



12 to Finish '11

*Snapshots from a tumultuous
year in the markets*

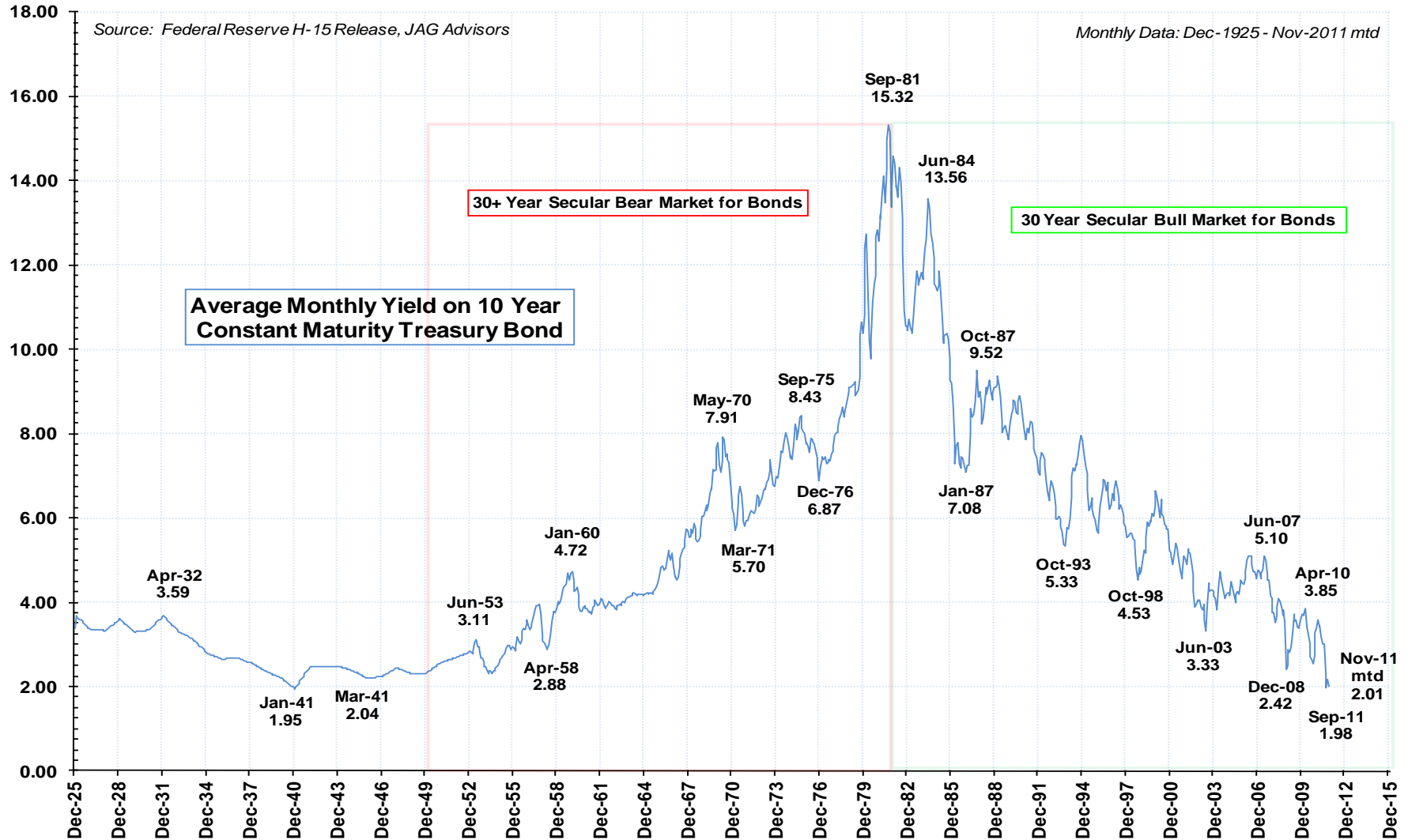
November 30, 2011

The information contained in this document is prepared for general circulation and is circulated for general information only. It does not address specific investment objectives, or the financial situation and the particular needs of any recipient. ***These materials do not contain, and are not intended to provide, information reasonably sufficient upon which to base an investment decision and should not be used for such purposes.*** Investors should seek financial advice regarding the appropriateness of investing in any securities discussed in this document. This document does not constitute an offer, or an invitation to make an offer, to buy or sell any securities discussed herein. J.A. Glynn & Co., its affiliates, directors, officers, employees, employee benefit programs and discretionary client accounts may have a long position in any securities listed herein. Past performance is not necessarily indicative of future performance.

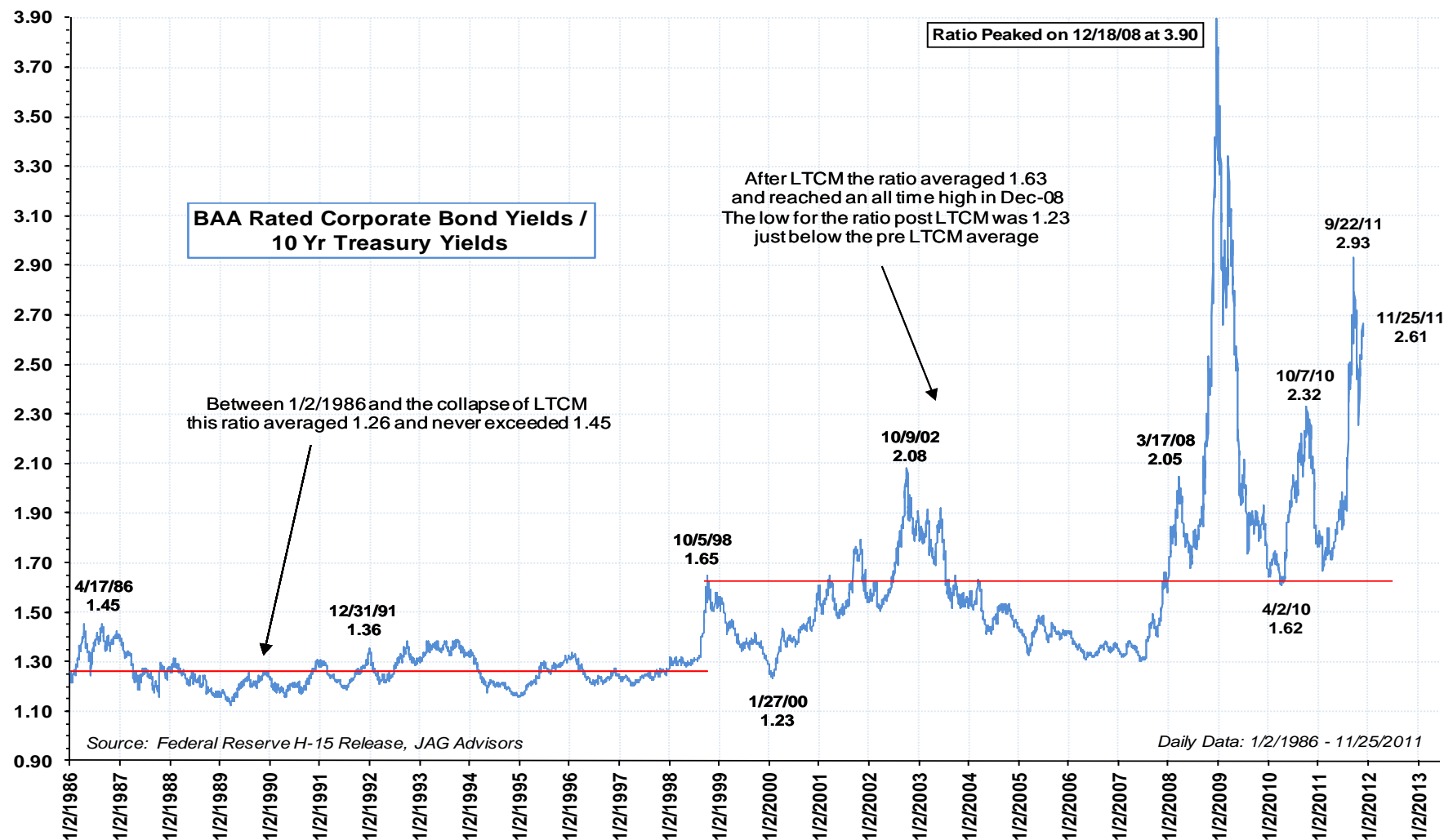
Opening Thoughts

- 2011 has been characterized by binary “Risk On, Risk Off” behavior (especially 3q).
- Ironically, the risk/reward outlook for “risk-free” assets has become unappealing (not enough reward to compensate for inflation risk).
- Meanwhile, U.S. economic metrics continue to show stubborn improvement.
- Although European/EU issues continue to hold sway, U.S. equity valuations are attractive.
- “Apathetic Malaise” is perhaps the best descriptor for current retail investor sentiment.
- However, investor attitudes are generally not reliable indicators indicative of future investment performance.

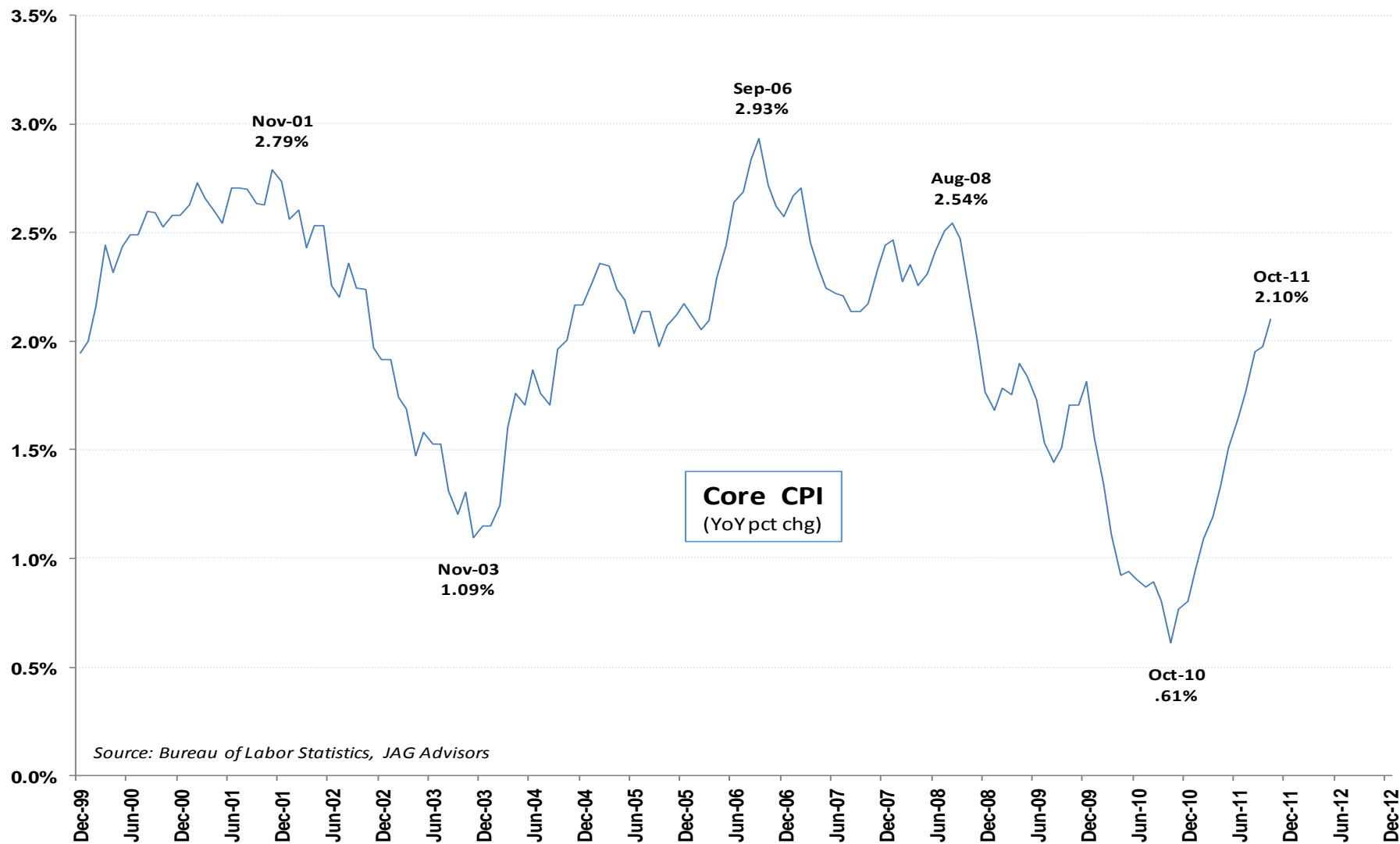
1. "Risk Off" Trade Collapsed Treasury Yields



2. "Risk Off:" BAA/10 Yr Ratio Spiked to 2009 Levels



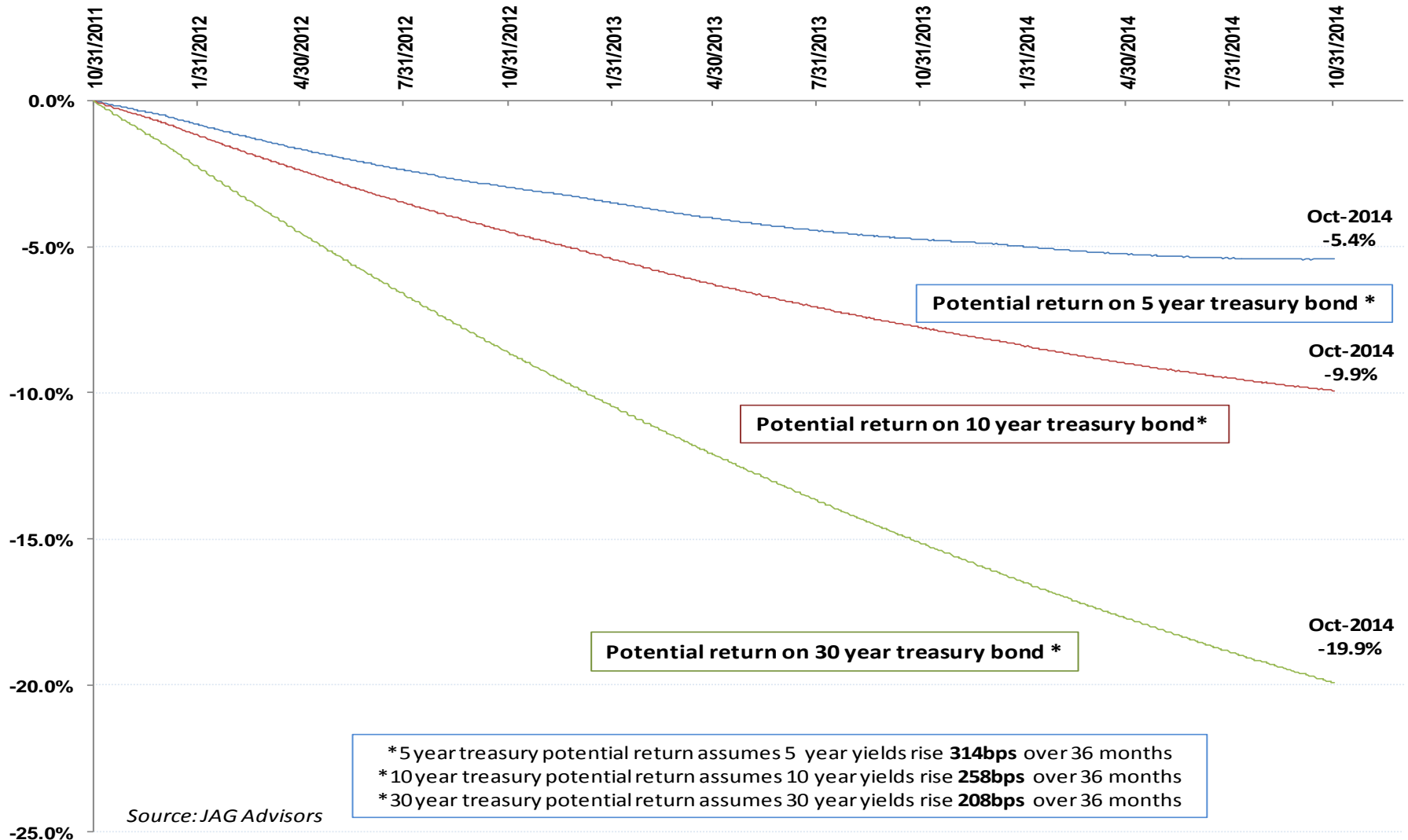
3. No Deflation... In fact, Core CPI Has Heated Up



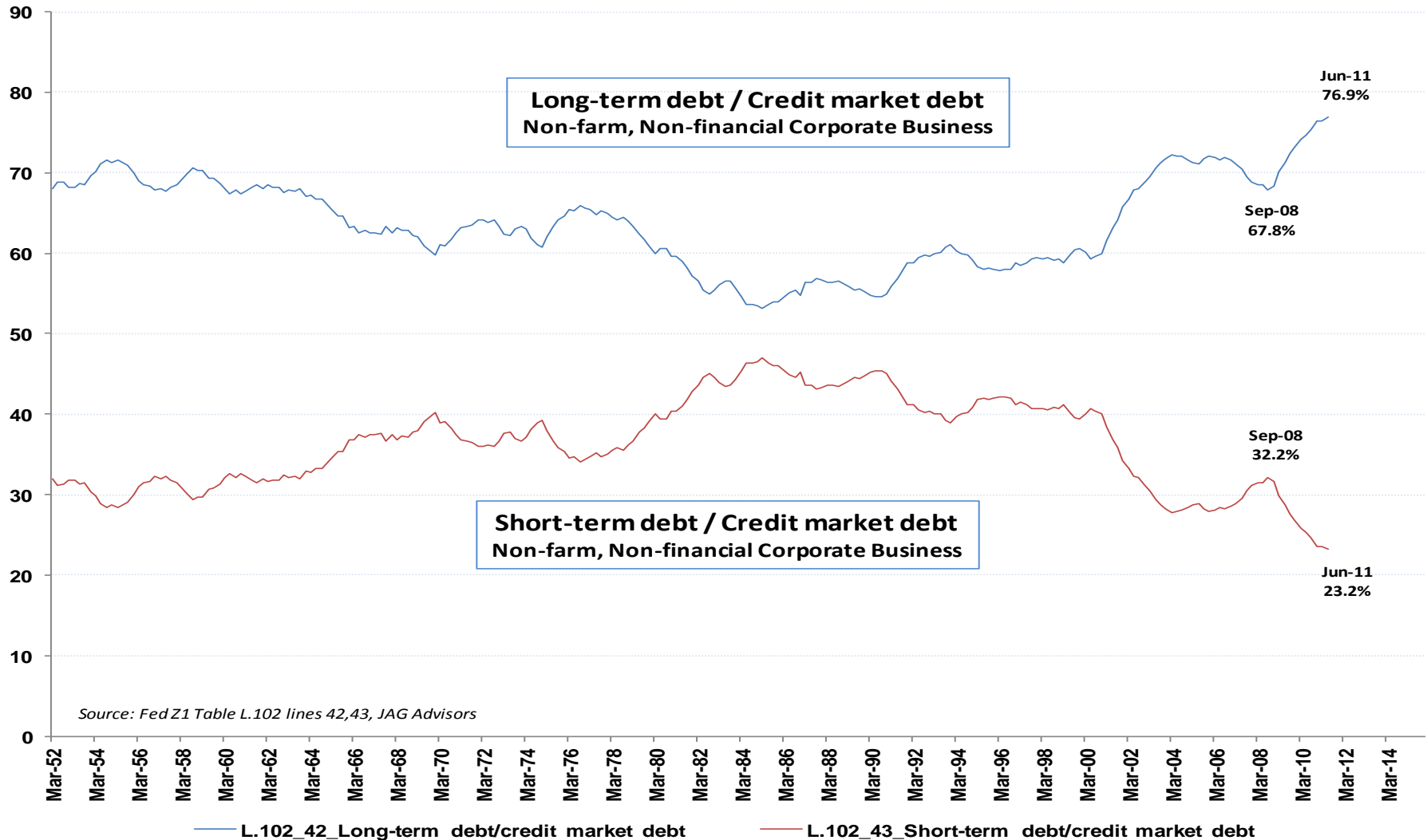
Average Yield Spreads to Core CPI For Treasuries

					Current	Difference
<i>Spread between core CPI and:</i>	Average	Median	Max	Min	10/31/2011	(current - average)
5 yr treasury	2.20	2.09	5.18	-1.07	-0.94	-3.14
10 yr treasury	2.74	2.62	5.21	0.00	0.16	-2.58
30 yr treasury	3.24	3.27	5.29	1.11	1.16	-2.08
<i>Summary statistics calculated for period between 10/31/1991 and 10/31/2011</i>						

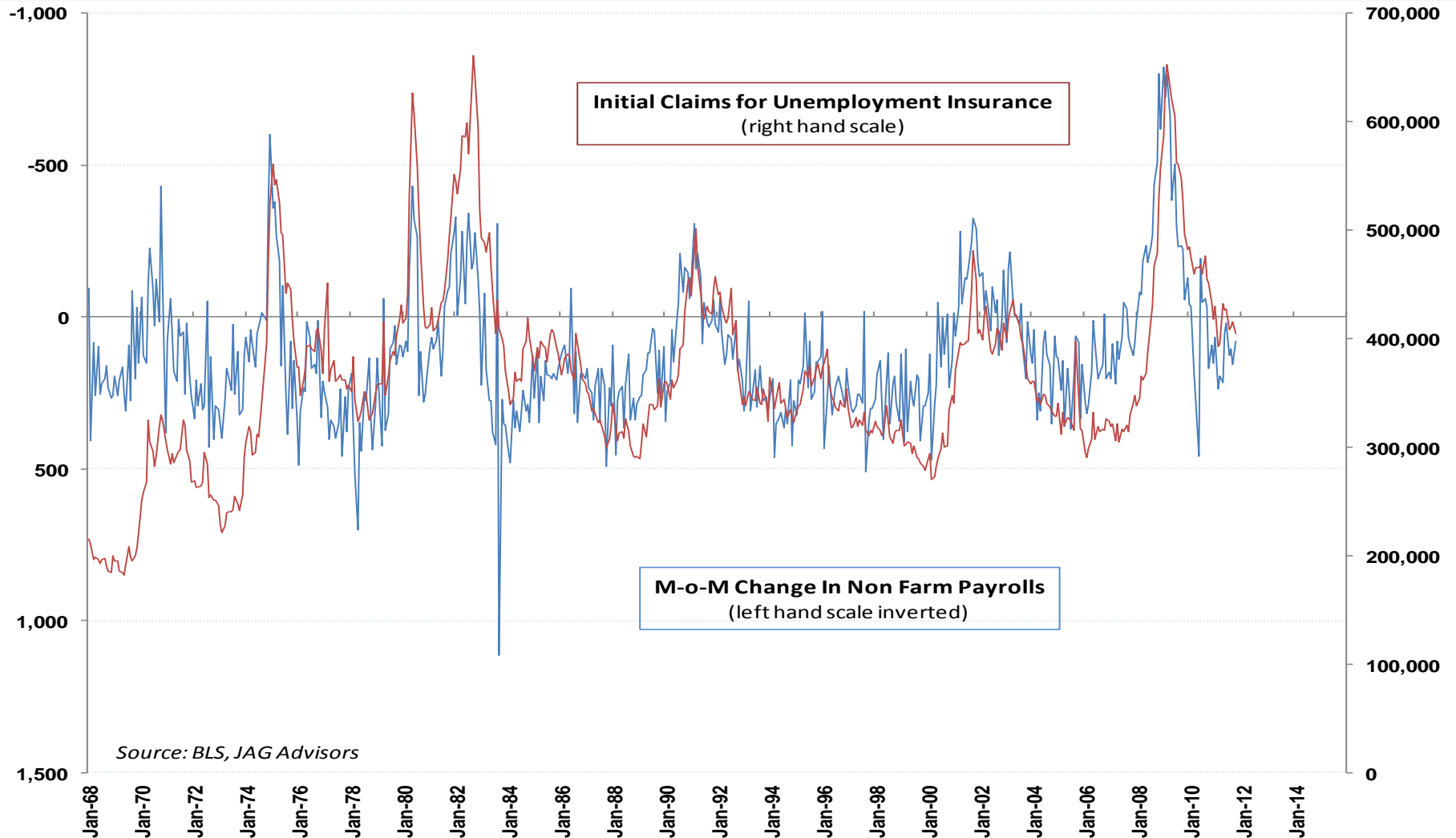
4. Drab 3-Year Return Potential for Treasuries



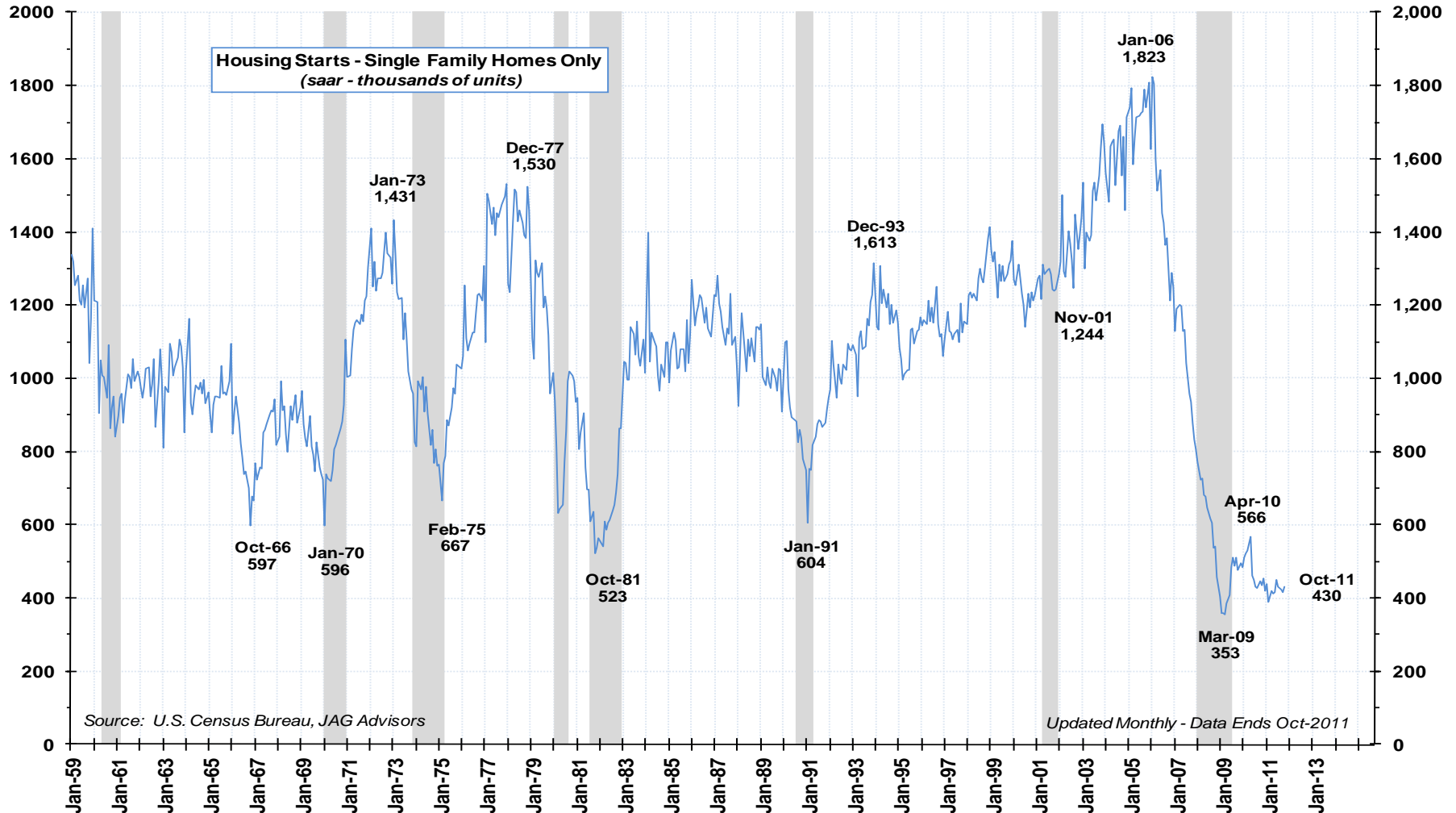
5. U.S. Corporate Balance Sheets Are Healthy



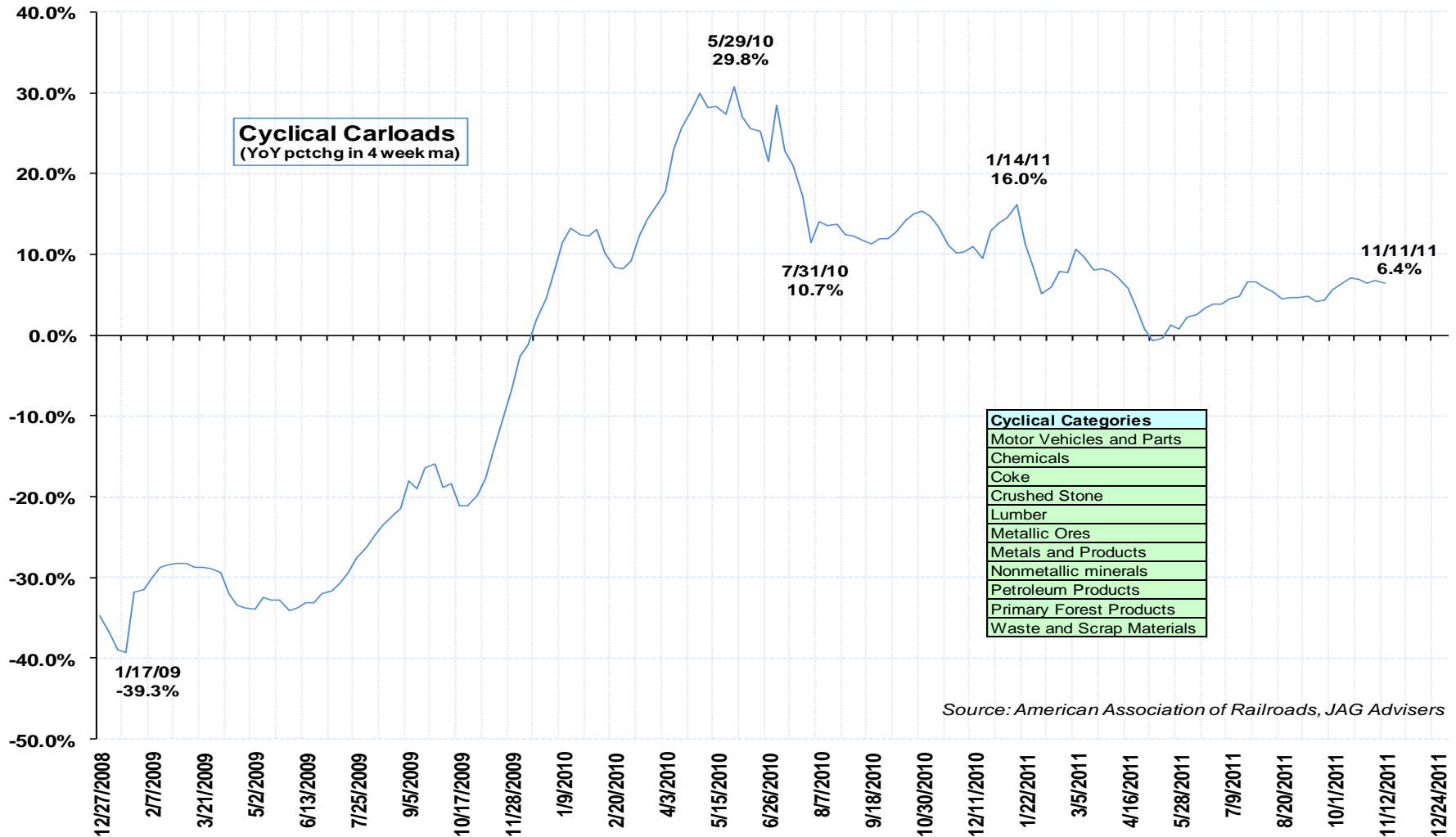
6. U.S. Jobs Picture Is (Slowly) Improving



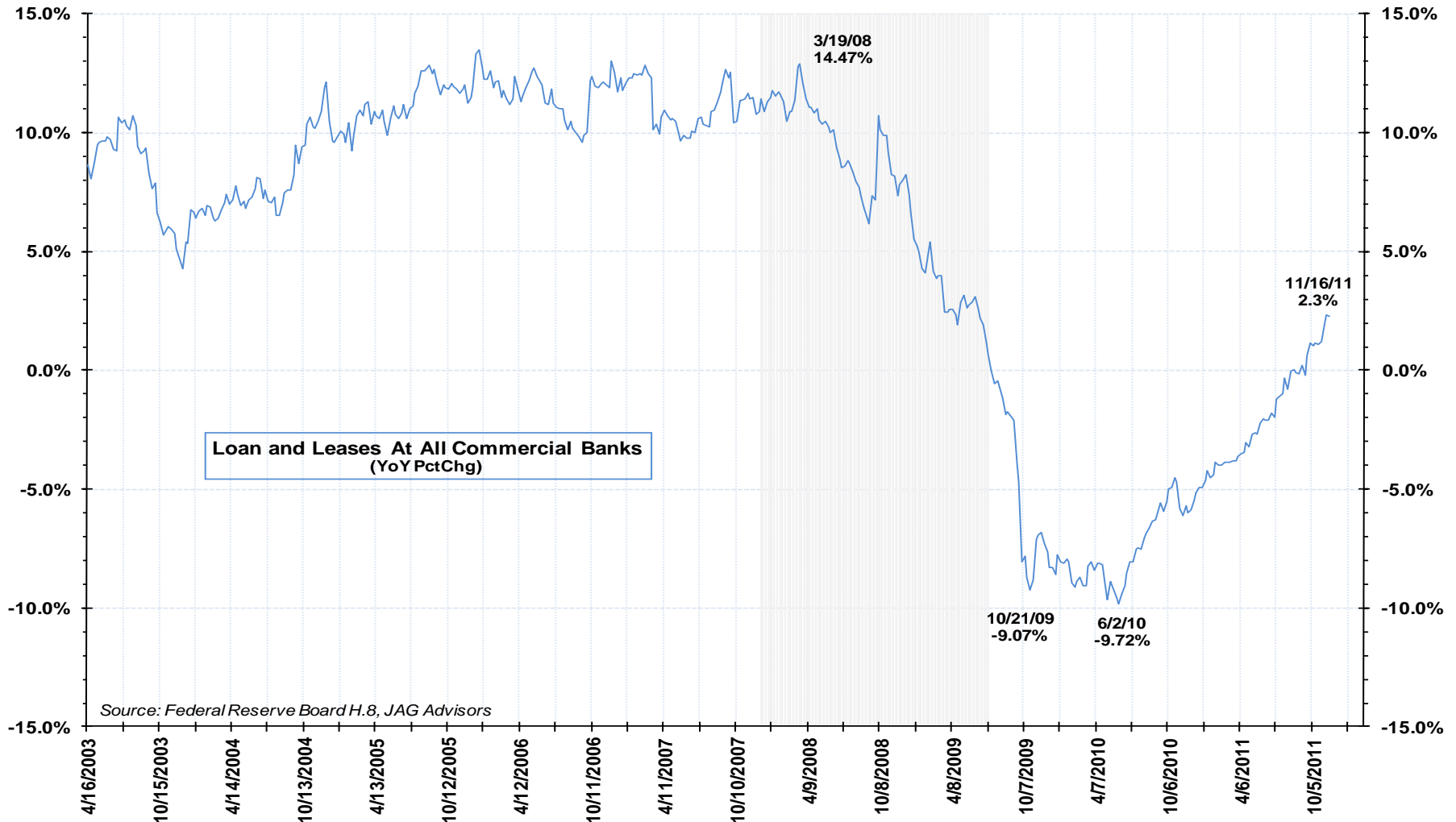
7. Ditto for U.S. Residential Real Estate



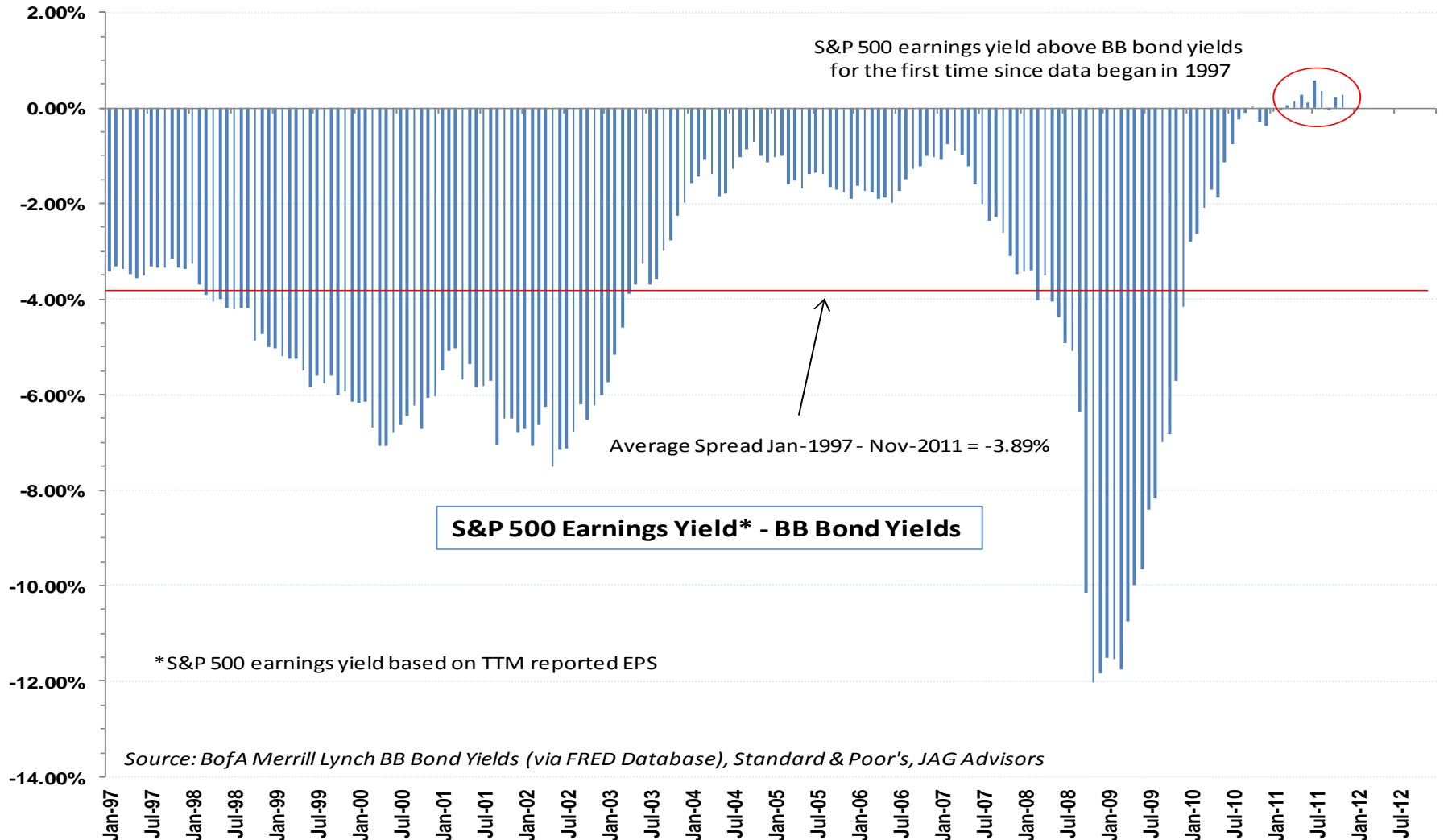
8. Cyclical Railcar Loadings Stubbornly Positive



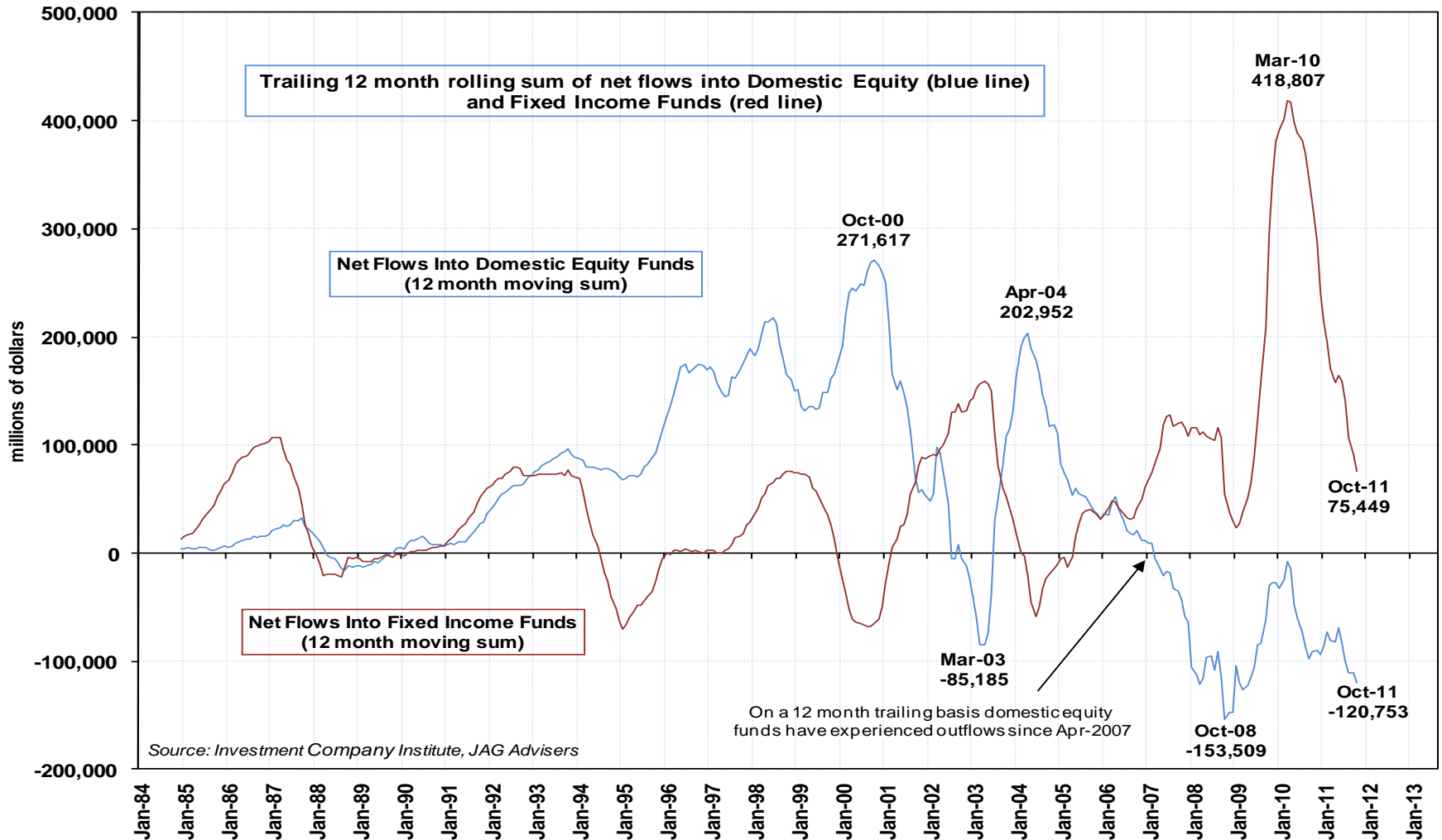
9. Banks Are (Starting To) Lend Again



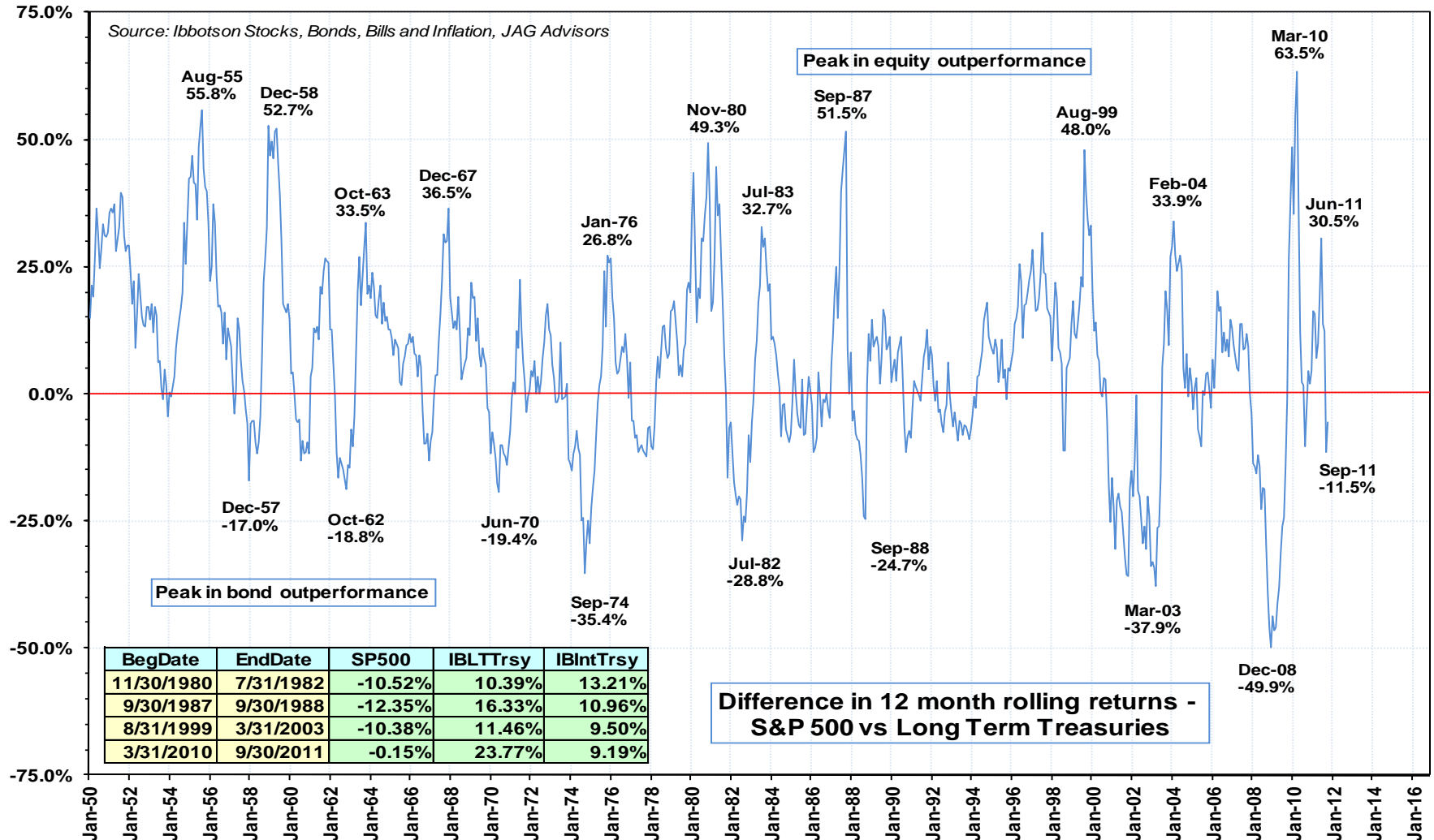
10. Equity Valuations Are Increasingly Attractive



11. Retail Investors Vote With the Sell Button



12. ... But Rear-View Investing Doesn't Pay Off



JAG Equity Themes for 2012

- Emphasize revenue growth ... i.e. companies that are growing top line – not just cutting costs.
- Keep a close eye on Financials... Sentiment is abysmal but valuations are very low and lending is coming back. Missing piece of the puzzle: Net Interest Margin.
- Accidental High Yielders... Find a place in portfolio for true growth companies that offer dividend yields in the 3% to 5% area.
- Mobile Internet Revolution is in 3rd Inning... Also known as Web 2.0, cloud computing.
- Innovative Health Care... Generic drug companies, selected biotechnology firms, medical devices should continue to work well in a reform-minded health care economy.
- Scarce Resources... A number of natural gas, chemicals, agriculture companies offer strong top-line growth, wide “moat” protection, and participation in the growth of emerging economies.

Disclosures

The information contained in this document is prepared for general circulation and is circulated for general information only. It does not address specific investment objectives, or the financial situation and the particular needs of any recipient. ***These materials do not contain, and are not intended to provide, information reasonably sufficient upon which to base an investment decision and should not be used for such purposes.*** Investors should seek financial advice regarding the appropriateness of investing in any securities discussed in this document. This document does not constitute an offer, or an invitation to make an offer, to buy or sell any securities discussed herein. J.A. Glynn & Co., its affiliates, directors, officers, employees, employee benefit programs and discretionary client accounts may have a long position in any securities listed herein. Past performance is not necessarily indicative of future performance.