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2006 Additions to Recommended List
All data as of January 18th, 2006

Sector	Symbol	Company	Description	Thesis	P/E	P/Sales	P/Book	Beta	Market Cap \$ Billion	Operating Margin	Projected Growth Rate	Forward P/E	PE/Growth Ratio	Stock Price 1/18/2006
Consumer Discretionary	APOL	Apollo Group A	Career oriented distance learning for working adults	Increasing technical requirements of US industry demand highly educated workforce	23.0	4.3	13.7	0.055	9.673	32%	20%	19.0	1.0	54.84
Consumer Discretionary	DV	DeVry	Technical education	IT employment bouncing back from recession, now exceeds 2000 levels	43.5	1.7	2.6	0.305	1.349	8%	17%	29.9	1.8	19.12
Consumer Discretionary	IACI	IAC/InterActiveCorp	Portfolio of internet brands including Ticketmaster, Lending Tree, Home Shopping Network	Consumer research and purchasing activities increasingly conducted online	20.0	1.3	1.0	1.548	9.300	5%	16%	21.9	1.3	29.12
Consumer Discretionary	WTW	Weight Watchers Inte	Weight loss services	Largest share of "growing" business	27.5	4.3	---	1.487	4.837	30%	12%	24.3	2.1	46.94
Energy	EOG	EOG Resources	Natural gas extraction, primarily in US	Low cost produce, distributor of natural gas in US	19.7	6.3	5.2	0.639	19.450	50%	8%	15.8	2.0	80.51
Energy	MDR	McDermott International	Offshore drilling and production facilities	Capital surging into exploration on back of high oil prices	17.0	1.8	---	1.641	3.458	8%	20%	24.6	1.2	48.87
Energy	TPP	TEPPCO Partners	Natural gas and oil pipelines in US	Profits from volume, not price of product shipped	22.3	0.3	2.1	0.109	2.687	3%	6%	21.8	3.8	38.41
Financials	BLK	Blackrock	Institutional fixed income money manager	Gaining share in rapidly growing pension assets	35.1	7.0	8.2	0.029	7.097	39%	14%	28.6	2.1	110.90
Financials	BAM	Brookfield Asset Management	Office properties, hydroelectric plants	Steady cash flows of power plants offsets volatility of office properties, supporting higher leverage	20.5	3.1	3.6	0.513	12.633	31%	18%	15.0	1.8	48.83
Financials	PGR	Progressive	Car Insurance	Low cost producer in direct to consumer sales	14.5	1.5	3.7	0.678	21.698	16%	10%	15.3	1.6	110.00
Health Care	ACL	Alcon	Eye care products, ophthalmology drugs, supplies and surgical devices	Aging boomers need more eye care, also growing demand worldwide, #1 in worldwide	47.7	10.4	18.7	0.321	40.820	32%	20%	37.0	1.8	133.55
Health Care	BMET	Biomet	Orthopedic surgical products and therapies	Aging population in US, Japan, requiring more bone care	24.1	4.8	6.0	-0.060	9.238	32%	16%	21.6	1.4	37.09
Health Care	GILD	Gilead Sciences	Therapeutics for infectious diseases including influenza, HIV/AIDS	High cash flow supports R+D efforts, solid pipeline	42.5	15.0	10.3	0.900	26.834	52%	22%	36.2	1.6	58.60
Health Care	TMO	Thermo Electron	Drug discovery and process control	Better, faster, cheaper	23.1	2.1	1.9	1.236	5.200	11%	14%	21.0	1.5	32.05
Health Care	WAT	Waters	Analytical instruments for drug discovery, food and environmental safety	Better, faster, cheaper	23.3	3.7	12.0	1.099	4.250	25%	14%	20.1	1.5	38.40
Industrials	DHR	Danaher	Instrumentation products	Expanding sales, margins in 6 niche markets	20.9	2.2	3.4	0.786	17.063	16%	15%	20.1	1.4	55.38
Industrials	RX	IMS Health	Sales territory management software for pharmaceuticals industry	Helps drug companies maintain edge in increasingly competitive pharmaceutical markets	22.2	3.4	14.3	0.744	5.906	26%	12%	19.3	1.7	25.49
Industrials	MSM	MSC Industrial Direct Co	Maintenance, Repair and Operations products	Consolidation in industry as purchasers prefer to work with larger suppliers who can provide soup to nuts solutions.	27.4	2.7	5.5	1.250	2.934	17%	19%	22.7	1.2	44.06
Industrials	PAYX	Paychex	Payroll outsourcing	High market share, expanding market, profits from interest earned on customer deposits	36.3	9.5	9.8	0.935	14.322	39%	16%	31.2	2.0	37.79
Industrials	PBI	Pitney Bowes	Postage meters	Dominant in US, expanding overseas, taking advantage of cross selling opportunities	19.9	1.9	7.3	0.772	10.014	21%	7%	16.3	2.2	43.90
Industrials	PQE	Proquest	Management products to optimize car dealer sales, performance, part inventory	Helps car dealer maintain edge in increasingly competitive automobile markets	15.1	1.5	2.5	0.776	0.835	20%	12%	15.6	1.4	27.95
Industrials	SEE	Sealed Air	Cost effective packaging solutions	Internet sales driving increased use of packaging materials	24.1	1.1	3.2	1.693	4.413	13%	12%	20.4	1.8	54.22
Industrials	SRCL	Stericycle	Medical waste disposal	Low cost provider of medical waste disposal, high barriers to entry	30.1	4.4	4.8	-0.195	2.536	29%	18%	27.6	1.6	57.47
Information Technology	APH	Amphenol	Electronic, fiber optic and flat ribbon cables	Application specific products command higher margins, general industrial expansion	20.9	2.4	6.4	1.925	4.043	19%	18%	20.0	1.1	45.49
Information Technology	INTU	Intuit	Personal and small business tax preparation software	Dominates personal, small business tax prep segments, allows for add-on sales such as credit cards, payroll services	27.6	4.5	6.2	0.734	9.293	24%	15%	22.4	1.5	52.52
Information Technology	TEK	Tektronix	Electronics and Networking test equipment	Networking test market growing rapidly with cell phone generational roll-outs	47.7	2.5	2.6	1.284	2.508	12%	13%	25.1	2.0	30.07
Information Technology	ZBRA	Zebra Technologies	Bar-coding and RFID (radio frequency ID chips)	Largest share of bar-code business giving leg-up in new RFID business	28.3	4.5	3.9	1.487	3.161	24%	16%	29.0	1.8	44.93
Average					26.8	4.0	6.3	0.84	9.465	23%	15%	23.0	1.7	
S&P 500					21.9	3.0	4.2	1.00	22.516	21%	10%	15.0	1.4	1,277.93