Non Domestic Revenue Trends and Stock Performance for Flyer Fund Stocks 2005-2011

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Non Domestic Revenue Trends And Stock Performance for Flyer Fund Stocks

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Study Purpose:
The purpose is two fold: 1) To examine revenue growth and revenue share patterns for Flyer Fund Stocks in overseas markets over the period 2005-2011, 2) To determine if Flyer Fund stock performance is correlated with non domestic revenue trends.

Research Approach:

Data Requirements
• Revenue and revenue growth for 55 stocks between 2005-2011
• Non Domestic revenues and revenue growth for 55 stocks between 2005-2011
• Non Domestics revenue share for 55 stocks between 2005-2011
• Sector revenue and sector revenue growth between 2005-2011

Model Specification:

Key Factors
• FRG_i / Rg_i > 1
• Rg_i / Sg_i > 1
• FRG_i / Sg_i > 1
• FRShGi / SRShi > 1

Data Analysis:
Analysis of Returns 2005 - 2011
• Performance of Stocks where FRG_i / Rg_i > 1
• Performance of Stocks where Rg_i / Sg_i > 1
• Performance of Stocks where FRG_i / Sg_i > 1
• Performance of Stocks where FRShGi / SRShi > 1

Conclusion:
Based on the four factor model, companies that are growing their revenue share in foreign nations have outperformed the market significantly over a multi-year period.

Performance Results

<table>
<thead>
<tr>
<th>Criteria</th>
<th># of stocks with a ratio &gt;1</th>
<th>% of Fund</th>
<th>5yr Compound Growth Rate</th>
<th>S&amp;P 500 Compound Growth Rate</th>
<th>Excess Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRG_i / Rg_i</td>
<td>40</td>
<td>72.7%</td>
<td>6.38%</td>
<td>0.15%</td>
<td>6.23%</td>
</tr>
<tr>
<td>Rg_i / Sg_i</td>
<td>29</td>
<td>52.7%</td>
<td>7.11%</td>
<td>0.15%</td>
<td>6.96%</td>
</tr>
<tr>
<td>FRG_i / Sg_i</td>
<td>34</td>
<td>61.8%</td>
<td>6.28%</td>
<td>0.15%</td>
<td>6.13%</td>
</tr>
<tr>
<td>FRShGi / SRShi</td>
<td>25</td>
<td>45.5%</td>
<td>6.59%</td>
<td>0.15%</td>
<td>6.44%</td>
</tr>
<tr>
<td>All Four Criteria</td>
<td>17</td>
<td>30.9%</td>
<td>11.47%</td>
<td>0.15%</td>
<td>11.32%</td>
</tr>
</tbody>
</table>

Ticker Company Name % Price Change 5 Years 2011 % Change YTD % Change
AAPL APPLE 35.02% 25.89% 44.59%
ABT ABBOTT LABORATORIES 3.97% 17.59% 5.67%
AMD ADVANCED MICRO DEVC -23.19% -36.25% 51.85%
AME AMETEK 15.73% 6.15% 15.56%
CAT CATERPILLAR 10.15% -3.77% 25.36%
EBAY EBAY -8.43% 5.75% 24.27%
FLS FLOWSERVE 24.69% -17.43% 17.97%
HAL HALLIBURTON 5.68% -15.31% 0.09%
ICE INTERCONTINENTALEXCHANGE 26.80% 1.17% 15.30%
JLL JONES LANG LASALLE 10.76% -29.87% 42.15%
MMM 3M COMPANY 2.17% -5.83% 9.58%
NE NOBLE 0.28% -15.21% 36.50%
ORCL ORACLE 20.72% -18.88% 15.95%
Pep PEP 2.03% 0.91% -2.83%
PG PROCTER & GAMBLE 2.14% 3.00% 0.81%
QCOM QUALCOMM 2.81% 9.01% 19.58%
XOM EXXON MOBIL 5.42% 13.70% 1.98%

Results for Screener 11.47% 2.37% 23.58%
SPX S&P 500 0.15% -1.12% 11.65%
Excess Return 11.32% 3.49% 11.92%