SPADE INVESTOR



April 2008

Defense * Homeland Security * Space

www.spadeindex.com

Vol 3 #4 ISSN: 1930-4781

Inside this issue...

The Ten Most Asked Questions 1,3,4
Historical Defense Spending 2
Month and YTD Leaders/Laggards 2
Top DHS Contractors 3
Performance Spreadsheet 4

On the road...

Scott Sacknoff, SPADE Defense Index manager will be in Colorado Springs at the National Space Symposium on April 8-10.

For the Farnborough Air Show, we'll be in the UK from July 7-16, 2008 - contact us at +1(202) 349-3917 / info@spadeindex.com if you'd like to arrange a meeting.

SPADE Defense Index March 2008 Rebalance

In late March, the ISBC performed our scheduled quarterly review of the SPADE Defense

The following companies were removed as they no longer met the rules governing the index:

Force Protection (NASDAQ: FPRT)

KVH Industries (NASDAQ: KVHI)

Herley Industries (NASDAQ: HRLY)

The SPADE Defense Index currently has 56 [fifty-six] constituents.

SPADE Defense Index Statistics

 3/31/08 Close:
 2224.86

 All-time Close:
 2747.67

 Date of all-time close:
 9 October 2007

	SPADE Defense	S&P500			
March	[2.47%]	[0.60%]			
Year to Date	[13.53%]	[9.91%]			

10-Year performance data of the Index is now available. Annual and quarterly results can also be found on page 3

Commentary: First Quarter Review

The past three months have seen several newsworthy items of importance to the defense sector which were covered by the media and then which quickly faded from discussion. Even in the heat of a political campaign season, the release of the defense budget was greeted by politicians, who then quickly moved onto another topic. This is either an indication that they may all be in quiet agreement on the importance of defense or the realization that you cannot advocate reducing the defense budget and expect to win an election.

The Ten Most Asked Questions by Investors (in no particular order)

- 1. The FY-09 Defense Budget was released in February, were there any surprises? Will the budget continue to grow?
- 2. Won't supplement spending decline with a pullback from Iraq?
- 3. Can the industry still grow after a pullback from Iraq?
- 4. Will there be a peace dividend following Iraq?

- 5. What effect will the 2008 Presidential election have on the sector?
- 6. Why have there been negative returns by the sector since November?
- 7. Are investors staying the course?
- 8. What is the impact of a foreign (non-U.S.) defense contractor winning a major development contract?
- 9. Was the 17% rise in China's defense budget a surprise? How can investor's participate?
- 10. What areas of the defense sector are in favor at the moment? What are the hot areas for defense RDT&E investment?

Answers

1. The FY-09 Defense Budget was released in February, were there any surprises? Will the budget continue to grow?

The chart below comes from the Department of Defense's Green Book. The FY-09 budget is a record high for a single year excluding inflation. If

continued on page 3

Department of Defense FY-09 Discretionary Budget Authority (\$ billions)

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Military Personnel	\$117.5	\$125.2	\$128.6	\$133.9	\$139.0	\$143.8
Operations & Maintenance	1 \$221 / 1 \$1/98 1 \$		\$181.5	\$181.5 \$187.2		\$197.2
Procurement	\$126.1	\$104.2	\$113.3	\$117.8	\$122.5	\$125.1
RDT&E	\$76.5	\$79.6	\$77.0	\$72.4	\$71.1	\$68.6
Military Construction	\$17.8	\$21.2	\$17.8	\$14.5	\$11.5	\$10.2
Family Housing	\$2.9	\$3.2	\$2.7	\$2.1	\$2.0	\$1.8
Working Capital Funds	\$3.7	\$2.2	\$3.0	\$2.4	\$2.8	\$2.1
Total Budget Authority	\$566.2 B	\$515.4 B	\$523.8 B	\$530.3 B	\$539.1 B	\$548.9 B

Budgets from FY09 to FY13 do not include supplemental spending

Between FY09 - FY13

Core Procurement to rise \$20.9 billion Core O&M to rise \$17.4 billion RDT&E to decline by \$8.4 billion

source: FY09 Green Book

	March 2008 Top Gainers							
=	•							
1	Orbital Sciences	11.32%						
2	L-1 Identity	11.20%						
3	Cubic Corp	11.18%						
4	OSI Systems	8.84%						
5	Stanley	6.39%						
6	Teledyne Tech.	5.86%						
7	FLIR Systems	5.62%						
8	AAR Corp	5.33%						
9	Argon ST	4.68%						
10	Trimble Navigation	4.33%						

	March 2008 Laggards							
1	Force Protection	[51.09%]						
2	SI International	[22.87%]						
3	URS Corporation	[18.84%]						
4	TASER	[16.59%]						
5	GeoEye	[13.97%]						
6	Herley Industries	[13.76%]						
7	Mercury Computer	[12.32%]						
8	Boeing	[10.17%]						
9	Oshkosk Truck	[9.46%]						
10	Garmin	[8.01%]						

YTD Top Gainers						
DRS Technologies	7.39%					
	6.44%					
Mantech	3.51%					
L-3 Communications	3.21%					
Ball Corp	2.09%					
CACI	1.74%					
MTC TEchnologies	1.19%					
Northrop Grumman	[1.06%]					
Orbital Sciences	[1.71%]					
Esterline Tech.	[2.67%]					
	DRS Technologies Raytheon Mantech L-3 Communications Ball Corp CACI MTC TEchnologies Northrop Grumman Orbital Sciences					

ı			
	1	Mercury Computer	[65.11%]
	2	Force Protection	[57.05%]
	3	Garmin	[44.32%]
	4	URS Corporation	[39.83%]
	5	DynCorp	[37.95%]
	6	ViaSat	[36.92%]
	7	TASER	[34.68%]
	8	Ceradyne	[31.90%]
	9	Triumph Group	[30.87%]
	10	SI International	[30.14%]

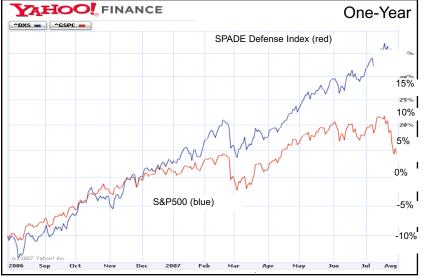
YTD Laggards

Index and Industry Statistics

ETF Statistics (AMEX: PPA)

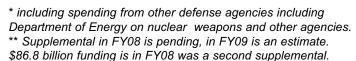
ershares Aerospace & Defense	
ange / Ticker Symbol:	AMEX / PPA
	60 basis
ts (3/31/08)	\$243 M
ng Price (3/31/08)	\$19.56
h 08 Volume	2,315,400
	ershares Aerospace & Defense ange / Ticker Symbol: ts (3/31/08) ng Price (3/31/08) h 08 Volume

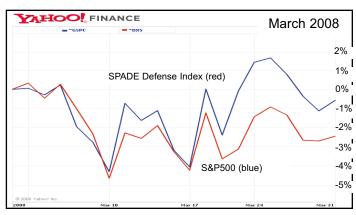




Historical U.S. Defense Spending (\$ billions)

	DoD Budget*	Wartime Suppleme ntals	Wartime bridge funding	TOTAL
FY2002	\$344.8	\$17.3		\$362.1
FY2003	\$382.7	\$72.6		\$455.3
FY2004	\$400.5	\$65.3		\$465.8
FY2005	\$420.0	\$75.9	\$25.0	\$520.9
FY2006	\$441.5	\$65.8	\$50.0	\$557.3
FY2007	\$462.8	\$93.4	\$70.0	\$626.2
FY2008	\$506.9	\$102.5 **	\$86.8	\$696.2
FY2009 (Request)	\$535.7	\$100.0 **	\$70.0	\$705.7





charts created on Yahoo! Finance

Legal & Disclaimers

© 2008 ISBC -- SPADE & the SPADE Defense Index are registered trademarks of the ISBC. The ISBC is the owner of the trademark, service marks, and copyrights related to its indices.

This newsletter does not constitute an offer of an investment product. The ISBC makes no representation regarding the advisability of investing in vehicles based on the SPADE Defense Index. All information is provided 'as is' for informational purposes only and is not intended for trading purposes or advice. Neither the ISBC nor any related party is liable for any informational error, incompleteness or for any actions taken based on information contained herein.

CREDIT: Office of Management & Budget, Defense News Research (11-Feb-08)

SPADE Investor * April 2008 Page 3

<u>Year</u>	SPADE_	S&P500
YTD	[13.53%]	[9.91%]
2007	22.17%	3.53%
2006	19.33%	13.62%
2005	5.30%	3.00%
2004	20.47%	8.99%
2003	37.27%	26.38%
2002	[2.87%]	[23.37%]
2001	0.94%	[13.04%]
2000	4.98%	[10.14%]
1999	15.31%	19.53%
1998	6.63%	26.67%

Quarter	<u>SPADE</u>	S&P500
1Q08	[13.53%]	[9.91%]
4Q07	[4.22%]	[3.82]
3Q07	[2.39%]	[2.99%]
2Q07	10.76%	5.81%
1Q07	4.37%	0.18%
4Q06	8.79%	6.17%
3Q06	3.21%	5.17%
2Q06	[4.03%]	[1.91%]
1Q06	10.65%	3.73%
4Q05	[0.47%]	1.59%
3Q05	4.44%	3.15%
2Q05	3.91%	0.91%
1Q05	[2.52%]	[2.59%]
4Q04	9.80%	8.73%
3Q04	2.81%	[2.30%]
2Q04	6.34%	1.30%
1Q04	0.36%	1.29%
4Q03	18.97%	11.64%
3Q03	5.27%	2.20%
2Q03	19.03%	14.89%
1Q03	[7.92%]	[3.60%]
4Q02	3.39%	7.92%
3Q02	[17.04%]	[17.63%]
2Q02	[2.86%]	[13.73%]
1Q02	16.57%	[0.06%]
4Q01	14.59%	10.29%
3Q01	[10.40%]	[14.29%]
2Q01	5.91%	5.52%
1Q01	[7.18%]	[12.11%]
4Q00	[0.05%]	[8.09%]
3Q00	12.14%	[1.24%]
2Q00	[7.11%]	[2.93%]
1Q00	0.83%	2.00%
4Q99	7.57%	14.54%
3Q99	[10.18%]	[6.56%]
2Q99	21.39%	6.71%
1Q99	[1.68%]	4.65%
4Q98 3Q98	13.70%	20.87%
2Q98	[16.88%]	[10.30%]
1Q98	[1.88%]	2.91%
1030	14.99%	13.53%

Commentary (continued from page 1)

...we exclude FY-08 which includes supplemental spending, the core budget from FY-09 to FY-13 shows that the defense budget is forecast to grow by an additional \$33.5 billion -- although the rate of growth has slowed.

These figures are pretty much inline with what analysts expected. Funding for specific programs were also inline with analysts expectations and although some programs gained or lost, overall the budget contained no major surprises. Approval of the budget will fund the agency through September 2010, providing the sector with several quarters of defined growth.

2. Won't supplement spending decline with a pullback from Iraq?

Supplemental budgets are likely to continue into the future although not at the magnitude that we have seen over the past few years to fund the war in Iraq. As troops and reservists return home, less will be needed to fund salaries, supplies and the cost for engaging an enemy in a remote location. It is anticipated that any pullback from Iraq will take months if not years to execute.

3. Can the industry still grow after a pullback from Iraq?

Trends over the next few years show that a significant decline in the sector is unlikely. Positive growth in the core defense budget, increased defense spending around the world, and a continuing upcycle in related aerospace industries will provide stability. As reservists stationed in Iraq come home and return to more normal activities, resources devoted to the war effort will be freed up and allocated elsewhere. Likely, much of this will go toward new equipment, systems, and R&D initiatives to "reset" the military's capabilities -- all areas which private companies actively participate.

4. Will there be a peace dividend following Iraq?

Probably not and definitely not to the extent that we saw after the fall of the Soviet Union. Even after Iraq, our enemies remain and the importance of defense and homeland security have not diminished. Politicians now recognize (privately, if not publicly) that while they may be against the U.S.'s action in Iraq, national security is important and a failure to convey their support for it would be political suicide. Additionally, in the aftermath of a new attack, not only would their political career suffer but the party seen supporting cuts would be equally hampered.

5. What effect will the 2008 Presidential election have on the sector?

Between now and November, unless something unforeseen happens, any political risks are likely already priced into stocks. Depending on who is the Democrats nominee as well as the result of the November election, you could see movement based on perception versus any reality that might evolve -- a John McCain victory would likely be seen as a positive for defense, an Obama nomination and/or victory would be seen as a negative, and a Hillary victory is seen as neutral to positive. The reality is that all three have stated that they support defense initiatives and would execute a plan to withdraw from Iraq. Depending on who is in power, the only difference is the timing of a withdrawal. Ultimately however, the reasons given in the answer to the previous two questions remain -- the defense sector needs to be "reset", the core budget will continue to grow, though more slowly than in past years, and the security of the U.S. and its citizens remains a core function of government and a vital need.

6. Why has the sector declined since November?

Since hitting its all-time highs in November 2007, the SPADE Defense Index declined in excess of 20%. The commentary in last month's newsletter called this "irrational dejection". As the market sank due to issues with the broader economy and unrelated to the defense sector, investors saw the gains in a sector that has outperformed the broader market for eight consecutive years and decided to cash out their profits while holding onto stocks in other sectors that had already collapsed on the hope they would rebound. During this period, there really was no defense-related news that justified the decline. On the commercial side, negative reaction to Boeing's production delays related to its new 787 aircraft saw firms with exposure in this area decline. Delays at this stage of development are typical but it can push short-term revenue forecasts from one quarter to another. Long-term the orders are still in place. Once Boeing fixes the problems and begins deliveries to customers, the firm and the sector will begin to benefit as increasing revenues associated with the deliveries combined with reduced research and development expenses, show up on the bottom line.

7. Are investors staying the course?

Even with the recent declines in the sector, more than 70% of outstanding shares are being retained by investors in anticipation of a bounce-back in the sector.

SPADE Investor * April 2008 Page 4

About

The SPADE Defense Index (AMEX: DXS) provides an investment benchmark for companies involved with defense, homeland security, and space.

The Index is designed to reflect the broad diversity of activities that is representative of companies involved with defense, homeland security, and space – including industrial firms that manufacture aircraft, tanks, ships, and missiles and those involved with current and next generation systems related to network centric warfare and information technology; intelligence, surveillance, and reconnaissance; satellites; border security; and defense systems that protect the lives of our servicemen and servicewomen.

Licensed Products Exchange Traded Fund (ETF)

The Powershares Aerospace & Defense Portfolio ETF (AMEX: PPA) is designed to track the performance of the SPADE Defense Index

Options

ETF options are traded by the American Stock Exchange using the underlying ticker.

Rules

The Index was designed to be RIC (Registered Investment Company) compliant for the purpose of enabling financial products. Companies are required to meet a variety of eligibility criteria including market valuation, liquidity, and listing on a major U.S. exchange. Full details are available on our website.

* Market Cap: Minimum \$100M * Share Price: Minimum \$5.00 * Liquidity: 50,000 shares/day avg

Contact Information

SPADE Indexes 1725 'I' Street, NW, Suite 300 Washington, DC 20006 Tel: (202) 349-3917 info@spadeindex.com http://www.spadeindex.com

Scott Sacknoff: Index Manager

Commentary (continued from page 3)

8. What is the impact of a foreign (non-U.S.) defense contractor winning a major aircraft development contract?

To most people, this was a surprise, especially in light that previous contracts awarded to non-U.S. contractors were much smaller in scale and with the fragile state of the U.S. economy at the time. With long development and operational cycles, large programs such as this are critical to firms. Anytime resources go to suppliers outside the U.S., the impact on local industry is diminished. Already EADS has attracted several similar contracts from foreign governments because of their win.

That said, the impact on Boeing in the short-term should be tempered by the fact that are in an upcycle for commercial aircraft that will last until the middle of the next decade. The true impact of this loss will only affect the company when the commercial cycle runs its course.

In addition, while the total value of the contract was promoted to be around \$40 billion, roughly half of that is planned to be spent in the United States or with U.S. contractors. The contract was also part I of III, leaving the door at least partially open for Boeing when contracts 2 and 3 are awarded.

Meanwhile, we can all expect the political ramifications on this to pop into the news from time-to-time over the next few months as Congress debates changing the rules for contract awards and accusations that the Air Force changed its requirements or supplied misleading information to prevent Boeing from getting the contract.

Ultimately, U.S. manufacturers have proven resilient in the past and while competition in the short-term is usually perceived as a negative, in the long-term competition spurs innovation and cost-savings.

9. Was the 17.6% rise in China's defense budget a surprise? How can investors participate?

For the last several years, China's budget for defense has grown in the double digits, today reaching \$57.2 billion. Western estimates put their actual defense output at least two to three times higher, making it the second largest military in the world. Although the percentage at which the Chinese military budget is growing may seen large, it must be recognized that they started with a smaller base figure. Compared to the media hoopla, most defense analysts didn't find the 17.6% figure all that shocking

As far how investors can benefit in this growth...they really can't. Almost all of China's military activities are 'in-house' at government-owned firms not listed on the public financial markets. While the occasional contract may be awarded

to a company in Europe or elsewhere, these have generally been small contracts. In comparison, increased defense spending in India has a direct effect on outside manufacturers as a rise in their budgets is leading toward acquisition of Western and Russian defense equipment rather than an internal build-up of a military industrial base.

10. What areas of the defense sector are in favor at the moment? What are the hot areas for defense RDT&E investment?

The defense sector is inherently cyclical -- not just whether the sector is in or out of favor but also in the subsectors to which the defense department is allocating resources. At various times during its current eight-year run, there has been shifts as to which companies were in favor, rotating among large systems contractors, war-equipment suppliers, electronic devices manufacturers, information technology and network centric warfare programmers, and those involved with armor and systems, midcaps, homeland security, etc.

When we look at the top performers for 2008, we do not see any specific, short-term trends which one can play. The list is a mix of firms in all the aforementioned categories.

Summarizing the perspectives from several presentations given during the Cowen & Co. Aerospace & Defense Investors Forum, even in light of the slowing defense budget, they see growing demand for trucks and vehicles, new aircraft systems, information sharing, persistent surveillance, missile defense, enhanced situational awareness, navigation, advanced sensors, government services, and networked communications.

Top DHS Contractors in FY07

- 1. Int'l Coast Guard Systems-\$562M
- 2. IBM \$348.8 M
- 3. Unisys \$315.5 M
- 4. L-3 Communications \$306.8M
- 5. Boeing \$265.3 M
- 6. SAIC \$264 M
- 7. Booz Allen \$229.5 M
- 8. Accenture \$181M
- 9. GE/Invision \$175.7M
- 10. Fluor \$169.2
- 11. Lockheed Martin \$146.9 M
- 12. ITS Services \$133 M
- 13. Smiths Detection \$113.3 M
- 14. Northrop Grumman \$111.3 M
- 15. American Eurocopter \$109.7 M
- 16. General Dynamics \$107.4 M

SPADE Defense Index constituents are in bold. Others are private or elements of diversified corporations.

Company	Apr-08		SPADE Defe	nee Indev				Market	Forward	Price/	Price/	
Carboned Marrin LMT 7.21% 103.20 99.30 5.68% 3.78% 40.53 3.98 0.97 4.14	•	Ticker			Drice	0/ Ch	0/ Ch					Div Yld
Lechtened Martin LMT 7.21% 103.20 99.30 -5.69% -3.78% 40.53 13.88 0.97 4.14	pany	ricker										forward %
Bearing Co	shood Martin	LMT			_				` ,			1.70%
United Technologies												2.20%
Interpretation												1.90%
Gent Dynamics GD 6.12% 81.85 83.37 4.32% 1.86% 33.55 16.42 1.23 2.86 Raytheon Co RTN 5.08% 64.84 64.81 6.44% 0.35% 2.755 11.17 2.9 2.20 Northroop Grumman NOC 4.85% 78.61 77.81 1.106% 1.102% 22.97 15.20 0.82 11.49 L.3 Gommunications Hidgs LLL 4.13% 106.29 109.34 3.21% 2.87% 13.38 18.29 0.96 2.27 Precision Castparts PCP 4.06% 110.39 102.08 2.64.0% 7.53% 14.18 15.20 0.82 11.49 L.3 Gommunications Hidgs 1.11 1.20 11												2.00%
Raytheon Co					1							1.70%
Noting forumena	-											1.70%
LLL d. 4.33% 106.23 109.34 3.21% 2.27% 513.38 16.29 0.96 2.27 Precision Castparts PCP 4.66% 110.39 102.08 2-66.09% -7.53% 14.18 15.64 2.14 3.86 Taxtron TXT 4.03% 54.17 55.42 22.27% 2.31% 13.78 15.40 1.04 3.95 111 Indus ITT 3.82% 56.24 51.81 21.55% -7.85% 9.41 12.86 1.04 2.38 (Rockwell Collins COL 3.77% 58.90 57.15 2.0.59% 2.27% 2.31% 13.78 15.40 1.04 2.38 (Rockwell Collins COL 3.77% 58.90 57.15 2.0.59% 2.27% 2.31% 13.78 15.40 1.04 2.38 (Rockwell Collins COL 3.77% 58.90 57.15 2.0.59% 2.27% 2.31% 13.78 15.40 1.02 2.36 (Rockwell Collins COL 3.77% 58.90 57.15 2.0.59% 2.27% 2.31% 13.78 15.40 1.02 2.36 (Rockwell Collins COL 3.77% 58.90 57.15 2.0.59% 2.27% 2.27% 2.31% 13.20 2.00 (Rockwell Collins COL 3.77% 58.90 57.15 2.0.59% 2.27% 4.27% 11.72 13.89 3.69 4.99 (Rockwell Collins C												1.90%
Pecelsion Castparts	· ·											1.10%
Textron					1							0.10%
Itt Indus ITT 3.82% 56.24 51.81 -21.55% 7.88% 9.41 12.86 1.04 2.38 Rockwell Collins COL 3.77% 58.90 57.15 -20.55% 7.88% 9.41 12.86 1.04 2.05 Garmin Ltd GRMN 3.55% 58.71 5.20.55% 7.88% 9.41 12.86 1.04 2.05 Garmin Ltd GRMN 3.55% 58.71 5.20.55% 7.98% 9.28 16.16 2.05 6.20 Garmin Ltd GRMN 3.55% 58.71 5.00.57% 9.28 16.16 2.05 6.20 SAIC SAI 3.12% 19.06 18.59 7.60% 2.47% 7.49 18.68 0.84 3.94 Goodrich Gorp GR 2.92% 59.23 57.51 1.18.55% 2.90% 7.49 18.68 0.84 3.94 Computer Sciences CSC 2.71% 43.45 40.79 1.75.55% 6.12% 6.47 11.55 0.40 1.20 Harris Corp HRS 2.69% 48.83 40.79 1.75.55% 6.12% 6.47 11.55 0.40 1.20 Harris Corp BLL 18.29% 44.10 45.94 2.09% 41.77% 4.48 16.78 0.60 3.43 Filir Systems FLIR 1.68% 28.49 30.00 3.87% 5.62% 3.36 30.32 2.83 3.13 Alliant Techsystems ATK 1.35% 10.94 10.35.3 8.99% 13.34% 3.40 16.74 0.84 4.85 USE Corporation URS 1.11% 40.28 3.269 5.98.38% 18.84% 3.40 16.74 0.84 4.85 USE Corporation URS 1.11% 40.28 3.269 5.98.38% 18.84% 3.40 16.74 0.84 4.85 USE Corporation URS 1.11% 40.28 3.269 5.82 7.39.46% 2.69 10.29 0.40 1.88 DST technologies DRS 0.98% 56.09 58.28 7.39% 3.96% 2.41 18.12 0.76 1.49 Ebit Systems ESLT 0.95% 56.45 55.45 6.90% 1.17% 2.33 3.06 1.18 4.34 Mosq Inc. MOGA 0.73% 41.04 47.00 1.11.87% 5.88% 1.60 17.27 1.02 3.12 Mantent International*a* MANT 0.84% 44.08 45.55 1.37% 3.99% 1.18 1.2 0.76 1.49 Ebit Systems ESLT 0.95% 56.45 55.45 6.55.46 1.69 0.17.44 1.10 2.00 Teledyne Technologies TDY 0.67% 43.40 84.55 3.39% 1.18 1.2 0.76 1.49 Ebit Systems ESLT 0.95% 56.45 55.45 6.55.45 1.69 0.17.44 1.00 2.00 Teledyne Technologies TDY 0.67% 43.40 84.55 3.39% 1.17% 2.33 3.06 1.18 4.34 Morey Inc. MANT 0.84% 44.08 45.55 1.17.45 1.29% 1.14 1.20.7 1.02 2.07 Teledyne Technologies TDY 0.67% 43.66 45.55 1.17.45 1.29% 1.14 1.20.7 1.02 2.07 Teledyne Technologies TDY 0.67% 43.66 45.55 1.17.56 3.39% 0.00 3.15 4.8 1.77 Teledyne Technologies TDY 0.67% 43.66 45.55 1.17.56 3.39% 0.00 3.15 4.8 1.77 Teledyne Technologies TDY 0.67% 43.66 45.55 1.17.56 3.39% 0.00 3.15 4.8 1.77 Teledyne Technologies TDY 0.67% 43.66 43.55 1.17.56	<u> </u>				1							1.70%
Bockwell Collins					1							1.40%
Carmin Ltd												1.10%
SAIC SAI 3.12% 19.06 18.59 -7.60% -2.47% 7.49 18.68 0.84 3.94												1.30%
Goodrich Corp GR												1.5070
Computer Sciences	*											1.60%
Harris Corp	<u> </u>											1.0070
Balt Corp	•											1.20%
File Systems												0.90%
Trimble Navigation Ltd TRMB												0.5070
Alliant Techsystems	•											
URS Corporation URS 1.11% 40.28 32.69 -39.83% -18.84% 2.73 13.91 0.51 0.78 Oshkosh Truck OSK 1.09% 40.07 36.28 -23.23% -9.46% 2.69 10.29 0.40 1.88 DRS 0.98% 56.09 58.28 7.39 3.90% 2.41 18.12 0.76 1.49 Elbit Systems ESLT 0.95% 56.09 58.28 7.39 3.90% 2.41 18.12 0.76 1.49 Elbit Systems ESLT 0.95% 56.45 55.45 -6.90% -1.77% 2.33 30.60 1.18 4.34 Moog Inc. MOGA 0.73% 41.04 42.21 -7.86% 2.85% 1.80 17.44 1.09 2.00 1.18 Toledyne Technologies TDY 0.67% 44.40 47.00 -11.87% 5.86% 1.66 17.27 1.02 3.12 Mantech International'a' MANT 0.64% 44.08 45.36 3.51% 2.90% 1.57 23.31 1.08 2.84 Esterline Technologies ESL 0.60% 52.40 50.37 -2.67% -3.87% 1.48 12.41 1.07 1.31 SYS International'a' SRX 0.57% 24.00 24.31 -17.45% 4.33% 1.37 18.31 0.64 1.59 Orbital Sciences Corp ORB 0.57% 43.66 45.55 1.74% 4.33% 1.37 18.31 0.64 1.59 Orbital Sciences Corp ORB 0.57% 21.65 24.10 1.71% 11.20% 1.40 2.89 1.30 3.27 AAR Corp AIR 0.43% 25.89 27.27 -28.29% 5.33% 1.06 1.69 9.81 1.87 1.19 1.10 0.44% 11.99 1.30 -2.89 1.20 1.00 54.51 2.57 0.92 Triumph Group TGI 0.39% 56.59 56.93 3.08.7% 0.60% 0.95 15.58 0.86 1.39 DynCorp DCP 0.39% 16.62 1.66 3.79.5% 0.36% 0.95 16.65 0.45 2.28 Cogent Inc. COGT 0.36% 10.00 9.43 11.543% -5.70% 0.90 31.54 8.47 1.73 Ceradyne Inc. CRDN 0.35% 31.11 31.96 31.90% 2.73% 0.86 0.95 16.65 0.45 2.28 1.55 1.55 1.55 1.55 1.55 1.55 1.55 1.5												
Oshkosh Truck OSK 1.09% 40.07 36.28 -23.23% -9.46% 2.69 10.29 0.40 1.88 Drs Technologies DRS 0.98% 56.09 58.28 7.39% 3.90% 2.41 18.12 0.76 1.49 Eibit Systems ESLT 0.95% 56.45 55.46 -6.90% 1.17% 2.33 30.60 1.18 4.34 Moog Inc. MOGA 0.73% 41.04 42.21 -7.86% 2.85% 1.80 17.44 1.09 2.00 Teledyne Technologies TDY 0.67% 44.40 47.00 -11.87% 5.86% 1.66 17.27 1.02 2.00 Manted International'a' MANT 0.64% 44.08 45.36 33.51% 2.90% 1.57 23.31 1.08 2.44 Estarine Technologies ESL 0.60% 52.40 50.37 -2.67% -3.87% 1.48 12.41 1.07 1.31 Sra International'a' SRX 0	•											
Drs Technologies DRS 0.98% 56.09 58.28 7.39% 3.90% 2.41 18.12 0.76 1.49	•											1.10%
Elbit Systems	*											0.20%
Mog nc. Mog A 0.73% 41.04 42.21 -7.86% 2.85% 1.80 17.44 1.09 2.00												1.30%
Teledyne Technologies												1.5076
Mantech International'a' MANT 0.64% 44.08 45.36 3.51% 2.90% 1.57 23.31 1.08 2.84 Esterline Technologies ESL 0.60% 52.40 50.37 -2.67% -3.87% 1.48 12.41 1.07 1.31 Sra International'a' SRX 0.57% 24.00 24.31 -17.45% 1.29% 1.41 21.07 1.02 2.07 Caci Intl CAI 0.57% 24.36 45.55 1.74% 4.33% 1.37 18.31 0.64 1.59 Orbital Sciences Corp ORB 0.57% 21.65 24.10 -1.71% 11.32% 1.41 25.89 1.30 3.27 ARR Corp AIR 0.43% 25.89 27.27 -28.29% 5.33% 1.06 16.39 0.81 1.87 L-1 Identity Solutions ID 0.44% 11.96 13.30 -25.91% 11.20% 1.00 54.51 2.57 0.92 Triumph Group TGI 0.39%												
Esterline Technologies	·											
Sra International a	*											
Caci Intl CAI 0.57% 43.66 45.55 1.74% 4.33% 1.37 18.31 0.64 1.59 Orbital Sciences Corp ORB 0.57% 21.65 24.10 -1.71% 11.32% 1.41 25.89 1.30 3.27 ARR Corp AIR 0.43% 25.89 27.27 -28.29% 5.33% 1.06 16.39 0.81 1.87 L-1 Identity Solutions I D 0.41% 11.96 13.30 -25.91% 11.20% 1.00 54.51 2.57 0.92 Triumph Group TGI 0.39% 56.59 56.93 -30.87% 0.60% 0.95 15.98 0.86 1.39 DynCorp DCP 0.39% 16.62 16.68 -37.95% 0.36% 0.95 16.65 0.45 2.28 Cogent Inc. COGT 0.36% 10.00 9.43 -15.43% -5.70% 0.90 31.54 8.47 1.73 Ceradyne Inc CRDN 0.35% 31.11 <td>•</td> <td></td>	•											
Orbital Sciences Corp ORB 0.57% 21.65 24.10 -1.71% 11.32% 1.41 25.89 1.30 3.27 AAR Corp AIR 0.43% 25.89 27.27 -28.29% 5.33% 1.06 16.39 0.81 1.87 L-1 Identity Solutions ID 0.41% 11.96 13.30 -25.91% 11.20% 1.00 54.51 2.57 0.92 Triumph Group TGI 0.39% 56.59 56.93 -30.87% 0.60% 0.95 15.98 0.86 1.39 DynCorp DCP 0.39% 16.62 16.68 -37.95% 0.36% 0.95 15.98 0.45 2.28 DynCorp DCP 0.39% 16.62 16.68 -37.95% 0.36% 0.95 16.65 0.45 2.28 OpynCorp DCP 0.39% 16.62 16.68 -37.95% 0.36% 0.95 11.58 0.44 1.73 Cegoget Inc. COGT 0.36% 10.00	*											
AAR Corp AIR 0.43% 25.89 27.27 -28.29% 5.33% 1.06 16.39 0.81 1.87 L-1 Identity Solutions ID 0.41% 11.96 13.30 -25.91% 11.20% 1.00 54.51 2.57 0.92 Triumph Group TGI 0.39% 56.59 56.93 -30.87% 0.60% 0.95 15.98 0.86 1.39 DynCorp DCP 0.39% 16.62 16.68 -37.95% 0.36% 0.95 15.98 0.86 1.39 Cogent Inc. COGT 0.36% 10.00 9.43 -15.43% -5.70% 0.90 31.54 8.47 1.73 Ceradyne Inc CRDN 0.35% 31.11 31.96 -31.90% 2.73% 0.87 6.14 1.15 1.51 Cubic Corp CUB 0.31% 25.57 28.43 -27.47% 11.18% 0.76 17.29 0.85 1.95 Visast Inc VSAT 0.27% 20.97					1							
L-1 Identity Solutions												
Triumph Group TGI 0.39% 56.59 56.93 -30.87% 0.60% 0.95 15.98 0.86 1.39 DynCorp DCP 0.39% 16.62 16.68 -37.95% 0.36% 0.95 16.65 0.45 2.28 Cogent Inc. COGT 0.36% 10.00 9.43 -15.43% -5.70% 0.90 31.54 8.47 1.73 Ceradyne Inc CRDN 0.35% 31.11 31.96 -31.90% 2.73% 0.87 6.14 1.15 1.51 Cubic Corp CUB 0.31% 25.57 28.43 -27.47% 11.18% 0.76 17.29 0.85 1.95 Visast Inc VSAT 0.27% 20.97 21.72 -36.92% 3.58% 0.66 22.23 1.18 1.69 Stanley Inc. SXE 0.27% 27.69 29.46 -8.00% 6.39% 0.66 29.85 1.21 4.18 TASER International Inc. TASR 0.24% 11.27												
DynCorp	•											0.30%
Cogent Inc. COGT 0.36% 10.00 9.43 -15.43% -5.70% 0.90 31.54 8.47 1.73 Ceradyne Inc CRDN 0.35% 31.11 31.96 -31.90% 2.73% 0.87 6.14 1.15 1.51 Cubic Corp CUB 0.31% 25.57 28.43 -27.47% 11.18% 0.76 17.29 0.85 1.95 Viasat Inc VSAT 0.27% 20.97 21.72 -36.92% 3.58% 0.66 22.23 1.18 1.69 Stanley Inc. SXE 0.27% 27.69 29.46 -8.00% 6.39% 0.66 29.85 1.21 4.18 TASER International Inc. TASR 0.24% 11.27 9.40 -34.68% -16.59% 0.60 41.05 5.91 4.93 Gencorp GY 0.24% 10.40 10.29 -11.75% -1.06% 0.59 13.76 0.77 Ladish Co LDSH 0.21% 35.70 36.00	•											0.0070
Ceradyne Inc CRDN 0.35% 31.11 31.96 -31.90% 2.73% 0.87 6.14 1.15 1.51 Cubic Corp CUB 0.31% 25.57 28.43 -27.47% 11.18% 0.76 17.29 0.85 1.95 Viasat Inc VSAT 0.27% 20.97 21.72 -36.92% 3.58% 0.66 22.23 1.18 1.69 Stanley Inc. SXE 0.27% 27.69 29.46 -8.00% 6.39% 0.66 29.85 1.21 4.18 TASER International Inc. TASR 0.24% 11.27 9.40 -34.68% -16.59% 0.60 41.05 5.91 4.93 Gencorp GY 0.24% 10.40 10.29 -11.75% -1.06% 0.59 13.76 0.77 Ladish Co LDSH 0.21% 35.70 36.00 -16.65% 0.84% 0.52 16.22 1.23 2.60 GeoEye GEOY 0.20% 30.21 25.99					1							
Cubic Corp CUB 0.31% 25.57 28.43 -27.47% 11.18% 0.76 17.29 0.85 1.95 Viasat Inc VSAT 0.27% 20.97 21.72 -36.92% 3.58% 0.66 22.23 1.18 1.69 Stanley Inc. SXE 0.27% 27.69 29.46 -8.00% 6.39% 0.66 29.85 1.21 4.18 TASER International Inc. TASR 0.24% 11.27 9.40 -34.68% -16.59% 0.60 41.05 5.91 4.93 Gencorp GY 0.24% 10.40 10.29 -11.75% -1.06% 0.59 13.76 0.77 Ladish Co LDSH 0.21% 35.70 36.00 -16.65% 0.84% 0.52 16.22 1.23 2.60 GeoEye GEOY 0.20% 30.21 25.99 -22.76% -13.97% 0.48 9.75 2.53 2.11 American Science & Engineering ASEI 0.20% 54.16 <												
Viasat Inc VSAT 0.27% 20.97 21.72 -36.92% 3.58% 0.66 22.23 1.18 1.69 Stanley Inc. SXE 0.27% 27.69 29.46 -8.00% 6.39% 0.66 29.85 1.21 4.18 TASER International Inc. TASR 0.24% 11.27 9.40 -34.68% -16.59% 0.60 41.05 5.91 4.93 Gencorp GY 0.24% 10.40 10.29 -11.75% -1.06% 0.59 13.76 0.77 Ladish Co LDSH 0.21% 35.70 36.00 -16.65% 0.84% 0.52 16.22 1.23 2.60 GeoEye GEOY 0.20% 30.21 25.99 -22.76% -13.97% 0.48 9.75 2.53 2.11 American Science & Engineering ASEI 0.20% 54.16 54.57 -3.84% 0.76% 0.50 25.29 2.90 2.85 AeroVironment AVAV 0.17% 21.24	•											0.60%
Stanley Inc. SXE 0.27% 27.69 29.46 -8.00% 6.39% 0.66 29.85 1.21 4.18 TASER International Inc. TASR 0.24% 11.27 9.40 -34.68% -16.59% 0.60 41.05 5.91 4.93 Gencorp GY 0.24% 10.40 10.29 -11.75% -1.06% 0.59 13.76 0.77 Ladish Co LDSH 0.21% 35.70 36.00 -16.65% 0.84% 0.52 16.22 1.23 2.60 GeoEye GEOY 0.20% 30.21 25.99 -22.76% -13.97% 0.48 9.75 2.53 2.11 American Science & Engineering ASEI 0.20% 54.16 54.57 -3.84% 0.76% 0.50 25.29 2.90 2.85 AeroVironment AVAV 0.17% 21.24 20.45 -15.50% -3.72% 0.41 21.24 2.04 2.53 Osi Systems OSIS 0.17% 21.15 23.02 -13.03% 8.84% 0.40 43.03 0.71 1.56 MTC Technologies Inc. MTCT 0.15% 23.70 23.78 1.19% 0.34% 0.36 47.94 0.85 1.95 Argon St STST 0.15% 16.25 17.01 -8.35% 4.68% 0.37 27.93 1.25 1.34	· · ·											0.0070
TASER International Inc. TASR 0.24% 11.27 9.40 -34.68% -16.59% 0.60 41.05 5.91 4.93 Gencorp GY 0.24% 10.40 10.29 -11.75% -1.06% 0.59 13.76 0.77 Ladish Co LDSH 0.21% 35.70 36.00 -16.65% 0.84% 0.52 16.22 1.23 2.60 GeoEye GEOY 0.20% 30.21 25.99 -22.76% -13.97% 0.48 9.75 2.53 2.11 American Science & Engineering ASEI 0.20% 54.16 54.57 -3.84% 0.76% 0.50 25.29 2.90 2.85 AeroVironment AVAV 0.17% 21.24 20.45 -15.50% -3.72% 0.41 21.24 2.04 2.53 Osi Systems OSIS 0.17% 21.15 23.02 -13.03% 8.84% 0.40 43.03 0.71 1.56 MTC Technologies Inc. MTCT 0.15% 23.70	*				1							
Gencorp GY 0.24% 10.40 10.29 -11.75% -1.06% 0.59 13.76 0.77 Ladish Co LDSH 0.21% 35.70 36.00 -16.65% 0.84% 0.52 16.22 1.23 2.60 GeoEye GEOY 0.20% 30.21 25.99 -22.76% -13.97% 0.48 9.75 2.53 2.11 American Science & Engineering ASEI 0.20% 54.16 54.57 -3.84% 0.76% 0.50 25.29 2.90 2.85 AeroVironment AVAV 0.17% 21.24 20.45 -15.50% -3.72% 0.41 21.24 2.04 2.53 Osi Systems OSIS 0.17% 21.15 23.02 -13.03% 8.84% 0.40 43.03 0.71 1.56 MTCT Technologies Inc. MTCT 0.15% 23.70 23.78 1.19% 0.34% 0.36 47.94 0.85 1.95 Argon St STST 0.15% 16.25	•				1							
Ladish Co LDSH 0.21% 35.70 36.00 -16.65% 0.84% 0.52 16.22 1.23 2.60 GeoEye GEOY 0.20% 30.21 25.99 -22.76% -13.97% 0.48 9.75 2.53 2.11 American Science & Engineering ASEI 0.20% 54.16 54.57 -3.84% 0.76% 0.50 25.29 2.90 2.85 AeroVironment AVAV 0.17% 21.24 20.45 -15.50% -3.72% 0.41 21.24 2.04 2.53 Osi Systems OSIS 0.17% 21.15 23.02 -13.03% 8.84% 0.40 43.03 0.71 1.56 MTC Technologies Inc. MTCT 0.15% 23.70 23.78 1.19% 0.34% 0.36 47.94 0.85 1.95 Argon St STST 0.15% 16.25 17.01 -8.35% 4.68% 0.37 27.93 1.25 1.34											4.33	
GeoEye GEOY 0.20% 30.21 25.99 -22.76% -13.97% 0.48 9.75 2.53 2.11 American Science & Engineering ASEI 0.20% 54.16 54.57 -3.84% 0.76% 0.50 25.29 2.90 2.85 AeroVironment AVAV 0.17% 21.24 20.45 -15.50% -3.72% 0.41 21.24 2.04 2.53 Osi Systems OSIS 0.17% 21.15 23.02 -13.03% 8.84% 0.40 43.03 0.71 1.56 MTC Technologies Inc. MTCT 0.15% 23.70 23.78 1.19% 0.34% 0.36 47.94 0.85 1.95 Argon St STST 0.15% 16.25 17.01 -8.35% 4.68% 0.37 27.93 1.25 1.34											2 60	
American Science & Engineering ASEI 0.20% 54.16 54.57 -3.84% 0.76% 0.50 25.29 2.90 2.85 AeroVironment AVAV 0.17% 21.24 20.45 -15.50% -3.72% 0.41 21.24 2.04 2.53 Osi Systems OSIS 0.17% 21.15 23.02 -13.03% 8.84% 0.40 43.03 0.71 1.56 MTC Technologies Inc. MTCT 0.15% 23.70 23.78 1.19% 0.34% 0.36 47.94 0.85 1.95 Argon St STST 0.15% 16.25 17.01 -8.35% 4.68% 0.37 27.93 1.25 1.34	*											
AeroVironment AVAV 0.17% 21.24 20.45 -15.50% -3.72% 0.41 21.24 2.04 2.53 Osi Systems OSIS 0.17% 21.15 23.02 -13.03% 8.84% 0.40 43.03 0.71 1.56 MTC Technologies Inc. MTCT 0.15% 23.70 23.78 1.19% 0.34% 0.36 47.94 0.85 1.95 Argon St STST 0.15% 16.25 17.01 -8.35% 4.68% 0.37 27.93 1.25 1.34	•											1.50%
Osi Systems OSIS 0.17% 21.15 23.02 -13.03% 8.84% 0.40 43.03 0.71 1.56 MTC Technologies Inc. MTCT 0.15% 23.70 23.78 1.19% 0.34% 0.36 47.94 0.85 1.95 Argon St STST 0.15% 16.25 17.01 -8.35% 4.68% 0.37 27.93 1.25 1.34												1.50 /6
MTC Technologies Inc. MTCT 0.15% 23.70 23.78 1.19% 0.34% 0.36 47.94 0.85 1.95 Argon St STST 0.15% 16.25 17.01 -8.35% 4.68% 0.37 27.93 1.25 1.34	*											
Argon St STST 0.15% 16.25 17.01 -8.35% 4.68% 0.37 27.93 1.25 1.34	•											
DCO 0.12% 27.73 27.67 -27.18% -0.22% 0.29 14.75 0.79 1.36	*											
Si International SINT 0.10% 24.88 19.19 -30.14% -22.87% 0.25 13.23 0.50 0.96												4.30%
Applied Signal Technology APSG 0.00% 11.90 11.80 -13.11% -0.04% 0.15 22.74 0.08 1.20 Mercury Computer Sys MRCY 0.05% 6.41 5.62 -65.11% -12.32% 0.12 0.59 0.72									22.74			4.30%