

# Fortrend Securities

## Risk adjusted returns



# General Advice

The advice has been prepared without taking into account the clients objectives, financial situation and needs. Clients should consider the appropriateness of the advice by taking into consideration your objectives, financial situations and needs before acting on the advice.



# Market Performance

- The S&P 500 rose 0.9 in March, and EE'1e by 1.0 = P/E'12 unchanged at 12.1
- Auto, Chemicals and Electrical Manufacturing sectors rose the most.
- Semiconductors, Software and Financials performed the worst.
- We sold the Europe EFT at the end of Jan, and held cash in anticipation of a correction.
- Today we recommend using cash to buy Nike (NKE)



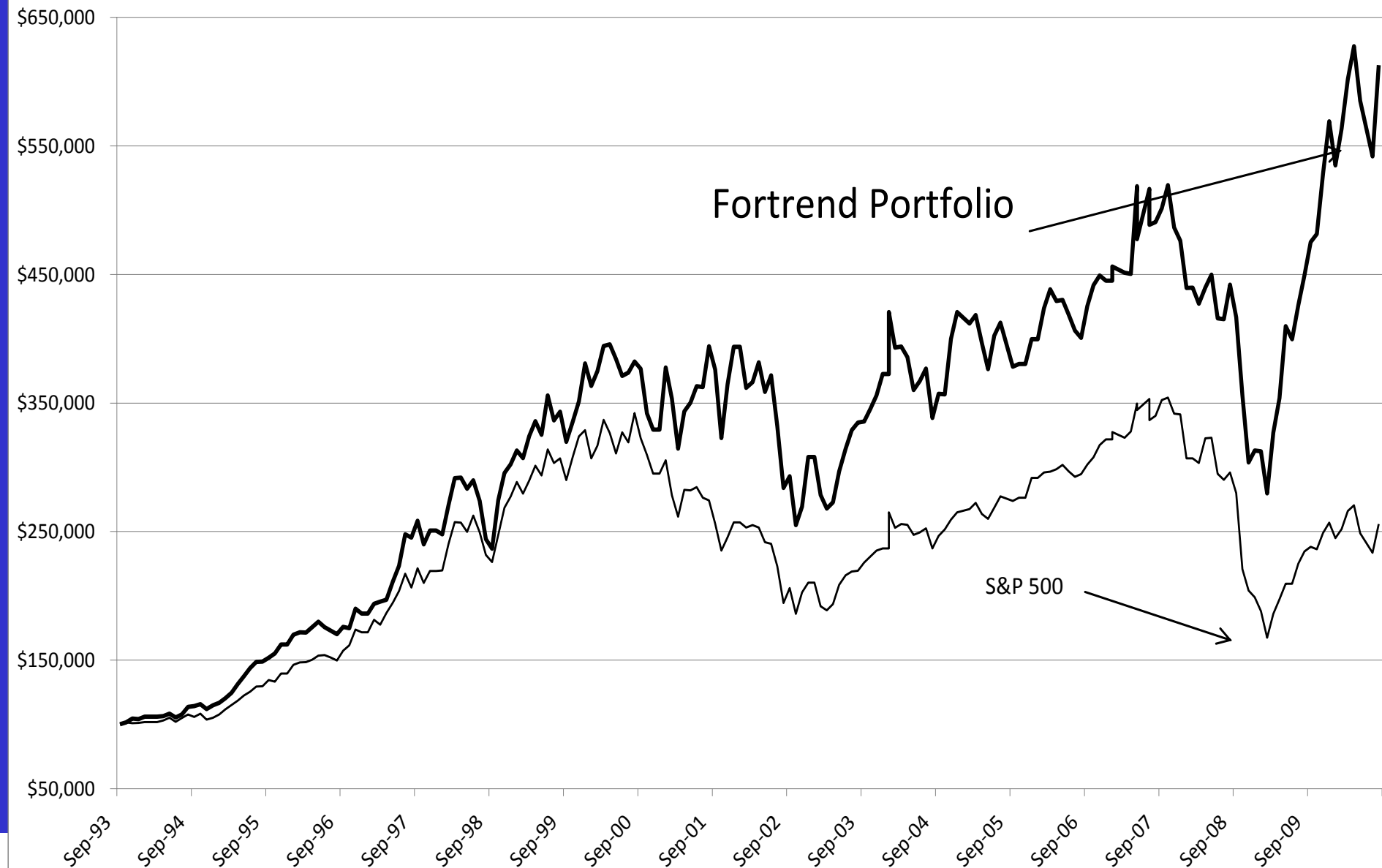
## Best Performers

25.5%	Superior Ind.
23.4%	Lubrizol
22.4%	Western Digital
16.4%	Motorola Solutions
14.6%	Starbucks
14.0%	Netflix
13.2%	Navistar
12.0%	Redhat
11.8%	Humana Inc
10.9%	Caterpillar
10.3%	Cooper
10.3%	Chipotle
10.2%	Intl Flavors & Frag
10.1%	Marathon Oil
9.9%	Eastman Chemical

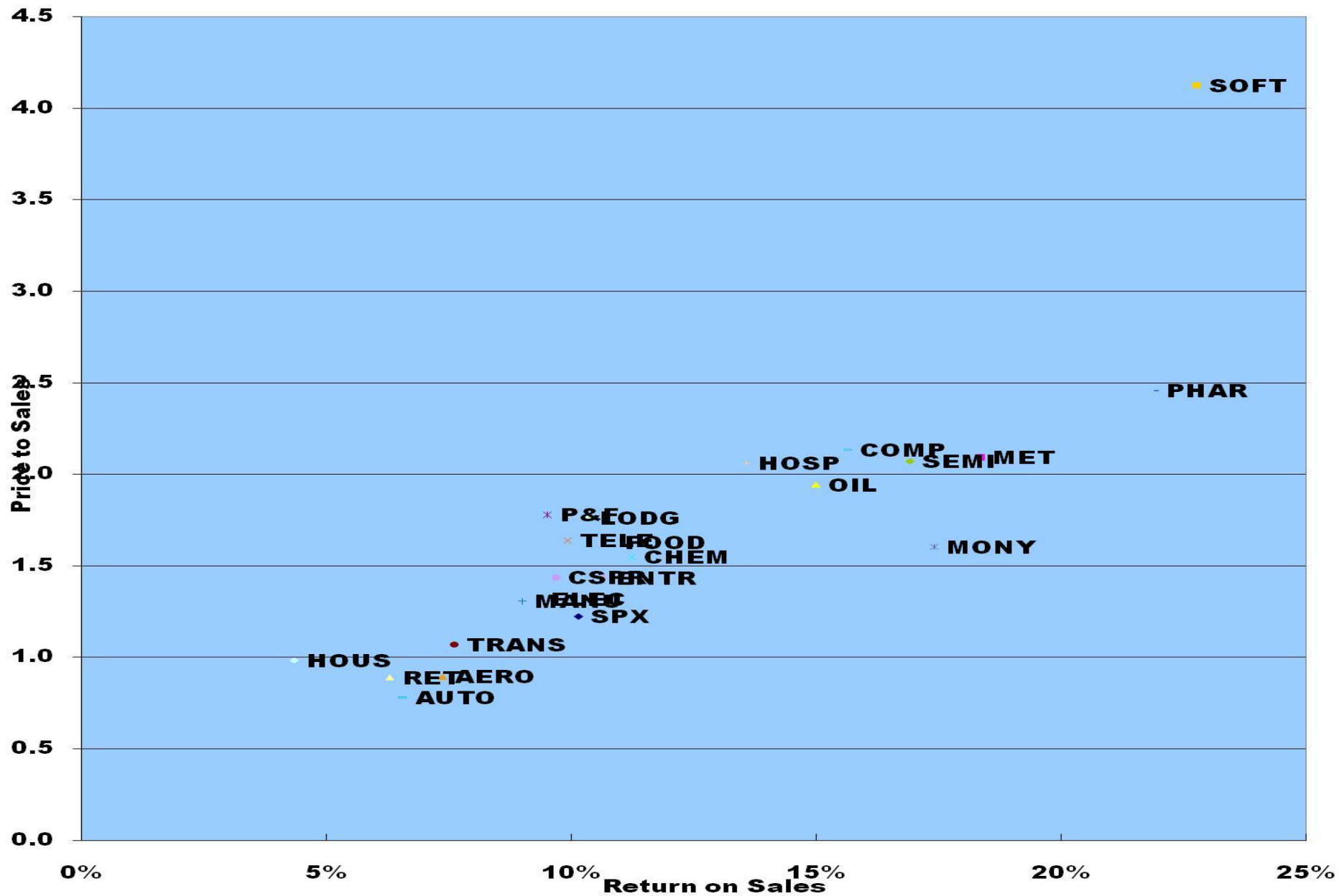
## Worst Performers

-8.6%	Cisco Systems
-8.7%	National Semicon
-8.7%	Morgan Stanley
-8.8%	Corning
-8.9%	Broadcom
-9.0%	Meritor
-9.2%	American Int'l
-9.8%	Intel
-9.9%	Marriott Hotels
-10.0%	Advanced Micro
-10.6%	Carnival Corp
-11.7%	Delta Air
-12.1%	Atmel
-13.0%	Nike *
-21.3%	Nvidia

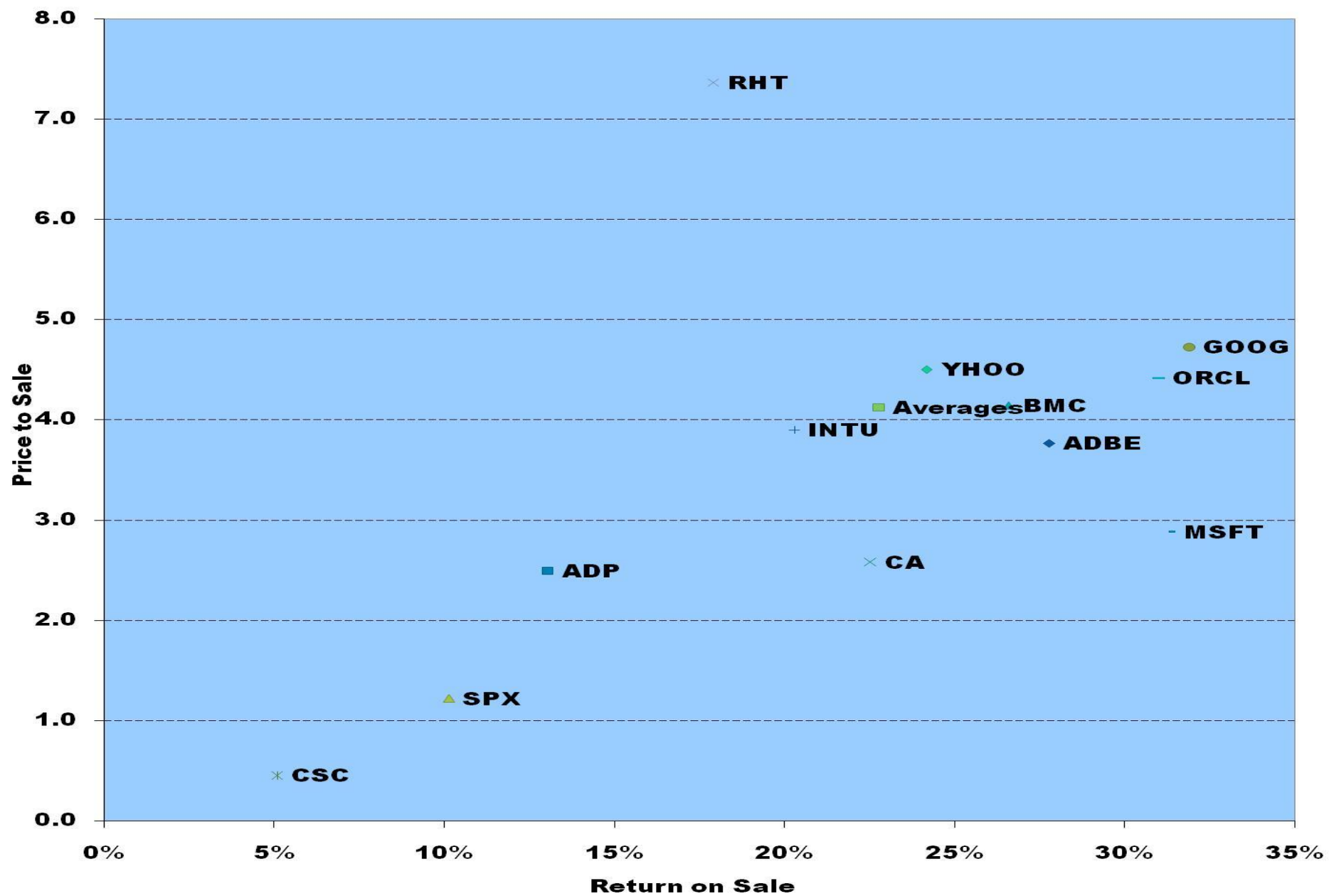
# Fortrend has OUTPERFORMED the S&P 500



**Price to Sales vs Return on Sales**

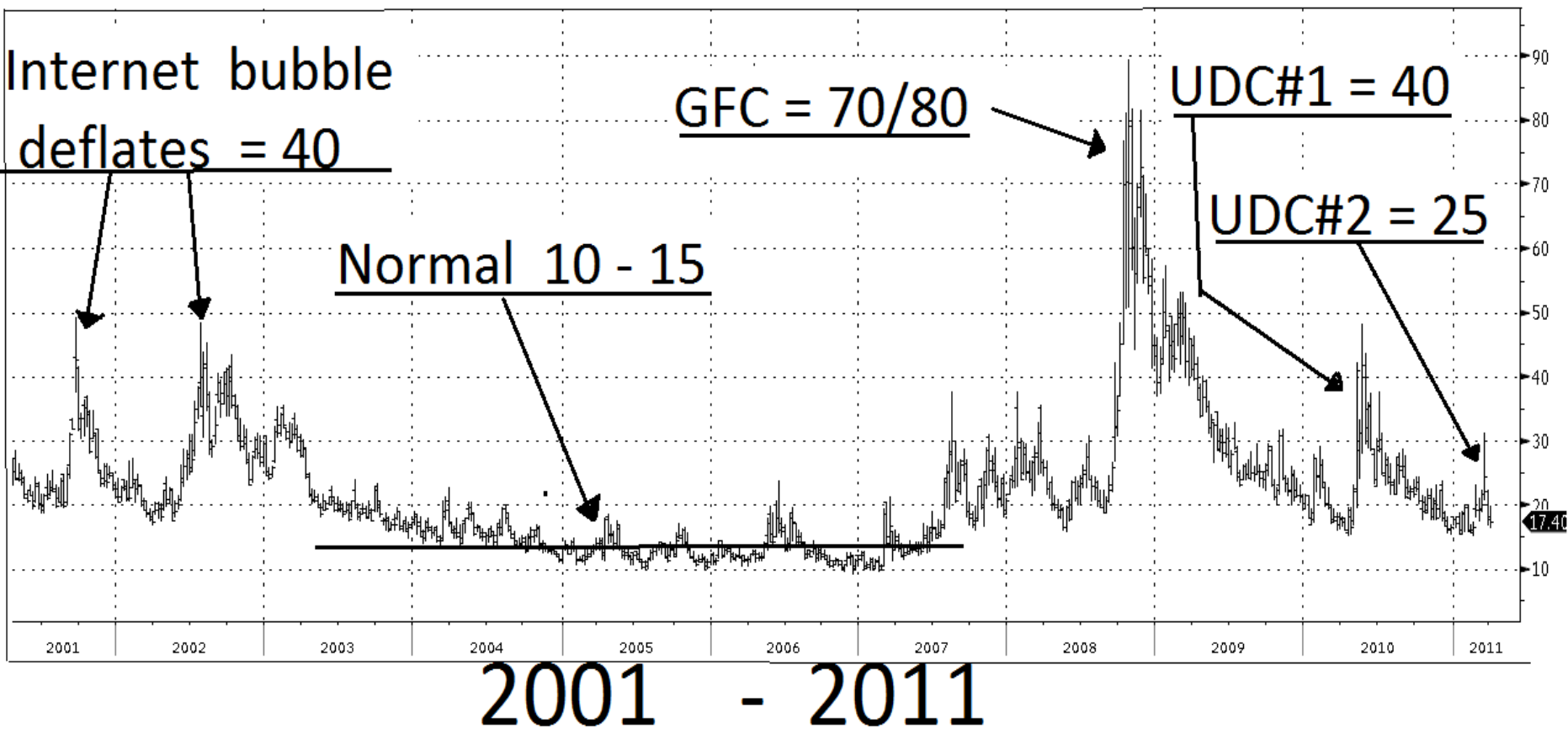


## Price to Sale vs Return on Sale



# The VIX

## CBOE SPX VOLATILITY INDEX





# Last year we wrote: 3 things

- Earnings 10% Up
- Interest Rates 40% down
- Risk Discounts 40% up
- 5 year DCF, shock events will cause volatility, so learn about options.



# U.S. DCF vs.

## 3 External Shock Events

- U.S. DCF: QE2 in full swing, M2 and CPI under control
- PPI effected by oil, and food, but not as much as China, Egypt and Libya.
- GDP, Cap Utilization, steady
- JOBS, public & private debt working off, steady eco, so falling risk:
- But, beware of TB = (\$45), cash comes back.



# Event 1: Political Unrest

- TB plus fixed FX rates = export inflation
- Food as % of disposable income (EFT's)
- Civil unrest / wars, push oil prices
- Going banana's
- Crop cycles, northern planting time now.
- Oil supply, vs Coal and Nuclear
- \$50/barrel = 1% tax on GDP



# Event 2: Japan

- \$200 - \$300 billion (16-25 trillion) is 4% of the \$5+ trillion economy
- Japan's GDP = 1/3 of U.S.
- Lost decade, and velocity of destruction.
- Nikkei dropped 20% and finished down 8% for March
- U.S. dropped 6% and recovered all losses
- Expect more shock events, but sensitivity to Japan is not there.



# Event 3: EDC

- Irish 10 year = 10% vs Germany at 3.37%
- Gov says banks must raise 24 bil euros, and investors must take hair cut rather before Ireland takes ECB money.
- Portugal's budget rejected, PM lost job, and bonds crashed.
- Negative feedback loop
- ECB focus on prices, not fiscal policy, limitations, and slow velocity.
- Slow train wreck, keep watching, but it wont stop ECB from raising rates.



# Conclusion

- Slow steady improvement in US eco data
- Countered the 3 shock events
- 6% down, 6% up
- We sold Europe ETF,
- Buy Nike.



# New Buy

**NKE** US \$ Market T **75.92/78.44** T 2x2 Prev 77.41

## DESCRIPTION

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**NKE US**

NIKE INC -CL B

Athletic Footwear

**BBGID** BBG000C5HS04 **CUSIP** 654106103

98) Generate Report

NIKE, Inc. designs, develops, and markets athletic footwear, apparel, equipment, and accessory products for men, women, and children. The Company sells its products worldwide to retail stores, through its own stores, subsidiaries, and distributors.

STOCK DATA				USD	DIVIDENDS		Quarterly	USD
1)GPO	Price	4/ 4	77.41	5)DVD	Indicated Gross Yld			1.60%
	52Wk High	12/21/2010	92.49		Dividend Growth		5YR	15.68%
	52Wk Low	7/ 6/2010	66.34		Ex-Date	Type	Amt	
	YTD change		-8.01		3/ 3/11	Reg. Cash	.31	
	YTD % Change		-9.38%					
2)FA	Shares Out 11/30/2010		388.505M	EARNINGS				USD
8)MSH	Market Cap		USD 37040.28M	6)ERN	Ann Date	6/23/11 (C)		
	Float	387.18M	Short Int		3.522M	Trailing 12mo	EPS	4.220
3)TRA	1 Yr Total Return		5.96%	7)EE	Est EPS	5/2011		4.333
	BETA vs. SPX		.89		P/E	18.34	LT Growth	12.55
4)OMON	Options, LEAPs, Stk Marginable				Est P/E	17.87	Est PEG	1.42

DPS US \$ Mkt **37.20/38.37** 4x4 **DELAYED** Prev 37.74**DESCRIPTION**

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**DPS US**

DR PEPPER SNAPPLE GROUP INC

Beverages-Non-alcoholic

**BBGID** BBG000TJM7F0 **CUSIP** 26138E109

98) Generate Report

Dr Pepper Snapple Group, Inc. is an integrated brand owner, manufacturer and distributor of non-alcoholic beverages in the United States, Canada and Mexico. The Company offers include flavored carbonated and non-carbonated soft drinks, ready-to-drink teas, juices, juice drinks and mixers.

STOCK DATA				USD	DIVIDENDS		Quarterly	USD
1)GPO	Price	4/ 4	37.74	5)DVD	Indicated Gross Yld			2.65%
	52Wk High	7/26/2010	40.24		Dividend Growth	1YR		233.33%
	52Wk Low	4/30/2010	32.69		Ex-Date	Type		Amt
	YTD change		2.58		3/17/11	Reg. Cash		.25
	YTD % Change		7.34%					
2)FA	Shares Out	2/17/2011	223.975M	EARNINGS				USD
	Market Cap	USD	8452.81M	6)ERN	Ann Date	5/ 6/11 (Est)		
	Float	223.72M	Short Int	5.884M		Trailing 12mo EPS		2.360
3)TRA	1 Yr Total Return		9.31%	7)EE	Est EPS	12/2011		2.735
	BETA vs. SPX		.56		P/E	15.99	LT Growth	9.00
4)OMON	Options avail & Stk Marginable				Est P/E	13.80	Est PEG	1.53

**COMPANY SPUN-OFF FROM CADBURY PLC {[NXTW CACX 28376319 SEED](#)}.**



**KFT** US \$ Mkt **31.21/31.51** 4x1 **DELAYED** Prev 31.51**DESCRIPTION**

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**KFT US**

KRAFT FOODS INC-CLASS A

Food-Misc/Diversifie

**BBGID** BBG000D4LWF6 **CUSIP** 50075N104

98) Generate Report

Kraft Foods Inc. is a food and beverage company. The Company manufactures and markets packaged food products, including snacks, beverages, cheese, convenient meals and various packaged grocery products. Kraft sells its products throughout the world.

STOCK DATA				USD	DIVIDENDS			Quarterly	USD
1)GPO	Price	4/ 4		31.51	5)DVD	Indicated	Gross Yld		3.68%
	52Wk High	10/26/2010		32.67		Dividend Growth	5YR		5.32%
	52Wk Low	5/ 6/2010		27.49		Ex-Date	Type		Amt
	YTD change			.00		3/29/11	Reg. Cash		.29
	YTD % Change			%					
2)FA	Shares Out	1/31/2011	1748.927M		EARNINGS				USD
	Market Cap		USD 55108.70M		6)ERN	Ann Date	5/ 6/11 (Est)		
	Float	1745.02M	Short Int	19.186M		Trailing	12mo EPS		2.020
3)TRA	1 Yr Total Return		8.29%		7)EE	Est EPS	12/2011		2.244
	BETA vs. SPX		.66			P/E	15.60	LT Growth	8.29
4)OMON	Options, LEAPs Available					Est P/E	14.04	Est PEG	1.69

IPO 06/12/01 - SEE PAGE 4 FOR DETAILS

SPUN-OFF FROM ALTRIA GROUP INC {NXTW CACX 24959858 SEED}.

MMM US \$ Mkt 93.01/93.64 2x1 DELAYED Prev 93.64

## DESCRIPTION

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MMM US

3M CO

Diversified Manufact Op

BBGID BBG000BP52R2 CUSIP 88579Y101

98) Generate Report

3M Co. conducts operations in electronics, telecommunications, industrial, consumer and office, health care, safety, and other markets. The Company's businesses share technologies, manufacturing operations, brands, marketing channels, and other resources. 3M serves customers in countries located around the world.

STOCK DATA				USD	DIVIDENDS		Quarterly	USD
1)GPO	Price	4/ 4	93.64	5)DVD	Indicated Gross Yld			2.35%
	52Wk High	4/ 1/2011	94.33		Dividend Growth	5YR		4.32%
	52Wk Low	5/ 6/2010	67.98		Ex-Date	Type		Amt
	YTD change		7.34		2/16/11	Reg. Cash		.55
	YTD % Change		8.51%					
2)FA				USD	EARNINGS			
	Shares Out	1/31/2011	711.806M		6)ERN	Ann Date	4/27/11 (Est)	
	Market Cap		USD 66653.51M			Trailing 12mo EPS		5.750
	Float	711.14M	Short Int	5.640M	7)EE	Est EPS	12/2011	6.235
3)TRA	1 Yr Total Return		14.01%			P/E	16.29 LT Growth	12.05
	BETA vs. SPX		.94			Est P/E	15.02 Est PEG	1.25
4)OMON	Options, LEAPs, Stk Marginable							

IYF US \$ Mkt 59.51/59.60 10x4 DELAYED Prev 59.62

IYF US

## DESCRIPTION

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ISHARES DJ US FINANCIAL SECT

Objective - Sector Fund-Financial Service

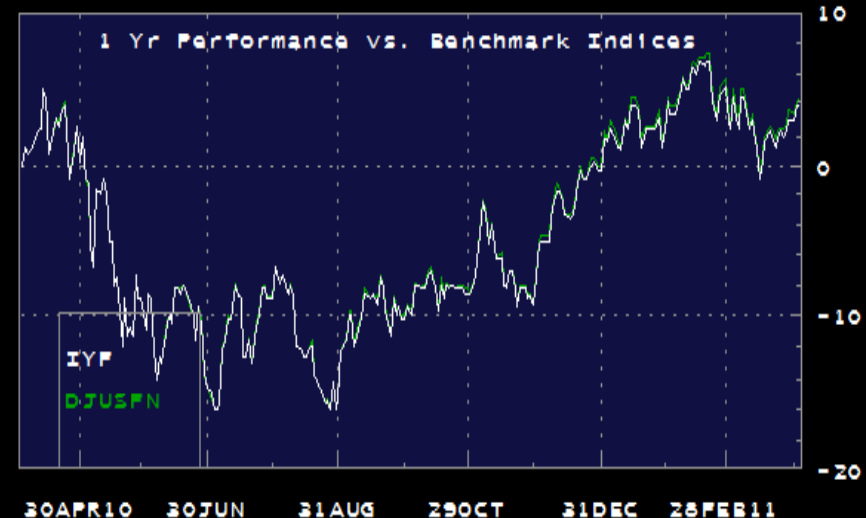
iShares Dow Jones U.S. Financial Sector Index Fund is an exchange-traded fund incorporated in the USA. The Fund's objective seeks investment results that correspond to the performance of the Dow Jones U.S. Financial Sector Index. The Fund will concentrate its investments in the financial economic sector to approximately the same extent the Index is so concentrated.

## Bloomberg Classification Data

Asset Class	Equity	Style	Sector Funds
Market Cap Focus	N.A.		
		Geographic Focus	U.S.

## Current Data

Underlying Index	12	DJUSFN
1)GP Price	\$	59.62
52Wk Hi	2/18	\$ 61.610
52Wk Lo	7/ 1	\$ 48.000
2)NAV NAV	4/ 4	\$ 59.65
INAV		\$ 59.66
%Premium	.04	
Shares Out(x000)	4/ 4/11	9350.00
Market cap(mil)	\$	557.45



Intraday NAV {IYFIV &lt;index&gt;; NAV {IYFNV &lt;index&gt;; Shs Out {IYFSO &lt;index&gt;}

Est Cash {IYFEU &lt;index&gt;; Total Cash {IYFTC &lt;index&gt;}

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7320 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000

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**PFE US**

PFIZER INC

**BBGID** BBG000BR2B91 **CUSIP** 717081103 **97) Drugs** **98) Generate Report**

Pfizer Inc. is a research-based, global pharmaceutical company that discovers, develops, manufactures, and markets medicines for humans and animals. The Company's products include prescription pharmaceuticals, non-prescription self-medications, and animal health products such as anti-infective medicines and vaccines.

STOCK DATA				USD	DIVIDENDS			Quarterly	USD
1)GPO	Price	4/ 4		20.54	5)DVD	Indicated Gross Yld			3.89%
	52Wk High	4/ 4/2011		20.61		Dividend Growth			5YR -1.79%
	52Wk Low	7/ 1/2010		14.00		Ex-Date			Type Amt
	YTD change			3.03		2/ 2/11			Reg. Cash .2
	YTD % Change			17.30%					
2)FA	Shares Out	2/22/2011	7995.220M		EARNINGS				USD
	Market Cap		USD 164221.8M		6)ERN	Ann Date			5/ 4/11 (Est)
	Float	7988.54M	Short Int	63.025M		Trailing 12mo EPS			2.270
3)TRA	1 Yr Total Return		26.77%		7)EE	Est EPS			12/2011 2.231
	BETA vs. SPX		.75			P/E			9.05 LT Growth 2.69
4)OMON	Options, LEAPs, Stk Marginable					Est P/E			9.21 Est PEG 3.43

MSFT US \$ Market P 25.99/26 P 1x23 Vol 1,034,071 Prev 25.55

## DESCRIPTION

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**MSFT US**

MICROSOFT CORP

Applications Software

BBGID BBG000BPH459 CUSIP 594918104

98) Generate Report

Microsoft Corporation develops, manufactures, licenses, sells, and supports software products. The Company offers operating system software, server application software, business and consumer applications software, software development tools, and Internet and intranet software. Microsoft also develops video game consoles and digital music entertainment devices.

STOCK DATA				USD	DIVIDENDS		Quarterly	USD
1)GPO	Price	4/ 4		25.55	5)DVD	Indicated Gross Yld		2.51%
	52Wk High	4/23/2010		31.58		Dividend Growth	5YR	11.94%
	52Wk Low	7/ 1/2010		22.73		Ex-Date	Type	Amt
	YTD change			-2.36		5/17/11	Reg. Cash	.16
	YTD % Change			-8.46%				
2)FA	Shares Out	1/21/2011	8402.382M	EARNINGS				USD
	Market Cap		USD 214680.9M	6)ERN	Ann Date	4/28/11 (Aft-Mkt)(C)		
	Float	7478.66M	Short Int		83.258M	Trailing 12mo	EPS	2.350
3)TRA	1 Yr Total Return		-10.78%	7)EE	Est EPS	6/2011		2.549
	BETA vs. SPX		.78		P/E	10.87	LT Growth	11.31
4)OMON	Options, LEAPs, Stk Marginable				Est P/E	10.02	Est PEG	.89

IPO - 3/13/1986



## DESCRIPTION

CSCO US

CISCO SYSTEMS INC

Networking Products

BBGID BBG000C3J3C9 CUSIP 17275R102

98) Generate Report

Cisco Systems, Inc. supplies data networking products for the Internet. The Company's Internet Protocol-based networking solutions are installed at corporations, public institutions and telecommunication companies worldwide. The Company's solutions transport data, voice, and video within buildings, across campuses, and around the world.

STOCK DATA				USD	DIVIDENDS		Quarterly	USD
1)GPO	Price	4/ 4	17.06	5)DVD	Indicated Gross Yld			1.41%
	52Wk High	4/30/2010	27.74		Dividend Growth			
	52Wk Low	3/17/2011	16.97		Ex-Date	Type		Amt
	YTD change		-3.17		3/29/11	Reg. Cash		.06
	YTD % Change		-15.67%					
2)FA	Shares Out	2/17/2011	5527.995M	EARNINGS				USD
	Market Cap		USD 94307.59M	6)ERN	Ann Date	5/11/11 (16:30)(C)		
	Float	5518.89M	Short Int		Trailing 12mo	EPS		1.330
3)TRA	1 Yr Total Return		-34.59%	7)EE	Est EPS	7/2011		1.595
	BETA vs. SPX		1.11		P/E	12.83	LT Growth	10.89
4)OMON	Options, LEAPs, Stk Marginable				Est P/E	10.70	Est PEG	.98

IPO - 2/16/1990

**ORCL** US \$ Mkt **34.36/34.40** 14x52 **DELAYED** Vol 18,240
**DESCRIPTION**

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**ORCL US**

ORACLE CORP

Enterprise Software/Serv

**BBGID** BBG000BQLTW7 **CUSIP** 68389X105

98) Generate Report

Oracle Corporation supplies software for enterprise information management. The Company offers databases and relational servers, application development and decision support tools, and enterprise business applications. Oracle's software runs on network computers, personal digital assistants, set-top devices, PCs, workstations, minicomputers, mainframes, and massively parallel computers.

STOCK DATA				USD	DIVIDENDS		Quarterly	USD	
1)GPO	Price	4/ 4		34.14	5)DVD	Indicated Gross Yld		.70%	
	52Wk High	4/ 4/2011		34.43		Dividend Growth			
	52Wk Low	7/ 1/2010		21.24		Ex-Date	Type	Amt	
	YTD change			2.84		4/11/11	Reg. Cash	.06	
	YTD % Change			9.07%					
2)FA	Shares Out	3/21/2011	5060.516M	EARNINGS					USD
	Market Cap		USD 172766.0M	6)ERN	Ann Date	6/24/11 (Est)			
	Float	3954.60M	Short Int		22.096M	Trailing 12mo	EPS	1.640	
3)TRA	1 Yr Total Return		34.47%	7)EE	Est EPS	5/2011		2.179	
	BETA vs. SPX		.88		P/E	20.82	LT Growth	13.93	
4)OMON	Options, LEAPs, Stk Marginable				Est P/E	15.67	Est PEG	1.13	

SLG US \$ Mkt 76.80/79.63 3x2 DELAYED Prev 76.50

## DESCRIPTION

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SLG US

SL GREEN REALTY CORP

REITS-Office Property

BBGID BBG000BVP5P2 CUSIP 78440X101

98) Generate Report

SL Green Realty Corp. is a fully integrated, self-administered and self-managed real estate investment trust. The Trust is exclusively focused on owning and operating office buildings in Manhattan.

ISSUE DATA				USD	DIVIDENDS		Quarterly	USD	
1)GPO	Price	4/ 4		76.50	5)DVD	Indicated Gross Yld		.52%	
	52Wk High	4/ 1/2011		76.95		Dividend Growth 5YR		-29.40%	
	52Wk Low	7/ 6/2010		50.11		Ex-Date Type		Amt	
	YTD change			8.99		3/29/11 Reg. Cash		.1	
	YTD % Change			13.32%					
2)FA	Shares Out	2/22/2011		78.306M	FUNDS FROM OPERATIONS				USD
8)MSH	Market Cap		USD	6085.96M	Ann Date		4/26/11 (Est)		
	Float	71.89M	Short Int	5.406M	Trailing 12m FFO				4.840
3)TRA	1 Yr Total Return			27.46%	Est FFO		12/2011		4.157
	BETA vs. SPX			1.82	P/FFO 15.81		Est P/FFO		18.40
4)OMON	Options Available				FFO Yr Change				9.93%

IPO 8/15/97 - SEE PAGE 4 FOR DETAILS PRO FORMA FINANCIALS QUARTERS MARCH/JUNE 1997



# Fortrend Portfolio

**Nike**

**3M**

**Kraft Food**

**Dr Pepper Snapple**

**Pfizer**

**Microsoft**

**Cisco**

**SL Green**

**iShares Financial**



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