

Expected Returns

Editor: Mark Robertson, Manifest Investing LLC
Results, Remarks and References Regarding Investment Initiatives

Volume XX, No. 1
January 2012

Elegance and Simplicity



We don't know about you, but sometimes we work a little too hard at investing. There's a lot to worry about and the closer you get, the more things you'll be able to find to worry about. We invited Ken Kavula to share his thoughts on portfolio design and management and the stunning comfort that he finds in keeping it simple, simple enough to hear the revelations and wisdom from the people around us. In Ken's case, that reminder came from a granddaughter and her curiosity about the forced festivities jammed into Times Square on New Year's Eve. We all need reminders that it's about the "forest" not the trees. Happy New Year and Best Wishes for a healthy and prosperous 2012 from all of us to all of you!

by Ken Kavula

Did you watch the ball drop in Times Square on New Year's Eve? I was in the company of my wife and my grandchildren and we all gathered around the television at 11:55 PM in anticipation of the great event. The hosts had already spent hours talking about the thousands of Waterford crystals on the glittering ball, the thousands of people gathered at "the crossroads of the world" and the unparalleled array of celebrities that were set to entertain us in a way we had never been entertained before.

As the anticipation was ramped higher and higher, I glanced at the grandkids, wondering if all of this hoopla, this complicated effort to squeeze an unforgettable moment from the normal movement of the clock, was really working. My instincts told me as I gazed at their faces that they understood you had to really work to make this moment special. It wasn't like a birthday or Christmas. It didn't have the cache of Thanksgiving or Halloween. And then the youngest granddaughter confirmed it for me. "It's really simple.", she confided. "It's just the clock moving one second from today to tomorrow. Nothing else really changes!"

Suddenly, I knew what I would write about. "It's really simple!"

That was the hook that made me investigate Manifest Investing for the first time many years ago. And that's the hook that keeps me engaged. While I appreciate all of the hoopla that surrounds investing today - think CNBC, the internet, etc. - I really want to manage my portfolio in as simple a way as I possibly can. Simple to me does not mean elementary or simplistic. Rather, to me, it means elegant. Just as my granddaughter was able to see through the dropping balls and frenetic parties and focus on what was really happening, I want to be able to focus on what really contributes to a strong stock portfolio.

First off, I need to remind myself I'm evaluating the portfolio as a whole. The goals I set are for my entire portfolio, not for each individual holding. I start with a performance goal. I'd like to see my portfolio's potential appreciation beat the market average by at least five points. What's so nice about using a dashboard to track my holdings is that this value - in fact all of the values that I am targeting - are shown at the bottom of the appropriate column or on a chart to the side of the dashboard. I like to call the chart the Report Card and I use it always as a quick reference to check the health of my holdings.

It's useful to note that all of the targets that I am referencing can be changed to fit your own unique situation. There is absolutely nothing wrong with setting a performance target higher or lower than the one I use. Younger investors, for example, might target higher performance numbers which probably would necessitate a little more risk-taking.



"Grandpa, it's really simple. It's just the clock moving one second from today to tomorrow. Nothing else really changes." And once again, the children shall lead us when it comes to perception vs. reality. Not that there's anything wrong with fanfare and celebration, but sometimes we work a little too hard at drumming up a frenzy. Don't be duped by the 24-hour, 7-day news cycle. It's the long-term trends and long-term relationships in our lives that really matter.

In This Issue...

Infosys Tech (INFY) 3

Fund Feature 4

First Trust Chindia (FNI)

Screening Results 6

Tin Cup Model Portfolio ... 7

www.manifestinvesting.com

Dashing Report Cards

We all like good report cards. This is true whether they're our own or somebody that we care about. To me, our investing experience and efforts are not very different from the goal-setting and monitoring that comes in the realm of report cards.

We're here for the returns. The building blocks that we choose for our portfolios have to be targeted to deliver sufficient returns. Do you know what the overall return forecast is for your portfolios?

I am committed to building a portfolio of high-quality growth stocks. That means I want to keep the overall Quality of my portfolio in the top quintile or "in the blue". Numerically that means I want the portfolio quality average to stay at 65 or better.

From my studies I have concluded that to reach a return that will consistently beat the market by 5 or more points, I need to have an overall sales growth somewhere in the 11-13% range. The report card measures the weighted sales growth forecast of the entire

Portfolio Averages	
PAR	12.2%
Quality	78.5
Growth	9.7%
P/E Ratio	15.6
Yield	1.5%
Fin Strength	93%
EPS Stability	73

Our Portfolio Report Cards are actually based on the dashboards. The weighted averages (by % of total assets) are gauged for the major objectives of return, quality and growth and continuously measured against objectives or target ranges.

Company	Symbol	Shares	Price	Value	% of Total	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qty	PAR
Apple Inc.	AAPL	2.47	\$423.24	\$1,045.40	21.3%	14.5%	16.0	0.0%	98%	36	83.5	14.4%
Johnson & Johnson	JNJ	5.38	\$65.20	\$350.78	7.1%	5.2%	15.0	3.0%	99%	99	73.9	12.0%
McDonald's	MCD	3.41	\$99.70	\$339.98	6.9%	5.5%	16.0	3.1%	96%	95	85.9	7.1%
Stryker	SYK	6.11	\$52.26	\$319.31	6.5%	9.6%	17.0	0.8%	99%	97	89.8	15.1%
General Electric	GE	15.52	\$18.72	\$290.53	5.9%	2.0%	14.5	3.0%	83%	86	66.3	7.3%
Exxon Mobil	XOM	3.38	\$85.72	\$289.73	5.9%	7.1%	11.2	2.0%	100%	69	73.9	10.7%
Procter & Gamble	PG	3.97	\$66.33	\$263.33	5.4%	5.6%	16.7	3.0%	98%	98	86.5	10.8%
Pepsi	PEP	3.97	\$65.66	\$260.67	5.3%	6.2%	18.0	1.9%	98%	98	75.9	15.1%
Caterpillar Inc.	CAT	2.51	\$99.96	\$250.90	5.1%	10.5%	13.0	1.4%	98%	52	71.8	7.9%
Google	GOOG	0.40	\$623.14	\$246.14	5.0%	18.9%	23.0	0.0%	100%	42	80.1	22.1%
Fastenal	FAST	5.13	\$45.01	\$230.90	4.7%	12.3%	25.0	1.5%	100%	82	81.4	3.9%
Berkshire Hathaway B	BRK-B	2.94	\$77.42	\$227.23	4.6%	9.6%	16.0	0.0%	90%	62	64.3	9.5%
Teva Pharma	TEVA	4.83	\$44.84	\$216.58	4.4%	8.5%	10.0	1.2%	58%	87	70.8	11.1%
Microsoft	MSFT	7.58	\$27.84	\$211.03	4.3%	10.0%	12.0	2.5%	97%	88	77.8	17.5%
AFLAC	AFL	4.62	\$43.87	\$202.68	4.1%	9.7%	10.0	2.1%	58%	83	73.6	12.2%
Abbott Labs	ABT	2.99	\$56.11	\$167.77	3.4%	9.1%	13.0	2.3%	96%	99	79.1	13.3%
Averages				\$4,912.95		9.7%	15.6	1.5%	93%	73	78.5	12.2%

Demonstration Dashboard: Bivio Most Widely-Held Companies. The 16 most widely-held companies by the investment clubs using bivio for their record keeping are shown here. These 16 stocks represent approximately 60% of total assets for this aggregate portfolio. The overall projected annual return (weighted average) is pretty solid at 12.2% and the overall quality rating is superb at 78.5. We're also nudged -- as a community to seek, discover and own more promising faster growing companies as suggested by the overall sales growth forecast of 9.7%. We'd really like to a blend of companies that delivers 11-13% for the overall sales growth forecast of the portfolio.

portfolio and displays it at the bottom of the growth column or on the Report Card to the right of the dashboard.

The Report Card next lists P/E Value and Yield. I glance at each of the values, remembering that the average P/E value for the entire market usually fluctuates in the teens and reminding myself that for my portfolio, dividends are extra income which is appreciated but not necessarily expected because of the types of companies I have in the portfolio.

A Natural Emphasis on What Matters

My next target is Financial Strength. I want to invest in companies with superior balance sheets and no obvious financial shortcomings. In the MANIFEST world that means I will be aiming for a weighted portfolio financial strength of at least 80 (A). Again, adjust the target to fit your personal style and goals.

I want to next check my Earnings Stability. I like to keep that value above 80 as well. In other words, when graphed,

I would like the EPS historical results to be a relatively straight trend.

That's it! My granddaughter was right. "It's simple!"

No longer am I blinded by the 24-hour a day, seven day a week sideshow put on in the name of investing. I'm not dazzled anymore by the bright lights or the celebrity. I'll still turn to CNBC for entertainment. Jim Cramer still makes me chuckle occasionally but for now, I'll manage my portfolio in an elegant, successful way. In just a few minutes I can check my portfolio. If my numbers are within the ranges I set, I can spend more time with the grandkids. If one of the numbers needs boosting, I can adjust the entire portfolio by buying and selling appropriate stocks to bring the numbers back to where I want them.

And that leaves me plenty of time to really appreciate all of you.

Happy New Year! May we all be prosperous and healthy. -- Ken Kavula





Solomon Select Infosys Tech (INFY)

We've written recently about the powerful need for and service delivered by many of these information technology providers. Our community has been blessed by shareholder returns from the likes of Cognizant, Apple and scores of others. So we won't belabor the point here. Infosys Tech (INFY) provides a delicious combination of exceptional implementation with one of the top-shelf quality ratings at Manifest Investing. Combine that with the ubiquitous and prudent pursuit of international opportunity and this company based in India has a lot of attractive features and is now a core "holding" in our Solomon Select tracking portfolio. We wouldn't be surprised to experience the same type of rewards that we've lived from companies like Oracle since the late 1990s.

What We Do, What They Do

You don't have to look much further than the homepage at Infosys Tech to know that we're in a right place. When the themes resonate with reinvention, thought leadership, cloud computing and philanthropic foundational efforts that center on the comprehension and optimization of business models, this is a company that merits our attention because ... well, just because.

As a business leader blessed with the management responsibilities of helping younger people and organizations (and nest eggs) to grow, I find myself particularly drawn to the following "policy statements" from the Harvard Business Review article:

"If organizational memory is not tamed, it gets in the way of creation. Before you can create, you must forget."

"Thirty percent of all participants in any strategy discussion should be younger than age 30, because they are not wedded to the past."

It's a worthy recipe. Discover some unbridled dreams, sprinkle in a suitable dose of discernment and wisdom ... and I want to know more about why, how and where this company deploys and delivers.

Growth, Profitability and Valuation

Value Line has a sales growth forecast of 14%. We're using 15.4% based on analyst consensus forecasts and a regression from 2006-2015.

The net margin (2008-2012) checks in at 25.4%. Value Line has a 3-5 year projected net margin of 25.3%. We're also using 25.3% -- a median for the span 2001-2015 that also

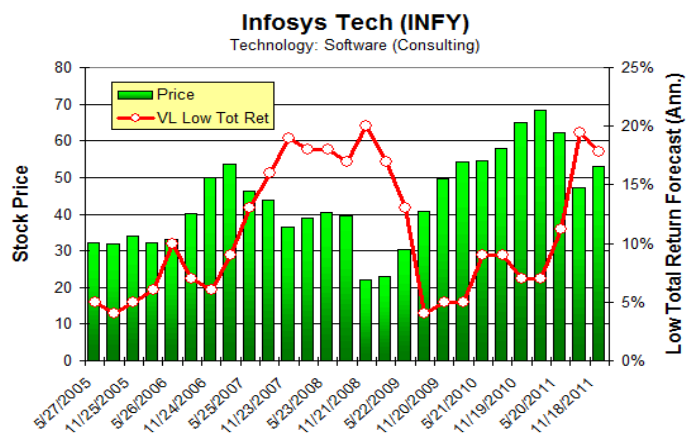


Business Models. Infosys Tech (INFY) was featured in a Harvard Business Review article available on the company's web site (www.infosys.com) about a year ago. Much of What We Do is comprehend business models as we attempt to understand the challenges and opportunities facing the companies that we study. It's worth a closer look because that's precisely what Infosys is "all about."

seems to account for expectations of saturation, maturity and competitive pressures -- the kinds of things that deliver natural margin erosion over the life cycle of many companies. The nature and characteristics of the information technology companies as a group suggests that diminishing profitability is both prudent and to be expected.

The long-term VL projected average P/E is 22x. Based on consensus and industry analysis, we're also using 22x.

At a stock price of \$51.38, the projected annual return is approximately 22-23%. Our Solomon Select tracking portfolio is always receptive to unbridled dreams and unbridled returns. 🍀



Infosys Tech: Chronicle. The company is clearly affected by recessions and the disruptions in the financial industry were (and are) unkind. The recent price swoon has delivered potentially oversold conditions with return forecasts that have returned to levels seen during the Great Recession -- with outsized subsequent returns. We are not surprised at the pattern. The pursuit of unbridled dreams requires a breather now and then.



First Trust ISE Chindia Index (FNI)

by Cy Lynch

This month we accumulate one of our favorite international opportunities.

The Methodology and Focus

The MANIFEST methodology is unique because of its forward-looking emphasis. The projected returns for the individual holdings of funds are analyzed and used to compile a projected return for a universe of funds. In that spirit, our emphasis in the study of funds is on where the fund seems to be headed rather than where it's been.

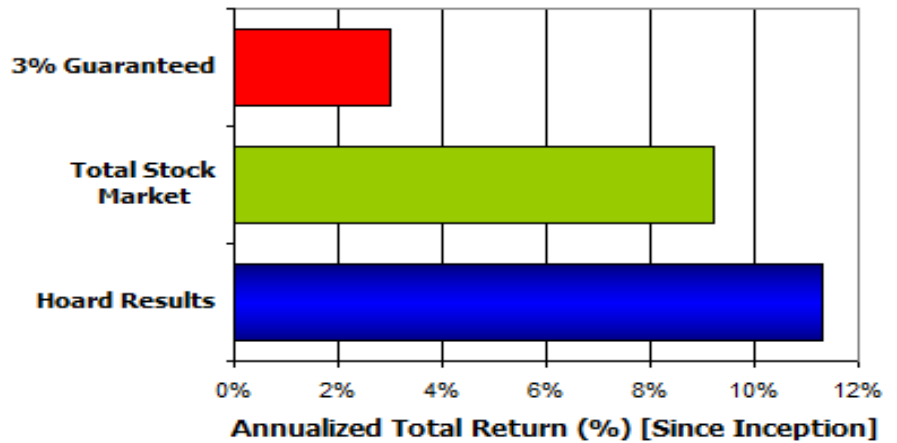
Results

The Hoard's relative return since its inception (January 2009) slipped for the third straight month to 2.1%. That is based on its total return of 11.3% versus 9.2% for the Herd (total stock market) during the same period. That performance isn't bad, remember that the majority of funds don't

beat the market at all, but it's below our long-range target of 3 percentage points.

Accuracy (the percentage of selections outperforming the total market) declined as well, but remains very strong at 74.4%.

Model Portfolio Results (1/6/2012)



Results (January 6, 2012). The average selection for the Hoard has outperformed the total stock market benchmark by +2.1% since inception. Accuracy, the percentage of selections outperforming the Wilshire 5000 since selection, is now 74.4%.

Decisions

Turning to key portfolio design characteristics for the Hoard Portfolio, overall PAR (14.2%) is 5.3 points above current MIPAR of 8.9% well above our goal of MIPAR+3 percentage points. Overall quality (excellent at 70.2) and financial strength (79%) remain strong as well. Projected sales growth (10.7%) also falls within our target range of 10-12%.

While finding funds with particularly attractive potential relative returns has historically been difficult, all 20 funds on this month's Fund Manifest have overall PARs at least 5 percentage points greater than MIPAR. This is the second month in a row that's happened, and only the second time since MANIFEST began covering funds over six years ago.

Again leading the pack are two emerging market ETFs, First Trust ISE Chindia (FNI) and current Hoard holding, BLDRS Emerging Markets 50 ADR (ADRE). This month, however, FNI's PAR of 18.8% significantly exceeds that of ADRE (17.0%). Accordingly, we choose to add FNI to the Hoard portfolio as this month's selection.

Company	Symbol	Sales Grth	Yield	P/E	Fin Str	EPS Stab	Qty	PAR
First Trust ISE Chindia	FNI	14.7%	1.4%	20.3	59.8	62.5	69.1	18.8%
BLDRS Emerging Mkts 50 ADR	ADRE	11.2%	2.1%	13.4	52.5	64.2	66.6	17.0%
Fidelity NASDAQ	ONEQ	12.8%	0.9%	17.8	88.9	61.7	76.2	16.7%
PowerShares QQQ (Nasdaq-100)	QQQ	12.8%	0.9%	17.8	88.9	61.7	76.2	16.7%
Janus Orion	JORNX	8.4%	1.4%	13.3	56.6	49.0	52.0	16.4%
T. Rowe Price Science & Technology	PRSCX	12.5%	0.4%	18.7	78.2	44.6	66.1	16.0%
iShares DJ Technology	IYW	11.3%	0.9%	16.7	93.1	63.9	77.2	15.4%
Fidelity Select Software & Comp	FSCSX	12.4%	0.7%	19.1	92.2	71.1	76.3	15.3%
Vanguard Technology	VGT	11.2%	1.0%	16.7	93.8	65.4	77.7	15.1%
iShares Dow Jones US Oil Equipment	IEZ	10.8%	0.5%	16.3	68.6	53.1	59.0	15.1%
White Oak Select Growth	WOGSX	11.6%	1.1%	18.2	79.1	60.9	69.2	14.9%
Calamos Blue Chip A	CBCAX	14.1%	0.7%	20.7	84.4	58.2	73.0	14.7%
iShares Morningstar Large Growth Index	JKE	11.5%	1.1%	17.6	90.3	67.1	77.7	14.7%
Monetta	MONTX	13.9%	0.4%	20.2	75.6	46.8	68.6	14.6%
iShares DJ US Financial Services	IYG	7.0%	1.7%	13.0	73.1	51.0	59.9	14.6%
Putnam Voyager	PVOYX	10.4%	0.8%	15.5	72.2	58.1	68.5	14.5%
Fidelity Blue Chip Growth	FBGRX	12.6%	1.0%	18.3	86.4	59.0	75.0	14.5%
Fidelity Select Insurance	FSPCX	9.1%	1.5%	11.4	62.4	60.2	60.1	14.3%
Thompson Plumb Growth	THPGX	8.1%	1.6%	14.8	86.9	72.3	70.6	14.3%
AIM Constellation A(L)	CSTGX	12.6%	0.7%	18.9	82.0	59.7	74.6	14.3%

January 2012 Fund Manifest. Top funds ranked by projected annual return (PAR).

Company	Symbol	Shares	Price	Value	% of Total	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qty	PAR
BLDRS Emerging Mkts 50 ADR	ADRE	225.16	\$38.07	\$8,571.84	10.8%	11.2%	13.4	2.1%	53%	64	66.6	17.0%
PowerShares QQQ (Nasdaq-100)	QQQ	169.67	\$55.83	\$9,472.68	12.0%	12.8%	17.8	0.9%	89%	62	76.2	16.7%
T. Rowe Price Science & Technology	PRSCX	238.96	\$25.61	\$6,119.69	7.7%	12.5%	18.7	0.4%	78%	45	66.1	16.0%
Vanguard Technology	VGT	112.50	\$61.37	\$6,904.13	8.7%	11.2%	16.7	1.0%	94%	65	77.7	15.1%
iShares Morningstar Large Growth Index	JKE	96.48	\$65.95	\$6,362.86	8.0%	11.5%	17.6	1.1%	90%	67	77.7	14.7%
Monetta	MONTX	737.18	\$13.68	\$10,084.58	12.8%	13.9%	20.2	0.4%	76%	47	68.6	14.6%
Fidelity Select Technology	FSPTX	18.62	\$86.47	\$1,610.24	2.0%	14.7%	22.5	0.2%	82%	47	70.9	13.8%
Vanguard Growth	VUG	122.02	\$61.76	\$7,535.83	9.5%	10.1%	16.5	1.5%	91%	74	76.8	13.3%
Vanguard FTSE All-World x-US	VEU	44.22	\$39.65	\$1,753.28	2.2%	4.7%	11.4	5.2%	64%	51	61.4	12.5%
ELEMENTS M* Wide Moat Focus	WMW	1098.22	\$12.32	\$13,526.78	17.1%	6.3%	17.7	1.8%	75%	69	62.9	12.0%
DJ US Medical Devices	IHI	74.13	\$58.76	\$4,355.88	5.5%	8.0%	18.8	0.6%	80%	79	69.9	11.2%
T. Rowe Price Health Science	PRHSX	84.76	\$32.60	\$2,763.14	3.5%	11.1%	20.0	0.5%	65%	62	62.1	8.1%
Averages				\$79,060.93		10.7%	17.5	1.2%	79%	62	70.2	14.2%

Hoard Dashboard. Our \$67,833 (\$1833/month) invested so far is now worth \$79,061. (1/6/2012) VGT has gained 22.8% per annum since selection (12/2008).

Top Holdings: First Trust ISE Chindia (FNI)

Company	Symbol	Industry	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qty	PAR
China Mobile*	CHL	Wireless Serv (Intl)	9.9%	11.0	3.3%	57%	86	66.1	12.6%
Baidu.com	BIDU	Internet	27.7%	41.0	0.0%	99%	58	89.2	27.4%
Infosys Tech	INFY	Software (Consulting)	15.4%	22.0	1.0%	100%	83	95.7	22.7%
HDFC Bank (India)*	HDB	Bank	12.2%	19.0	0.7%	35%	76	71.9	9.1%
CNOOC*	CEO	Oil & Gas (E&P)	9.6%	11.3	2.9%	36%	63	52.2	23.1%
ICICI Bank (India)*	IBN	Bank	4.3%	16.0	1.7%	3%	27	28.0	9.0%
Petro China*	PTR	Petroleum (Integrated)	16.4%	12.0	3.5%	87%	78	86.7	26.6%
Tata Motors	TTM	Automotive	7.0%	12.0	0.9%	78%	29	55.8	24.5%
Wipro Ltd.*	WIT	Software (Consulting)	12.8%	21.0	1.8%	0%	73	64.4	15.0%
SINA	SINA	Internet	15.5%	25.0	0.0%	16%	28	52.3	7.0%
Ctrip.com	CTRP	Internet	20.5%	28.0	0.0%	98%	73	89.4	30.0%
China Unicom*	CHU	Wireless Serv (Intl)	14.7%	22.0	0.5%	88%	45	53.7	10.5%
Dr. Reddy's Labs*	RDY	Druq (Generic)	20.3%	19.0	0.6%	36%	29	52.4	16.5%
Shanda Interactive*	SNDA	Entertainment Tech	23.0%	30.0	0.0%	93%	34	65.2	26.5%
Netease.com*	NTES	Internet	23.3%	15.0	0.0%	36%	54	72.2	29.7%
China Telecom*	CHA	Telecomm Services	8.8%	16.0	1.6%	36%	53	54.2	9.9%
New Oriental Education	EDU	Educational Services	20.1%	32.0	0.0%	95%	49	86.1	22.7%
Mindray Medical*	MR	Medical Supplies (Devices)	16.2%	22.0	0.5%	81%	80	87.0	23.5%
Home Inns*	HMIN	Hotel	30.9%	28.0	0.0%	78%	50	73.6	41.3%

First Trust ISE Chindia (FNI) Holdings (December 31, 2011). This fund has achieved a +4.1% relative return (vs. Wilshire 5000) over the trailing five years. This exchange-traded fund tracks 50 equities from China and India.

FNI seeks to track the performance of the International Securities Exchange (ISE) ChIndia Index. Like ADRE, it's an emerging market fund and has exactly 50 holdings, but there are a few notable differences as well. First, it is more focused than ADRE including only companies domiciled in India or China having shares or ADRs listed on a U.S. stock exchange (as opposed to ADRs from all emerging markets).

Also, holdings are selected and weighted using a "liquidity score" based on market cap and three-month average daily trading volume in contrast with ADRE which uses only market cap. Twenty-five stocks from each country with the highest liquidity score are included in the index, unless less than 25 stocks are available for a country, then additional stocks from the other country are added until a total of 50 is reached. The top three ranked stocks from each country are weighted at 7% each (totaling 42% of the index). The next three are weighted at 4% each (totaling 24%) and then the next three at 2% each (totaling 12%). The remaining 32 stocks (22% of the index) are equally weighted.

FNI's overall quality rating is excellent at 69.1. The ETF's financial strength is a bit above ADRE's at 59.8%, although it's also depressed somewhat by the fact that many of its holdings just aren't given financial ratings by Value Line, Morningstar or S&P. Particularly attractive is FNI's 14.7% projected growth rate, which will tie with Fidelity Select Technology (FSPTX) for highest among Hoard holdings.

We continue to find the outsized expected returns presented by emerging markets enticing as shown Infosys Tech (INFY), a top holding in both FNI and ADRE, being chosen as Solomon's Select this month. Emerging market stocks, like those held by ADRE and FNI, are subject to significantly more volatility and political risk than those of US-based companies. We also continue to believe, however, that patient investors who are able to tolerate those factors will be rewarded so long as they keep a sharp eye on quality along with potential returns.



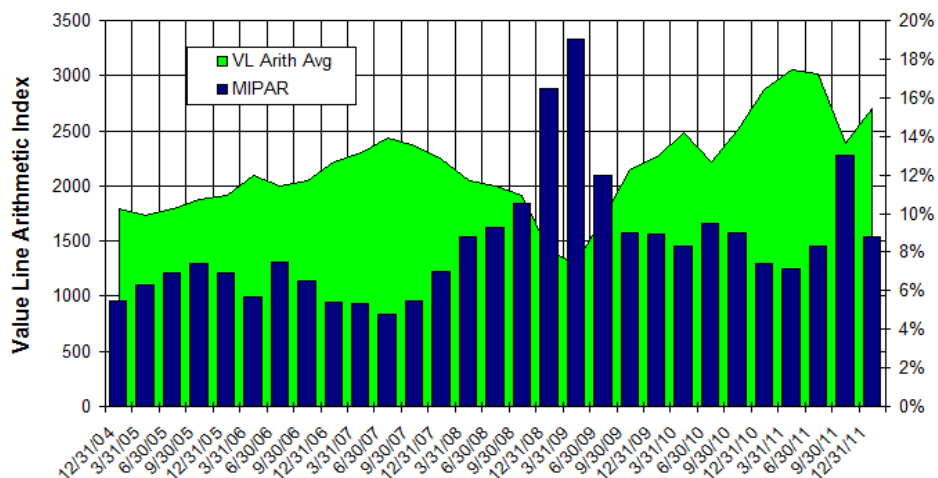
Maslow, Indeed: Information, Health, Education

This month features the top percentile of all stocks covered at MANIFEST on the basis of projected return and quality rating. We've further whittled the list using above-average sentiment based on the Motley Fools CAPS ledger of stocks.

Overall Market Expectations

The median projected annual return (MIPAR) for all 2400+ stocks followed by MANIFEST (Solomon database) is 8.9% (12/31/2011.) The multi-decade range for this indicator is estimated at 0-20%.

Overall Projected Annual Returns
Manifest Investing Median PAR (MIPAR)



January Study Opportunities

We generated this month's listing by simply hunting down companies with MANIFEST Ranks greater than 98.7 and Foolish CAPS consensus ratings of at least "4".

The results include legions of MANIFEST 40 denizens from Infosys Tech (INFY) to Quality Systems (QSII), Tin

Market Expectations (12/31/2011). The median projected annual return (MIPAR) for all 2500+ stocks followed by MANIFEST (Solomon database) is 8.9%. The multi-decade range for this indicator is estimated at 2-20%.

Cup selection Cisco Systems (CSCO) and long-standing favorites Stryker (SYK) and Walgreen (WAG). I'd mention Coach (COH) but I'm still confused by the males holding places in the take-a-number queue for their

spouses and friends. Ensign Group (ENSG) has been nudging me for a while now. Please feel free to share any shopping discoveries on the MANIFEST Forum. While shopping, make sure that needy Maslow is covered.



Company	Symbol	Industry	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Price	Quality	PAR
Infosys Tech	INFY	Software (Consulting)	15.4%	22.0	1.0%	100%	83	\$51.38	95.7	22.7%
Portfolio Recovery*	PRAA	Credit Services (R)	18.9%	13.0	0.0%	84%	84	\$67.52	90.0	22.2%
American Public Education*	APEI	Educational Services	21.4%	21.0	0.0%	95%	72	\$43.28	85.3	21.4%
Masimo	MASI	Medical Supplies	11.8%	25.0	0.0%	99%	97	\$18.68	83.8	20.8%
Quality Systems*	QSII	Healthcare Information	19.7%	25.0	1.8%	88%	79	\$36.99	81.7	19.2%
IPG Photonics*	IPGP	Electronics	18.8%	22.0	0.0%	84%	19	\$33.87	72.9	19.1%
Telkom Indonesia*	TLK	Telecomm Services	9.7%	14.0	4.0%	36%	81	\$30.74	76.8	18.8%
The Ensign Group*	ENSG	Medical Services	16.3%	12.0	0.8%	67%	94	\$24.50	78.6	18.6%
Syntel*	SYNT	Software (Consulting)	16.9%	16.0	0.5%	92%	69	\$46.77	90.3	18.4%
Cisco Systems	CSCO	Communications Equip	8.2%	17.0	1.4%	93%	80	\$18.08	80.6	17.8%
Walgreen	WAG	Pharmacy Services	6.8%	15.0	2.1%	95%	97	\$33.06	80.5	17.7%
Federated Investors	FII	Asset Management	7.3%	13.0	4.1%	75%	94	\$15.15	81.0	17.2%
QUALCOMM	QCOM	Communications Equip	14.2%	21.0	1.3%	94%	72	\$54.70	87.8	16.8%
Stryker	SYK	Medical Supplies (Orthopedic)	9.6%	17.0	0.8%	99%	97	\$49.71	89.8	16.3%
Paychex	PAYX	Software (Data Processing)	7.8%	25.0	2.7%	99%	94	\$30.11	90.2	15.7%
Coach	COH	Retail Special	12.3%	20.0	1.7%	91%	78	\$61.04	92.4	15.0%

Sweet 16 Screening Result for January 2012. **Growth:** Sales growth forecast. **Financial Strength:** Consensus financial strength based on survey. **P/E Avg:** Projected average annual price-to-earnings ratio in 3-5 years. **EPS Stability:** Annual EPS growth variations, including forecast years. * - Expanded Coverage. Note: Financial firms use Book Value and Return-on-Equity (ROE) instead of sales and net margin.



Tin Cup Model Portfolio

Accumulate Cisco Systems (CSCO)

Total assets are \$861,686 (12/31/11) and the net asset value is \$195.87. The model portfolio gained +1.23% during December 2011 (*Wilshire 5000 checked in at +0.26% for the month.*) Tin Cup has generated a +1.9% total return over the trailing five years vs. -0.3% for the total stock market.

A relative return of +2.2% over the last five years leaves us a little wanting. That said, it also feels like a port in a safe harbor during what has been ostensibly, a time of madness, greed and chaos.

And the fact that it's +3.4% over the last *ten years* makes it easier to celebrate the 5-year scoreboard.


Portfolio Characteristics

With MIPAR at 8.9%, our target for the minimum overall portfolio PAR is at least 13.9%. The overall portfolio PAR is 16.3% on 12/31/2011. Quality and financial strength are sufficient at the current levels of 81.0 (Excellent) and 91%. EPS Stability is 86 for the portfolio. Sales growth is acceptable at 11.3%.

Decisions

Participants in long-term qualified 401(k) plans get a raise in January 2012. Including the catch up provision, Tin Cup will now deploy \$1875 each month, up from \$1833.33 over the last couple of years.

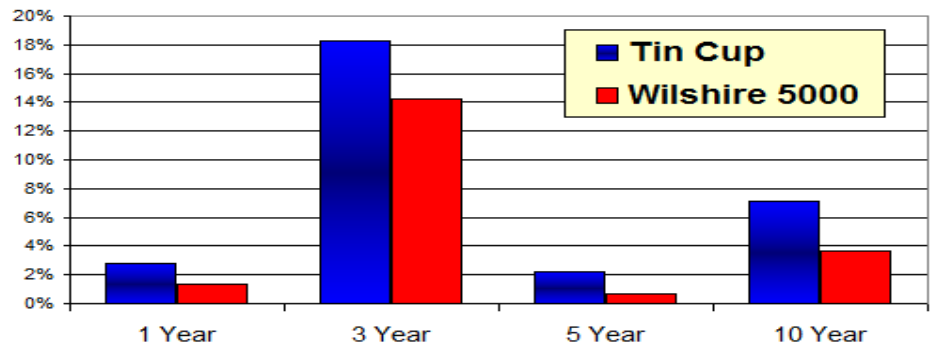
Our \$1875 is targeted at Cisco Systems (CSCO) and we accumulate shares based on the sweet spot PAR (17.8%) and suitable quality rating. At 6.9% of total assets, there's room for a little accumulation here.

The accompanying performance scorecards provide the 1- 3- 5- and 10-year track record as well as a look at a comparison of Tin Cup vs. the Wilshire 5000 and Value Line Arithmetic Average for 2005-2011. **All of these started in the same place** (\$10 about 16 years ago). Celebrate. 

Company	Symbol	Shares	Price	Value	% of Total	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qty	PAR
Bio-Reference Labs*	BRLI	2300.00	\$16.27	\$37,421.00	4.3%	17.4%	17.0	0.0%	92%	87	83.6	22.5%
Mercadolibre*	MELI	450.00	\$79.54	\$35,793.00	4.2%	30.8%	36.0	0.0%	88%	44	82.9	19.6%
Quality Systems*	QSI	1880.00	\$36.99	\$69,541.20	8.1%	19.7%	25.0	1.8%	88%	79	81.7	19.2%
Microsoft	MSFT	3350.00	\$25.96	\$86,966.00	10.1%	10.0%	12.0	2.5%	97%	88	77.8	19.1%
Cisco Systems	CSCO	3300.00	\$18.08	\$59,664.00	6.9%	8.2%	17.0	1.4%	93%	80	80.6	17.8%
Urban Outfitters	URBN	1750.00	\$27.56	\$48,230.00	5.6%	12.1%	20.0	0.0%	96%	71	91.9	17.2%
SolarWinds*	SWI	990.00	\$27.95	\$27,670.50	3.2%	22.8%	29.0	0.0%	97%	86	92.9	16.8%
Strayer Education	STRA	420.00	\$97.19	\$40,819.80	4.7%	5.9%	18.0	2.4%	66%	86	70.1	16.4%
Stryker	SYK	1540.00	\$49.71	\$76,553.40	8.9%	9.6%	17.0	0.8%	99%	97	89.8	16.3%
Linear Technology	LLTC	2200.00	\$30.03	\$66,066.00	7.7%	8.5%	16.0	2.3%	74%	75	73.1	16.2%
Coach	COH	1000.00	\$61.04	\$61,040.00	7.1%	12.3%	20.0	1.7%	91%	78	92.4	15.0%
Pepsi	PEP	900.00	\$66.35	\$59,715.00	6.9%	6.2%	18.0	1.9%	98%	98	75.9	14.9%
Abbott Labs	ABT	1400.00	\$56.23	\$78,722.00	9.1%	9.1%	13.0	2.3%	96%	99	79.1	13.3%
CVS Caremark	CVS	1650.00	\$40.78	\$67,287.00	7.8%	6.7%	15.3	1.5%	87%	96	79.1	12.7%
Medtronic	MDT	1200.00	\$38.25	\$45,900.00	5.3%	4.4%	13.0	2.0%	94%	99	79.1	10.5%
Cash				\$297.00	0.0%			0.0%				0.0%
Averages				\$861,685.90		11.3%	18.0	1.5%	91%	86	81.6	16.3%

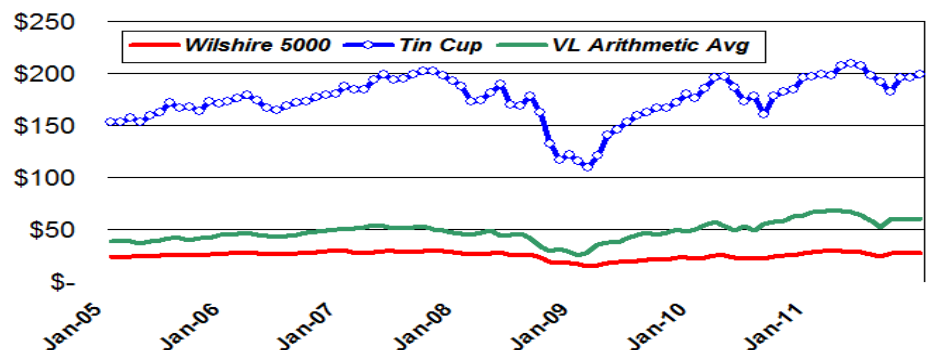
Tin Cup Dashboard: December 31, 2011. The holdings are ranked by PAR (last column on the right.) We accumulate Cisco Systems (CSCO) based on PAR, quality and %-of-total assets.

Annualized Returns (Through 1/6/2012)



Tin Cup: Track Record. The model portfolio has outperformed the Wilshire 5000 (VTSMX) over 1- 3- 5- and 10-year periods. Of course the one that matters most is the 10-year annualized total return of 7.1% during a period when the market advanced 3.7% per year. This relative return of +3.4% is the gasoline for a powerful long-term engine.

Benchmarking Tin Cup (2005-2011) Unit Value Performance vs. Market



Perspectives

MANIFEST 40: December 2011 Update

We've always believed that the collective decisions made by our community of long-term investors is worth huddling over ... a place where ideas are born.

Stryker (SYK) remains at the top of the leaderboard for another quarter. Apple (AAPL) has assumed the #2 slot and Abbott Labs (ABT) continued its strong advances.

Chargers


What companies are making the strongest gains among this consensus collection? This may be indicative of strong characteristics at the companies and warrant further study.

The companies making the largest advances (*by percent of dashboards*) since 9/30/2011 are: Cognizant Technology (CTSH), Bio-Reference Labs (BRLI) and Buffalo Wild Wings (BWLD).

Strongest Performers

The three top performers in the MANIFEST TOP 40 since inception -- based on annualized relative return are Cognizant Technology (+50.0%), Apple (+36.9%) and Quality Systems (+30.8%). \$100 invested in CTSH on 12/18/2008 is now worth \$402. \$100 invested in AAPL on 9/24/2009 is now worth \$230.

The results of \$100 positions invested in any of the Top 40 companies can be viewed at any time:

(<http://www.manifestinvesting.com/dashboards/public/manifest-40>) 

	MANIFEST 40 12/31/2011	Ticker	# Dashboards	Sales Growth	PAR	Quality Rating
1	Stryker (1)	SYK	2273	9.6%	15.1%	89.8
2	Apple (3)	AAPL	1882	14.5%	14.4%	83.5
3	Microsoft (2)	MSFT	1730	10.0%	17.5%	77.8
4	Abbott Labs (4)	ABT	1724	9.1%	13.3%	79.1
5	Teva Pharmaceutical (5)	TEVA	1637	8.5%	11.1%	70.8
6	AFLAC (7)	AFL	1613	9.7%	12.2%	73.6
7	Johnson & Johnson (6)	JNJ	1588	5.2%	12.0%	73.9
8	Walgreens (8)	WAG	1414	6.8%	16.8%	80.5
9	General Electric (9)	GE	1340	2.0%	7.3%	66.3
10	Cisco Systems (10)	CSCO	1314	8.2%	16.9%	80.6
10	PepsiCo (11)	PEP	1314	6.2%	15.1%	75.9
12	Bio-Reference Labs (15)	BRLI	1262	17.4%	21.4%	83.6
13	Cognizant Technology (19)	CTSH	1237	21.0%	20.1%	95.5
14	Fastenal (12)	FAST	1232	12.3%	3.9%	81.4
15	Quality Systems (16)	QSII	1209	19.7%	18.9%	81.7
16	Medtronic (13)	MDT	1177	4.4%	10.0%	79.1
17	Procter & Gamble (14)	PG	1174	5.6%	10.8%	86.5
18	Oracle Corp (17)	ORCL	1153	14.1%	23.8%	84.6
19	FactSet Research (18)	FDS	1079	11.8%	13.3%	88.6
20	Exxon Mobil (21)	XOM	1042	7.1%	10.7%	73.9
21	Coach (20)	COH	985	12.3%	14.6%	92.4
22	Intel Corp (22)	INTC	975	6.5%	14.2%	71.6
23	Buffalo Wild Wings (23)	BWLD	884	17.7%	12.0%	93.7
24	Google (24)	GOOG	853	18.9%	22.1%	80.1
25	Danaher (25)	DHR	794	11.6%	8.4%	90.0
26	Wal-Mart (27)	WMT	791	7.0%	12.1%	77.5
27	Pfizer (26)	PFE	758	1.9%	5.7%	54.2
28	Wells Fargo (30)	WFC	718	7.3%	14.2%	73.9
29	Lowe's (28)	LOW	714	7.2%	11.7%	65.1
30	Paychex (31)	PAYX	679	7.8%	15.0%	90.2
31	Strayer Education (29)	STRA	676	5.9%	14.1%	70.1
32	Infosys Tech (35)	INFY	653	15.4%	20.6%	95.7
32	AT&T (*)	T	653	1.6%	6.6%	60.8
34	Sysco Foods (33)	SYF	649	5.8%	12.5%	83.8
35	CVS Caremark (32)	CVS	646	6.7%	12.1%	79.1
36	McDonald's (36)	MCD	638	5.5%	7.1%	85.9
37	Gilead Sciences (34)	GILD	637	6.4%	10.5%	60.9
38	3M Company (39)	MMM	607	7.1%	10.7%	90.6
39	Home Depot (37)	HD	604	2.6%	3.8%	63.2
40	Fiserv (38)	FISV	583	5.2%	9.4%	70.3
	Averages			9.1%	13.1%	78.9

MANIFEST 40 (December 31, 2011). These are the most widely-followed stock by subscribers at Manifest Investing.

Contact Us

You may write us at Manifest Investing LLC, P.O. Box 81120, Rochester MI 48308. If you prefer e-mail, contact us at manifest@manifestinvesting.com. Every effort will be made to answer your questions individually. Your inquiries, comments and recommendations tell us what you want to see and we'll do our best to provide it.

(c) Manifest Investing LLC 2005-2012. All rights reserved. All efforts are made to use factual and timely sources believed to be reliable. No warranties whatsoever are implied. This publication and affiliated services represent an educational demonstration. **NO INVESTMENT RECOMMENDATION IS INTENDED.** Manifest Investing LLC has no affiliation with Value Line Publishing, Inc. but is a business partner with bivio.com and supports the educational efforts of volunteers and chapters of NAIC nationwide. Manifest Investing LLC staff may directly or indirectly hold shares in the companies or funds that are reviewed in this publication.

Web site: <http://www.manifestinvesting.com> ... **Follow us at** [facebook.com/manifestinvesting](https://www.facebook.com/manifestinvesting)