



**WELCOME** to Integre Wealth Management’s inaugural Quarterly Portfolio Update newsletter. As true wealth managers to our clients, we value an integrated and comprehensive approach to managing our client’s complex financial lives. One part of that comprehensive approach is our unique position as your investment manager. We believe that you deserve advocates who are informed, experienced, and attentive to the financial markets.

This newsletter is one way we will keep you up-to-date on the financial markets and specifically on what we are doing to position our clients in order to both protect their hard-earned wealth and benefit from tactical opportunities in the marketplace.

Q1 2010 Benchmark Returns	1Q 2010
S&P 500	4.87%
MSCI EAFE	0.87%
Barclays Capital Intermediate Government	1.12%
DJ UBS Commodity Index	-5.03%
DJ US Select Dividend Index	5.94%
Russell 2000 Index	8.85%

Below you will find information on recent Q1 2010 investment purchases and sales. Please be aware that not all purchases and sales are executed for all clients. Investment decisions are made taking into account each client’s risk profile, cash availability, and asset allocation. As always, we welcome your comments and questions. Please do not hesitate to call or send us an e-mail with your thoughts.

### *Purchases*

#### **MERGERS AND SPIN-OFFS**

In a recovering economy, stronger companies will take the opportunity to grow through acquisition, or weaker companies may sell off profitable businesses. We identified one probable candidate for take-over, the security alarm company Brinks and one split-off.

Brinks’ (CFL) – Was acquired by Tyco International Ltd CFL on 1/18/10. The position was sold to lock in profits.

Mead Johnson (MJN) – Was split off from Bristol-Myers Squibb in 2009 and is the leader in its niche, pediatric nutrition.

#### **PENT-UP DEMAND FOR TECHNOLOGY**

Cisco (CSCO) – The leading supplier of internet networking equipment. The gradually improving economy will increase network product demand and the company is well situated to capture sales opportunities that were postponed during the recession. It is also well position in multiple advanced technology areas, including cloud computing and smart grid.

#### **CLOUD COMPUTING**

There is a paradigm shift happening from client-server computing to “cloud” computing, or delivering web-based single points of access for all consumers’ computing needs.

Riverbed Technology (RVBD) – The head of the class in wide area data services and is well positioned to benefit from the shift to cloud computing.

## RESURGENCE OF INFLATION

The tremendous stimulus enacted in the past year may fuel inflationary pressures. The exchange-traded fund GLD offers a way for investors to hold gold without taking physical delivery.

## DIVIDEND PLAYS

Out of the financial chaos of 2008, emerge strong, smaller financial companies with solid dividends that average above the S&P 500 dividend yield. Other high quality companies began raising dividends. We identified several opportunities in this theme.

First Niagara Financial Group (FNFG) – A New York-based savings and loan. It is growing by acquisition and also has a very attractive dividend, yielding 3.84%.

Prosperity Bancshares (PRSP) – A Texas-based regional financial holding company.

Sara Lee (SLE) – After a long period of underperformance, relative strength just turned positive and it has a very attractive dividend, yielding 3.081%.

Nike (NKE) – Has a strong balance sheet and very broad geographical exposure which positions it well for international growth opportunities. Nike more than doubled its quarterly dividend while also repurchasing around 3.6 billion of its shares over the past 3 years.

## *Sales*

## PROTECT PROFITS

Alcoa (AA) – This stock was purchased early in the recovery. After a disappointing 4Q 2009 earnings release in early January, we locked in an excellent profit.

Petrobras (PBR) – This Brazilian energy company was purchased early in the global recovery. After the Brazilian market staged a big rally and the stock faltered, we locked in profits.

## CULL UNDERPERFORMING STOCKS

Exxon (XOM) – Exxon Mobil was removed from our portfolios due to technical weakness and stock underperformance, especially relative to other companies in its industry. Since the March 2009 lows, the S&P 500 is up 72.86%, BP is up 57.74%, CVX is up 30.11%, while Exxon is up a woeful 3.73%.<sup>1</sup> Also notable is that we've seen crude oil prices rise 141.69% since their lows at the beginning of 2009.<sup>2</sup>

<sup>1</sup> Based on closing price on 3/09/09 and 3/31/2010

<sup>2</sup> Based on closing price on 1/02/09 and 3/26/2010

Source US EIA: <http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WTOTUSA&f=W>

## DISCLOSURES

The S&P 500 is an unmanaged index of 500 widely held stocks. The MSCI EAFE (Europe, Australia, Far East) index is an unmanaged index that is generally considered representative of the international stock market. These international securities involve additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. Barclays Capital Government Index is a market value weighted index of U.S. government and government agency securities (other than mortgage securities) with maturities of one year or more. Dow Jones UBS Commodity Index is composed of futures contracts on 19 physical commodities (including precious metals, energy and livestock) traded on US exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The index serves as a diversified and highly liquid benchmark for the commodity futures market.<sup>2</sup> The Dow Jones Select Dividend Indexes SM are relatively narrow-based measures, with each containing between 15 and 100 stocks depending on the size of the market. The indexes are expressly designed to track the top dividend-paying companies, and stocks are selected to the indexes based on rankings by dividend yield. A high dividend yield alone, however, does not provide for a stock's selection. The Russell 2000 index is an unmanaged index of small cap securities, which generally involve greater risks.

The price of gold has been subject to dramatic price movements over short periods of time and may be affected by elements such as currency devaluations or revaluations, economic conditions within an individual country, trade imbalances, or trade or currency restrictions between countries. As a result, the market prices of securities of companies mining or processing gold may also be affected.

Investing in small cap stocks generally involves greater risks so an investment in the fund may not be appropriate for everyone.

Relative Strength is a measure of price trend that indicates how a stock is performing relative to other stocks in its industry.

Companies engaged in business related to the technology sector are subject to fierce competition and their products and services may be subject to rapid obsolescence.

International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

Dividends are not guaranteed and will fluctuate. There is no assurance the fund will achieve this dividend income goal.

Past performance does not guarantee future results. There is no assurance these trends will continue. The market value of securities fluctuates and you may incur a profit or a loss. This analysis does not include transaction costs and tax considerations. If included these costs would reduce an investor's return.

Opinions expressed are those of Mary S. Brooks, CFP® and are not necessarily those of Raymond James. All opinions are as of this date and are subject to change without notice.