, Bank of American, Cascade Financial, and City National.

Recommendation

Frontier is an excellent franchise, with a high ROA (2.14%) and ROE (19.47%). Management has excelled in limiting expense growth and focusing on the franchises' core competency. The loan composition is heavily weighted toward construction (49% of total loans) which is risky and the stock could suffer with the downturn in the residential sector. Nonetheless, this type of lending can be quite profitable if management is aware of the risks and understands how to originate and underwrite the loans. Past records show the management's ability to run a profitable bank. An extremely low efficiency ratio (38.89%) is coupled with low non-performers (.31% of assets) and minimal net charge offs (.04% of loans). In addition, the reserve for losses is well funded (1.34% of loans). With the recent hit to the residential sector, the market sold off and stayed away from this well run bank because of the large construction loan portfolio. However, the Puget Sound economy and housing markets continue to show signs of strength, with job and population growth well in excess of the national averages. In the second quarter 2007, Frontier was able to improve its asset quality ratios over 1Q07 and 2Q06 numbers.

Key Statistics	Sept 5, 2007
Market Cap	$1.06B
Shares Outstanding	44.03M
Average Volume	297,588
Beta	.873
EPS (TTM)	$1.57
2007 Estimated EPS	$1.696
P/E (TTM)	15.26
PEG	1.33
WACC	10.31%
Debt/Assets	9.23%
ROE	19.47%
Efficiency Ratio	38.89%
Net Interest Margin	5.76%
Target Price	$28.14

Investment Thesis

- **Strong Profitability.** Management has constructed a high-quality franchise with industry-leading profitability. ROA and ROE of 2.14% and 19.47%, respectively, are well above competitor's medians of 1.29% and 13.76%. Frontier has been able to increase its net interest margin the last three years and is now up to 5.76% despite a flat yield curve for most of the second quarter. Frontier's efficiency ratio at 38.89% has also shown consistent improvement over the last three years and is much better than the peer median of 54.85%.

- **Strong Asset Quality.** Frontier has been able achieve high profitability while maintaining strong asset quality. Nonperforming assets to total assets improved during the second quarter to .31%, compared to .35% in 1Q07 and .44% in 2Q06. $7.1 million or 65% of the total NPLs consists of one loan that will be paid off by the end of 2007 with a plan approved by bankruptcy court. Net charge offs are also minimal, currently at .10% of average loans. The reserves to loans ratio is 13bps above FTBK's peers at 1.34%.
- **Positive Demographics.** Frontier's market area is growing while becoming more affluent. The projected population change for 2007-2012 for the MSA at 6.26% is 9 bps above the aggregate national average. In addition, the median household income in 2007 for Frontier's MSA is $65,628, well above the national average of $53,154 and is expected to grow at a rate 221 bps above the national average.

Valuation

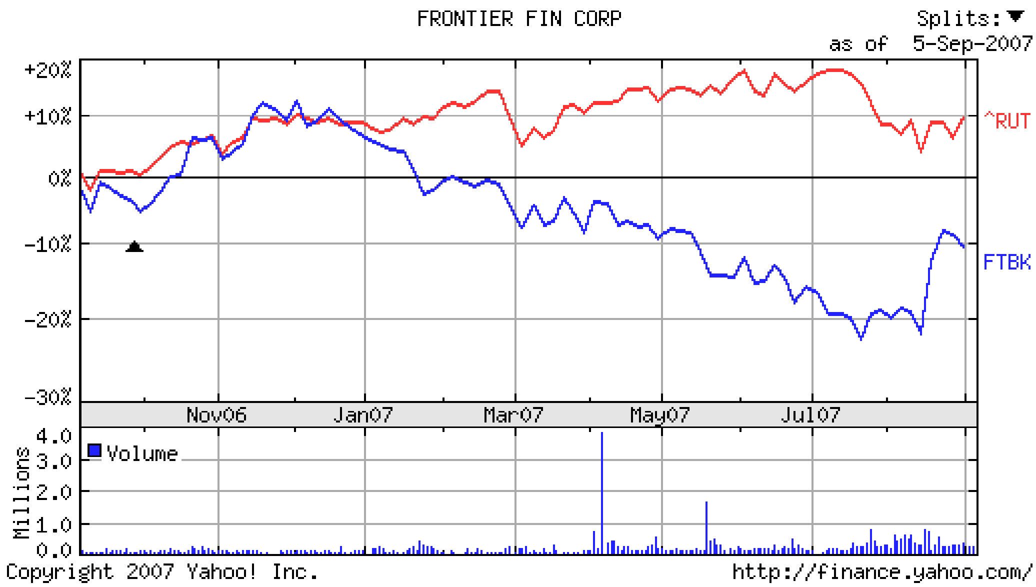
A 10-year discounted cash flow analysis indicates that Frontier's intrinsic value is $28.73. A dividend discount model yields a vale of $29.80. The one-year target price, assuming a $1.696 FY07 EPS estimate and the current PE of 15.26, is $25.88. Taking these three valuation metrics into account, the target price for Frontier is $28.14; or a 17.35% return. The current dividend yield is 2.70%.

Risks

- **Loan Composition.** Currently, construction loans make up 47% of loans, with 80% of that being residential. Due to a slowing in the construction market, earnings may be hit in the next few quarters. Strong construction loan growth has driven the strong NIM and profitability. Future deceleration in construction growth may reduce volume for as long as the next 12 months. Commercial lending involves higher average loan balances and loans that are more complex to originate and underwrite.
- **Dependent on local economy.** Frontier is dependent on the Seattle area economy and market for both its source of funds and origination of loans. In the event of a decline in the local economy, profitability could suffer. In particular, Frontier's large commercial base is inherently dependent on the macroeconomic situation for growth and profitability. Construction loans represent a significant concentration of risk.

Management

Frontier's managers have an average of 30 years of experience in the banking industry. CEO John Dickson joined the bank in 1985 and became CEO in 2003. Prior to his CEO role, John spent several years in the finance area of the bank and in credit administration as a loan officer. CFO Carol Wheeler has been with the bank since 1978. In 1983 she established the bank's audit department and has served as senior vice president and the bank's internal auditor watching it grow from a $100 million to a $2 billion corporation. President and Chief Banking Officer, Lyle Ryan, has spent more than 25 years with Frontier and 35 years in the industry.



Ownership

% of Shares Held by All Insider and 5% Owners:	11.93%
% of Shares Held by Institutional & Mutual Fund Owners:	31.80%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Barclays Global Investors UK Holdings	1,949,820	4.43%
Vanguard Group, Inc.	1,157,027	2.63%
Baron Capital Management	971,600	2.21%
T. Rowe Price	843,549	1.92%
Mazama Capital Management	835,681	1.90%

Source: Yahoo! Finance

Piedmont Natural Gas Inc.

PNY

Price: $26.32 ($22.00 - $28.44)

Fiscal Year Ends: October 31

September 05, 2007 — YaoTing Zhuang

Russell 2000 Index: $800.69 (707.56 – 856.48) — Utility Sector

Piedmont Natural Gas is a natural gas distributor that operates in North Carolina, South Carolina, and Tennessee. The company's principal activity is to distribute natural gas to residential, commercial, and industrial customers. It buys natural gas from various natural gas wholesalers and distributes them mainly through Service Agreement Partners' pipelines. Like almost every other utilities companies, PNY is also regulated and charges its customers at a regulated rate. In North Carolina, where 50% of PNY's customers are located, they received a rate structure that guarantees their profit margins regardless of fluctuations in gas price. PNM is also involved in retail natural gas marketing and interstate gas storage. As of October 31, 2006, the company served 1,016,000 customers, including 62,000 customers served by municipalities. PNY was founded in 1949, and is located in Charlotte, NC.

Recommendation

Due to the regulated nature of the industry, PNY's business model remains simple and has returned consistent performances over the years. Unlike other natural gas firms, whose profits essentially depend on weather conditions, Piedmont's profits are less likely to fluctuate as much as its peers due to their favorable rate structures. PNY takes a friendly and customer-first approach in an effort to maximize customer loyalty. Furthermore, the high barriers to entry virtually eliminate any direct competition in their service regions. PNY has been paying dividend since 1952 and the rate has been increasing continually for the last 28 years. Finally, PNY partially owns two notable natural gas storage utilities that could store up to 16 bcf of natural gas. These storage facilities give them more flexibility to time their natural gas purchases. PNY is an attractive utility that pays a 3.8% dividend - it should be added to the AIM Fund if the stock price drops to $25 or low.

Key Statistics	Sept 11, 2007
Market Cap	$1.96B
Shares Outstanding	73.91M
Average Volume(3m)	.517M
Beta	.41
Diluted EPS (TTM)	$1.28
2007 Estimated EPS	$1.28
P/E (TTM)	19.16
PEG	3.8
WACC	6.94%
Debt/Assets	67.7%
ROE	11.00%
Gross Margin	27.20%
Operating Margin	6.79%
Target Price	$27.65

Investment Thesis

- **Favorable rate structures that virtually eliminate weather impact.** In 2006, regulators in North Carolina where majority of their customers are located, granted PNY the right to charge its customers based on a decoupling rate structure, which allows PNY to make a pre-approved return on capital regardless of the weather.

- S**ervice region's relative economic advantage**. PNY serves customers in NC, SC, and Tennessee. This region of the country has seen relative strong economic growth compared to other regions. Moreover, it is not a market exploited by excessive housing growth. Hence the foreseeable housing slowdown should have a relatively low impact on PNY.
- **Long term revenue visibility.** The decoupling rate structure makes earnings projections relatively reliable and further minimizes possible earnings shocks.

Valuation

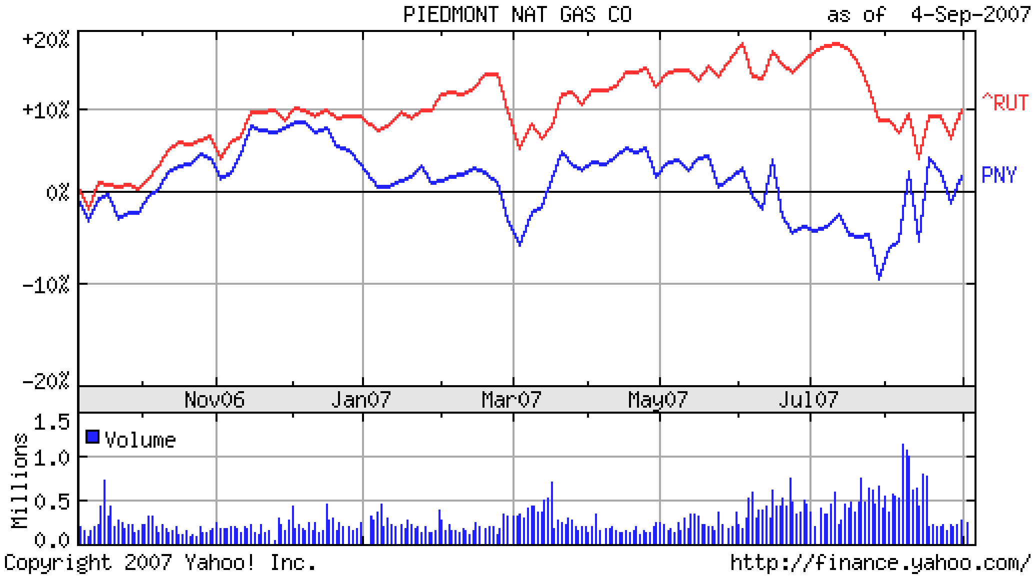
Based on a 10-year DDM model, PNY has an intrinsic value of $27.65. According to a relative valuation model based on the forward EPS of similar firms in the industry, PNY should be valued at $26.82. The stock has a dividend yield of 3.80%. PNY has experienced a recent stock price run-up and it should be purchased at a price of $25 or less.

Risks

- **The recent sub-prime credit concern could accelerate and aggregate the meltdown of housing markets**. It appears that the housing market slowdown might only be at its early stages. PNY depends on serving new homes to fuel most of its organic growth. If conditions were to deteriorate further than expected, this could impact PNY's profits.
- **Further hikes in natural gas prices.** Natural gas reached an all time high in 2005. Although PNY could pass the future cost increases of natural gas on to its customers, higher prices could nonetheless decrease demand. More importantly, PNY's commercial and industrial customers might choose alternative form of energy as natural gas prices hike in the possible events natural disasters, terrorist activities, etc.
- **Regulators in service States change their rate structures.** PNY's favorable rate structure in its service territories is one of its attractive attributions. If regulators in these States decide that PNY is earning too much profit, they could lawfully demand PNY to decrease the rates hence damaging the company's profitability.

Management

The company is currently taking a service-enhancing investment approach. Besides focusing on serving its customers as their number one priority—which PNY has won numerous customers satisfaction awards—PNY also creates friendly relationships with its shareholders by generously paying back dividends and utilizing stock repurchase programs. CEO Thomas Skains has been with the company for over 12 years and has worked his way up the corporate ladder at Piedmont. His experience and knowledge should come in handy during times of uncertainty and hardships. The best part of this competent senior management team is that it is relatively inexpensive as the executive compensation packages are in line with industry average.



Ownership

% of Shares Held by All Insider and 5% Owners:	0%
% of Shares Held by Institutional & Mutual Fund Owners:	48%

*Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Barclays Global Investors, N.A	3,604,535	4.9
Cincinnati Insurance Company	2,986,000	4.0
Lord, Abbett & Co. LLC	2,798,654	3.8
Vanguard Group, Inc.	2,333,182	3.2
State Street Global Advisors (US)	1,556,714	2.1

*Source: Yahoo! Finance

Mine Safety Applications Company

MSA

Price: $47.92 ($34.05 - $60.64)

Fiscal Year Ends: December 31

September 5, 2007 — Luke LaManna & Andy O'Connell

Russell 2000 Index: 792.86 (700.44 – 856.48) — Industrial Materials Sector

Mine Safety Applications (MSA) designs and manufactures sophisticated safety equipment for workers in the military, as well as the fire service, law enforcement, construction, oil and gas, and homeland security industries. MSA's product lines include Air-Purifying Respirators, Supplied-Air Respirators, Portable and Permanent Gas Detection Instruments, Thermal Imaging Cameras, Fire Helmets, Body Armor, Head, Eye, Face and Hearing Protection, Fall Protection, and Mining and Specialty Products. Products are sold worldwide through an industrial and retail distribution network, as well as directly through MSA's sales force. Major competitors include Scott Health and Safety, Drager Safety, Bullard, 3M's Safety Business, and International Safety Instruments. MSA was founded in 1914 and is headquartered in Pittsburgh, PA.

Recommendation

MSA operates as a leader in the high end safety marketplace. With a proven track record of product development and sound acquisitions, the company has consistently turned in solid financial results. The excellent financial health of MSA and healthy free cash flow allow continued consistent growth through product development and acquisition. After a slow year due to flat federal subsidy levels, MSA is poised to take advantage of favorable industry trends and to execute an internal margin expansion initiative. The firm pays a 1.8% dividend. It is recommended that MSA be added to AIM portfolio at $47.92, which represents an 8.7% discount to the calculated intrinsic value of $52.44.

Key Statistics	Aug 31, 07
Market Cap	$1.71B
Shares Outstanding	35.78M
3-mth Average Volume	274,509
Beta*	0.851
EPS (TTM)	1.79
2007 Estimated EPS	2.13
P/E (TTM)	26.74
PEG	2.23
WACC*	9.05%
Debt/Assets	24.2%
ROE**	15.72%
ROA**	7.87%
Gross Margin**	37.8%
Operating Margin**	10.2%
Target Price	$50.36

*Sources: Yahoo! Finance; *Bloomberg, **Morningstar*

Investment Thesis

- **Market Leader through Product Leadership.** MSA is the leading provider of fire helmets and self-contained breathing apparatus worldwide. They also hold strong market share in the gas detection, thermal imaging, and body protection markets. MSA differentiates itself through its patents and manufacturing knowledge, which are developed by their 200+ engineers and large R&D budget. Continued product development has led to a consistently strong product pipeline, resulting in 30-40% of annual sales coming from products released during the previous three years.
- **Excellent Balance and Diversification.** Each of MSA's five products lines contributes no more than 25% and no less than 12% to revenue. North America, Europe and the rest of the world produces 55%, 24% and 21% of sales respectively. The industrial core, first

responders, military, and consumer safety end markets, contribute revenue of 56%, 33%, 8%, and 3% respectively. This balance and diversification will aid performance stability.

- **Favorable Industry and Market Trends**. MSA's revenue is driven by industrial safety regulations (OSHA), economic development, threat levels, associated federal funding, and military activity. The war on terror has created a high demand for safety products for the military and homeland security first responders. Economic development in emerging markets, such as China, has also increased the demand for safety products. Finally, U.S. companies are making it a priority to meet OHSA safety regulations due to the increased enforcement of violations. The net effect of these marketplace changes is a 4-6% projected growth rate of this $15 billion safety market. MSA has the opportunity to grow at a faster pace due to their product mix and geographic presence in growth markets.
- **Potential for Margin Expansion.** MSA initiative "Project Magellan" aims to save $10 million per year by 2009 by moving manufacturing facilities to lower cost countries. This is expected to expand operating margin by approximately 1%. The company also intends to increase their margins in Asia and Europe in order to reach the targeted goal of an 18% operating margin versus the current 10.5%.

Valuation

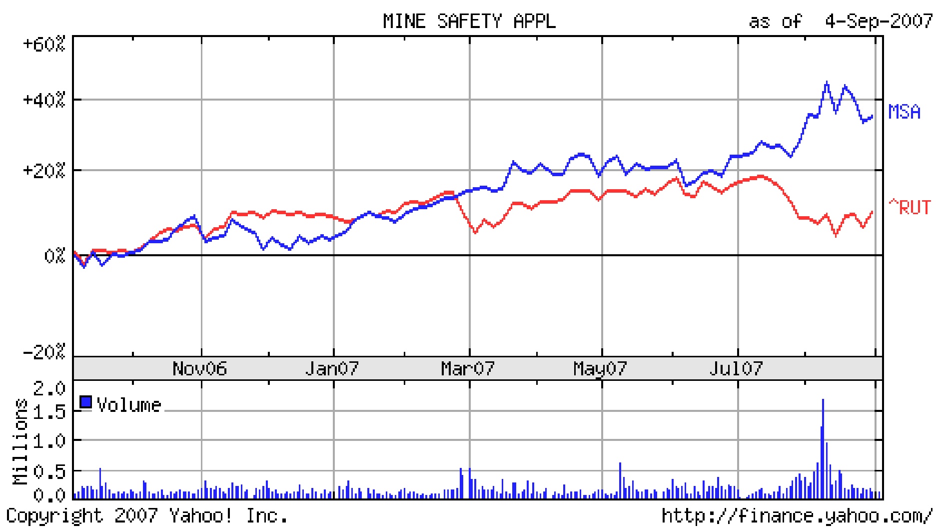
A 10-year discounted cash flow analysis indicates that MSA's intrinsic value is $53.63. The model assumes sales growth of 9% for 2 years followed by 8 years of 5% growth, and a terminal rate of 3%. The model also factors in a 3% operating margin increase over 5 years due to improved efficiency their cost savings initiatives. With an industry average P/E ratio at 21 and an estimated EPS for the next four quarters of $2.44, the one-year target price, yields a target price of $51.24. Taking into account both of these valuation metrics, our target price for MSA is $52.44. In addition, MSA has been paying out dividends at an increasing rate, with the most recent quarterly dividend equaling $0.22 per share (1.83% yield).

Risks

- **Heavy Reliance on Federal Subsidies.** 30-35% of MSA's revenue is generated through sales to the first responder end market. This market is almost entirely reliant upon continuation of federal subsidy grants. A large decrease in federal funding would reduce sales to this market materially.
- **Industrial Business Cycle.** 56% of MSA's revenues are generated from the industrial end market. A downturn in the economy could lead to a tightening of safety budgets which would materially affect financial results.
- **Ability to maintain market leadership through product development and acquisitions.** Due to the limited lifespan of many of MSA's products, they must stay on the cutting edge of product technology and regulatory standards. A mistake on one generation of product could create large market share losses.

Management

John Ryan III has been MSA's CEO since 1991, and has been with the company for 37 years. He has focused on international development, selective acquisitions, and product development; MSA's key strengths. Recent initiatives led by Ryan are focused on operation excellence and margin expansion. Nine other executives head up various business units and functions.



Ownership

% of Shares Held by All Insider and 5% Owners:	5%
% of Shares Held by Institutional & Mutual Fund Owners:	76%

Source: Yahoo! Finance

Top 5 Shareholders

Holder Name	Shares Held	Percent of Share Outstanding
Capital Research and Management Company	3.528,250	9.86%
Private Capital Management Inc.	3,200,764	8.95%
PNC Financial Services Group Inc.	2,827,647	7.90%
Columbia Wanger Asset Management, L.P.	2,379,300	6.65%
AMCAP Fund	1,942,750	5.43%

Source: Yahoo! Finance

Morningstar Inc.

MORN

Price: $48.16 ($40.52 – 58.89)

Fiscal Year Ends: Dec. 31, 2008

September 5, 2007 Paul Simenauer

Russell 2000 Index: 790.46 (707.56 - 856.48) Media Sector

Morningstar (MORN) is a leading provider of independent investment research. Since 1984, the company's mission has been to create products that help investors reach their financial goals by offering an extensive line of Internet, software, and print-based products for individual investors, financial advisors, and institutional clients. Morningstar also provides asset management services for advisors, institutions, and retirement plan participants. In addition to the company's U.S.-based products and services, Morningstar offers local versions of their products designed for investors in Asia, Australia, Canada, and Europe. Morningstar serves more than 5.2 million individual investors, 210,000 financial advisors, and 1,700 institutional clients, with operations in 15 countries.

Key Statistics	Sept 5, 2007
Market Cap	2.72B
Shares Outstanding	43.22M
Average Volume	155,214
Beta v. Russell 2000	1.04
EPS (TTM)	$1.29
2008 Estimated EPS	$2.09
P/E (TTM)	48.6
WACC	8.1%
Cash Flow/Share	$2.86
Debt/Assets	0%
ROE	22.67%
Gross Margin	72.4%
Operating Margin	25%
EPS Growth Est (5-Year)	37%
Target Price	$72.00

Recommendation

Since going public in 2005, MORN has generated double digit earnings and revenue growth (64% and 43%, respectively), while doubling its assets under advisement from a year ago to nearly $81.5 billion. Favorable secular trends and a business model that achieves operating leverage will allow for further impressive growth going forward. An economic moat is provided by the company's branding, unique content, and deep databases that are time consuming and difficult to replicate.

Investment Thesis

- **Excellent business model.** MORN's databases can be viewed as fixed assets that the company is able to use to achieve operating leverage. This is favorable because as revenues increase, there is a strong possibility for margin expansion, which favorably impacts MORN's valuation. Morningstar achieves about 89% recurring revenue, with 23% of revenue coming from subscriptions to Morningstar.com, and 66% of revenue coming from other contractual renewals. This allows management to control the business more easily and make future plans for growth, while creating visibility for shareholders. Revenue is also well diversified, coming from five main sources; Investment Consulting, Advisor Workstation, Licensed Data, Morningstar.com, and Principia.
- **Favorable Secular Trends.** Half of the world's wealth is outside of the U.S., where we are seeing an emerging middle-class that would likely have to plan for retirement. MORN is also levered to the baby boomer trend that will begin to accelerate in the next few years

as more boomers reach retirement. MORN is well positioned to capitalize on both of these trends through strong branding, proprietary tools, and deep databases.

- **Clear Growth Strategy.** Morningstar has several key growth drivers going forward. First, management plans to continue to grow MORN's internet platforms across all of its segments- individual, advisor, and institutional. MORN also plans to enter the fund of funds business and become a global leader by leveraging their extensive knowledge of managed investment products. Finally, MORN plans to continue to expand their international brand presence, products, and services. Their recent acquisitions of Aspect Huntley in Australia (4^{th} largest fund market in the world), and S&P's mutual fund database demonstrates MORN's commitment to meeting this goal.
- **Lack of sell-side coverage.** The only sell-side analyst covering Morningstar, Oppenheimer's Marvin Loh, has left the firm and coverage has been discontinued. The lack of institutional coverage should allow the AIM Fund to achieve an edge in information flow, as MORN flies under Wall Street's radar.
- **Defensive Growth Play.** MORN has strong growth potential and is insulated from bear markets and market volatility. The reasoning is that people are more dependent on advice during difficult markets. Historically, MORN's revenue and earnings have been up in both bad markets and good markets.

Valuation

Using the average of values derived from DCF, earnings multiples, P/S multiples, and EV/EBITDA multiples, a target price of $72 was determined. The DCF assumed a growth rate for the next 5 years of 35%, and the following 5 years of 15%, with a WACC of 8.1%. A P/E multiple of 33, P/S multiple of 6.1, and EV/EBITDA multiple of 20 were employed in the valuation

Risks

- **Highly competitive industry.** The financial data industry is very competitive, with better capitalized competitors including Thomson, Bloomberg, Lipper and Reuters (recently acquired by Thomson). These firms may be able to respond better to changes in technology and demand for their products and compete on price.
- **Failure to integrate recent acquisitions.** MORN recently made 4 major acquisitions, the first time the company has made sizeable acquisitions. Over the past year, the company acquired S&P's mutual fund database business, Ibbotson, Aspect Huntley, and InvestorForce.
- **Government Regulation.** MORN's investment advisory and broker-dealer businesses are subject to extensive regulation in the U.S. at both the federal and state level. They are regulated by both the SEC as well as the ERISA. Any changes in regulation could have an adverse impact on MORN's business.

Management

Joe Mansueto founded Morningstar in 1984, and currently serves as chairman and CEO. He has a lot of experience in this industry and is the company's largest shareholder, holding 70% of shares outstanding. Under his guidance, the company's main priority has been their shareholders. They same metrics used to evaluate stocks are also used to evaluate their own business – building intrinsic value over a long period of time.

Ownership

% of Shares Held by All Insider and 5% Owners:	71%
% of Shares Held by Institutional & Mutual Fund Owners:	31%

*Source: Yahoo! Finance

Top 5 Holders

Holder	Shares Held	Percent of Shares Outstanding
Joe Mansueto	30,219,620	70%
Morgan Stanley	2,426,717	5.62%
Bamco Inc.	1,351,700	3.13%
Chartwell Investment Partners	758,518	1.76%
Times Square Capital Management	682,100	1.58%

*Source: Yahoo! Finance

AIM

APPLIED INVESTMENT MANAGEMENT

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