

Commentary

The SPADE Defense Index (NYSEarca: DXS) continues to trend upward in spite of the five largest defense companies contributing subpar performance year-to-date.

Since what is referred to as the “Haynes bottom”, after CNBC host Mark Haynes’ call of a market bottom in March 2009, the SPADE Defense Index is up more than 44%.

For the market chartist, the SPADE Defense Index has broken out from its moving averages.

- Index on August 4th: 1688.46
- 200 day moving avg: 1620.34
- 70 day moving avg: 1582.09
- 40 day moving avg: 1606.69

Trends that Could Move the Sector Higher

The pivotal event that will move the sector will be clarity from the Obama Administration and the Pentagon regarding their spending/budget plan for the next several years. We are not likely to get the specifics on the ongoing QDR or future (FY2011-FY2015) budgets for some time but it is likely that we will see two things:

1. FY2010 was the peak (unless a new world-destabilizing event occurs, with Iran and its nuclear efforts being one of them); and
2. That future budgets will be much more stable than the massive declines that started at the end of the Bush I administration and extended through the Clinton administration. Already signs are emerging that a flat budget is the direction we are headed.

The FY-11 Budget

The military service (Army, Navy, Air Force) budget recommendations for FY-2011 are due to the Secretary of Defense in late August (2009) for initial review. As part of this, an estimated \$50 - \$60 billion worth of changes in existing programs are expected with the savings going toward new programs and initiatives. DoD (namely David Ochmanek, Deputy Assistant Secretary of Defense for Force Transformation and Resources) has stated that they are operating under a zero-growth initiative. Reading into this, one can make the assumption that the DoD budget will be flat and those forecasting significant budget declines will have to wait to future years of 2012 or beyond. Winners according to a *Defense News* article may include light intratheater cargo planes, UAVs, and counter-mine warfare systems with suggested losers as amphibious craft, heavily armored vehicles, and air defense systems.

The fear of large budget declines has already been priced into the share prices of many defense sector companies and knowledge of future budgets can provide a positive upside.

News Events

Other near-term events with upside potential, include:

- 1> A split award for the \$40 billion Air Force tanker program. A DoD request for new proposals is expected to be released by late September.
- 2> The first test flight and the subsequent first delivery of the Boeing 787.

continued on page 3

SPADE Defense Index since March 09 bottom



SPADE Defense Index Statistics

7/31/09 Close: 1658.94
 All-time Close: 2747.67
 Date of all-time close: 9 October 2007

	SPADE Defense	S&P500
July	4.78%	7.41%
2nd QTR	17.78%	15.22%
YTD	4.04%	9.33%

Inside Congress

The House ignoring veto threats from the White House voted on July 30 to spend \$485.2 million more on the VH-71 presidential helicopter program in 2010 and \$560 million to continue developing the GE/Rolls Royce F136 alternative jet engine for the F-35 Joint Strike Fighter. In addition the bill adds: \$674 million for three additional C-17 cargo plans, \$603 million for nine F/A-18 E/F aircraft, and \$15.8 billion for shipbuilding (DDG-51 destroyer, an attack submarine, four Littoral combat ships, 2 Joint High Speed Vessels, 2 TAKE auxiliary ships, a third DDG-1000 destroyer, and a tenth LPD-17 amphibious ship).

The overall bill calls for \$508 billion in “base funding” and \$128.2 billion for Iraq and Afghanistan. This bill still has to be reconciled with a Senate version and then approved by the White House. *Defense News*

New Indexes Launched

To keep you apprised of other developments at SPADE indexes, we recently expanded our regional indexes to include the SPADE Texas Index (NYSEarca: TEXAS). The Index is designed to benchmark the largest firms in Texas, which if a country its economy would rank as the 12th largest in the world. The index, along with the SPADE Oklahoma Index (OKLAH) have been licensed to OOK Advisors, an Oklahoma-based firm whose principles are affiliated with Capital West Securities. The firm is currently awaiting its exemptive relief from the SEC and anticipates launching exchange traded funds (ETFs) tracking both indexes later this year. Visit www.spadeindexes.com for more information.

July 2009 Top Gainers		
1	Oshkosh Truck	88.79%
2	Textron	39.13%
3	Mercury Computer	24.32%
4	Mantech Int'l	23.68%
5	DynCorp	20.96%
6	Trimble Navigation	20.78%
7	AAR Corp.	19.19%
8	Garmin	16.12%
9	TASER Int'l	15.13%
10	VSE Corporation	13.19%

July 2009 Laggards		
1	Force Protection	[41.52%]
2	Ladish Co.	[15.19%]
3	Integral Systems	[13.70%]
4	Orbital Sciences	[10.74%]
5	Ducommun	[8.04%]
6	Aerovironment	[7.84%]
7	Lockheed Martin	[7.30%]
8	Argon ST	[7.10%]
9	Stanley Inc.	[6.51%]
10	Digital Globe	[5.21%]

YTD 2009 Top Gainers		
1	Oshkosk Truck	208.77%
2	Mercury Computer	82.25%
3	Garmin	44.29%
4	Cubic Corp	43.97%
5	OSI Systems	42.96%
6	Elbit Systems	41.44%
7	Applied Signal	39.35%
8	Goodrich Corp.	38.74%
9	Computer Sciences	37.08%
10	Precision Castparts	34.18%

YTD 2009 Laggards		
1	Integral Systems	[40.41%]
2	Orbital Sciences	[30.67%]
3	Comtech	[30.45%]
4	FLIR Systems	[29.95%]
5	Teledyne Tech.	[26.53%]
6	Moog	[26.28%]
7	Esterline Tech.	[24.97%]
8	VSE Corporation	[24.52%]
9	AeroVironment	[22.74%]
10	Digital Globe	[20.87%]

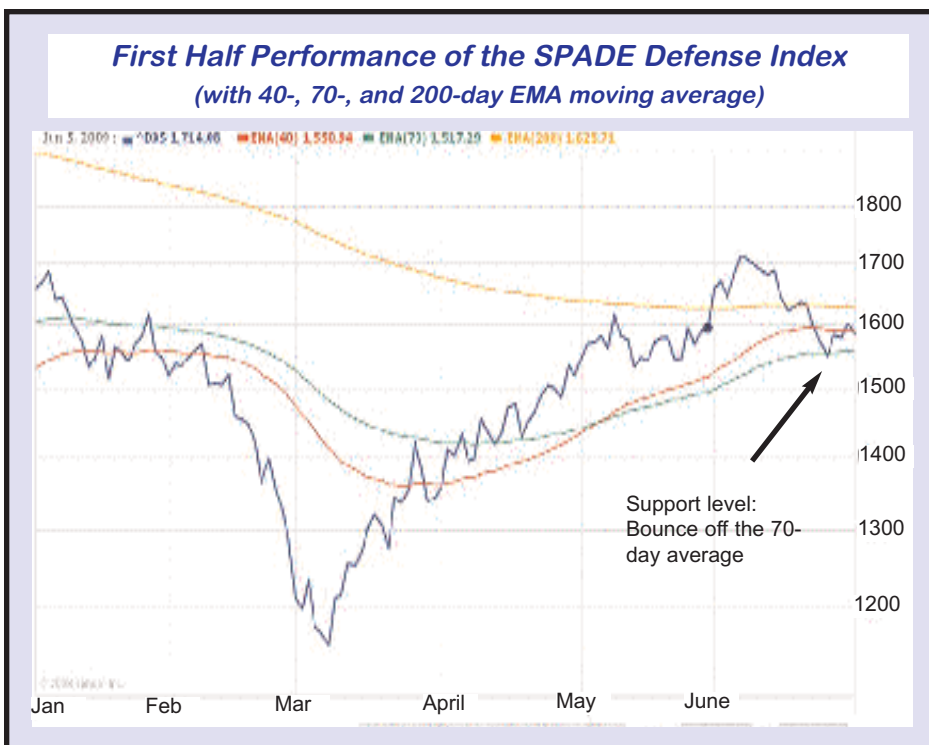
Largest Defense Prime Contractors		
	July	2009
Lockheed Martin	[7.30%]	[11.08%]
Boeing	0.96%	0.56%
General Dynamics	0.00%	[3.82%]
Northrop Grumman	[2.41%]	[1.02%]
Raytheon	4.14%	[9.35%]

Year	SPADE	S&P500
09YTD	4.04%	9.33%
2008	[38.03%]	[38.49%]
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%

ETF Statistics (NYSEarca: PPA)	
Powershares Aerospace & Defense	
Exchange / Ticker Symbol:	NYSE / PPA
Fee	60 basis
Assets (7/31/09)	\$ 133 M
Closing Price (7/31/09)	\$14.63
Yield (SEC 30-day yield)	1.61%
July 09 Volume	1,110,700
3 month Avg Daily Trading Volume**	61.751
Turnover	13%
source: Yahoo Finance ** July 31 2009	

	31 July 09
Avg. Market Cap.	9.23
Portfolio P/E	11.26
Portfolio P/S	0.59
Portfolio P/B	2.08
Portfolio P/Cash Flow	5.78
Earnings Growth Rate (ttm)	11.71%
(Most recent estimate) source: Yahoo Finance	

Powershares Aerospace & Defense ETF (NYSE: PPA)	
Modern Portfolio Theory (vs the S&P500)	
Beta (3 month)	1.12
Alpha (3 month)	5.60
R-squared (3 month)	84.88
source: Yahoo! Finance (7/31/09)	



About

The SPADE Defense Index (NYSEarca: 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

Licensed to Powershares, their Aerospace & Defense Portfolio ETF (NYSE: PPA) is designed to track the performance of the SPADE Defense Index.

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
- * Sufficient Liquidity

Commentary (continued)

3> An announcement from Congress that the now-cancelled F-22 fighter will be allowed to be exported to U.S. allies, and thus continuing the program without DoD funds.

4> Anticipated multi-billion awards from India for defense systems. In addition, continuation of the trend which has seen deals for the U.S. export of defense equipment and supplies surpass \$40 billion annually.

5> Announcements of initiatives / contract awards that take place in the end-of-budget-year / September timeframe. These can have a significant impact on firms. For example, the aware of MRAP (mine resistance armored) vehicles for Afghanistan to Oshkosh Truck has sent the stock soaring, more than tripling since its lows and that of Force Protection, a competitor in the field, down by more than 40% in July. Likewise, a new \$10 billion classified imagery satellite program could benefit satellite imagery firms such as DigitalGlobe and GeoEye as well as other firms active in this area such as

Lockheed Martin, ITT, and Ball Aerospace.

Downside Issues

But like every sector there are concerns. Congress is always an unknown and budget issues may force the hand of the White House and Congress to reduce spending across-the-board. Rising pension expenses is an issue facing several large companies in the sector, with Lockheed Martin, for one, announcing it affected its second quarter earnings. [A revitalized stock market should ameliorate this issue going forward.] Lastly news events, such as delays in or cancellation of programs, can have a near-term impact even when it doesn't affect overall company sales or earnings. Congress' failure to approve additional funds to continue the F-22 was offset by F-35 spending, both Lockheed Martin programs, yet the company was impacted.)

Even considering these, valuations remain attractive and there appears to be plenty of upside for investors to consider.

Inside the Defense News Top 100 (2008)

Global revenues of the top 100:	Top 10
\$386 billion up 11% over 2007.	1. Lockheed Martin: \$39,550.0
U.S. Listed Public Companies in the SPADE Defense Index:	2. BAE Systems (UK): \$32,667.0
30 (63.7% of global revenues)	3. Boeing: \$31,082.0
Foreign Companies:	4. Northrop Grumman: \$26,579.0
57 (incl. 1 listed in U.S.)	5. General Dynamics: \$22,854.0
U.S. Private or Highly Diversified:	6. Raytheon: \$21,551.8
11 (ex. Accenture, Fluor, Booz Allen)	7. EADS (Netherlands): \$16,206.6
Other: 3	8. L-3 Communications \$12,159.0
	9. Finmeccanica (Italy): \$10,219.0
	10. United Technologies: \$9,975.0

Quarter	SPADE	S&P500
2Q09	17.78%	15.22%
1Q09	[15.71%]	[11.67%]
4Q08	[18.14%]	[22.45%]
3Q08	[8.13%]	[9.00%]
2Q08	[4.69%]	[3.23%]
1Q08	[13.53%]	[9.92%]
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%

Historical Quarterly Performance of the SPADE Defense Index

Quarter	SPADE	S&P500
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%]

Quarter	SPADE	S&P500
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	13.70%	20.87%
3Q98	[16.88%]	[10.30%]
2Q98	[1.88%]	2.91%
1Q98	14.99%	13.53%

UAV

29% Annual Growth - UAVs

A Macquarie Capital report stated that funding growth for UAVs is growing at a substantial clip and the \$4.5 billion market today is anticipated to hit \$10 billion within a decade.

UAS Flight Plan 2009 - 2047

DoD unveiled its long-term vision for unmanned aircraft in its UAS Flight Plan 2009-2047, providing evolutionary paths for each of four classes of capabilities: small man-portable, medium fighter-sized, large tanker-sized, and special: low-observable, hypersonic, and ultra-long-endurance vehicles. The report can be downloaded at www.spadeindex.com/uav-report.pdf

UAV Proposal

A shift in philosophy, the Pentagon is expected to issue an RFP (request for proposal) sometime in the next six months for a prototype that could control different types of UAVs simultaneously. Historically, the air and ground components have been supplied by the aircraft manufacturer. The hope is to have UAVs controlled via open architecture instead of proprietary software; reducing training time for UAV operators; and enabling them to operate multiple and different UAVs. Raytheon's Universal Control System and Textron AAI's OneSystem are among the competitors.

News & Notes

Boeing rolls-out Navy P8-A

The new reconnaissance aircraft will replace the 40-year old P-3C Orion. The firm received a \$3.8 billion contract award in 2004 for 117 planes with completion by 2013.

New Commercial Aircraft Orders

Boeing received orders for 12 - 777s and 11 - 737s in late July. For the year, Boeing has booked a net of 40 new aircraft orders. *Wall Street Journal*.

787 Investment Costs

Boeing revealed in its 2Q09 10-Q filing that it has invested \$7.9 billion in the 787: \$4.4B for work in progress (\$1.4B in first half 2009), \$2.6 billion in supplier advances, and \$866 million for tooling and other expenses. Costs continue to rise at around \$800 million per quarter.

QDR - 2-Front Strategy Changing?

US News & World Reports stated that the Pentagon is scrapping its two-front war strategy. According to Marine Gen. James Cartwright, vice chairman of the Joint Chiefs of Staff, the plan would include the ability to fight smaller wars like those in Iraq and Afghanistan, and only one major conflict with a "peer competitor" such as China or Russia.

Space & Satellites

New Administrator for NASA

Congress approved a new boss for NASA, Retired Marine Gen. Charles Bolden. Although some changes are likely as NASA reevaluates its plans, the four-time Space Shuttle pilot and former vice-commandant of the Naval Academy (among other assignments), is not likely to implement major shifts in the agency.

NASA Strategy Update

The Augustine Committee Report, "A Review of United States Human Space Flight Plans" is scheduled for completion sometime in August.

Space Surveillance

The USAF Space Command has formulated requirements for a follow-on spacecraft to the initial Block 10 Space Based Space Surveillance Satellite although it has not decided whether it will be identical to the existing satellite or an updated version. Boeing and Ball Aerospace manufactured the Block 10 and have offered a fixed-priced deal for a second satellite at a reduced cost but the Air Force has yet to make a decision on this. -- *Aviation Week*

Navy Satellite Gap

The Navy plans to begin launching MUOS satellites in late 2010 but the existing UFO satellites won't last beyond May 2010. Lockheed Martin is the prime contractor for the \$6 billion MUOS constellation with sub-contracts to Boeing (legacy UHF payload), Ericsson (modified commercial cell phone switches), General Dynamics (ground gateway systems), Harris Corp. (satellite antennas).

- MUOS 1 - Launch: Nov 2010, Ops: Feb 2011
 - MUOS 2 - Launch: Sept 11, Ops: Dec 2011
 - MUOS 3 - Launch: TBD, Ops March 2012
 - MUOS 4 - Launch: TBD, Ops March 2013
 - MUOS 5 - Launch: TBD, Ops March 2015
- source: C4ISR Journal

Legal & Disclaimers

© 2009 ISBC -- SPADE, the SPADE icon, and "The SPADE Investor" newsletter 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.

Contracts

\$3 Billion for Rapid Acquisitions

The Defense Science Board recommended the creation of a fund to improve how it acquires armaments and gear designed to meet urgent combat needs.

\$2.1 Billion Contract

Oshkosh plans to churn out 2244 military vehicles by year's end under a \$1.05 billion contract. The firm stated that supplies and workers were readily available due to a 40%-50% nationwide drop in the over-the-road truck business. The firm received a second order in early August, doubling the size of this order.

Tanker Contract

After several stops and starts, there appears to be a consensus growing among politicians, analysts, DoD, and companies themselves that the \$40 billion contract for the aerial refueling tanker will be split between Boeing and a Northrop Grumman/EADS team. The Pentagon plans to release its updated solicitation by the end of September. \$440 million has been included in the FY2010 budget.

\$480 Million

Added by the Pentagon to the F-35 Joint Strike Fighter for 2010 to cover higher costs for flight testing.

Foreign Military Sales by the U.S.

2008 - \$10.9 billion in deliveries

Sales Agreements

- 2005 - \$9.5 billion
- 2006 - \$18 billion
- 2008 - \$36 billion

Top buyers in 2008

- Israel - \$1.36 billion
- Poland - \$733 million
- Saudi Arabia - \$809 million
- South Korea - \$799 million
- Egypt - \$788 million
- Iraq - \$442 million
- Pakistan - \$271 million

source: *Federation of American Scientists*

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

Aug-09		SPADEF Defense Index					Market	Forward	Price/	Price/	PEG	
Company	Ticker	Float %	Price	Price	% Ch	% Ch	Cap	P/E	Sales	Book	5 yr	Div Yld
			30-Jun-09	31-Jul-09	YTD	MTD	intraday	(ttm)	ttm	mrq	expected	forward %
United Technologies	UTX	7.50%	51.96	54.47	1.62%	4.83%	51.27	12.32	0.94	2.94	1.49	2.80%
Boeing Co	BA	7.23%	42.50	42.91	0.56%	0.96%	29.93	9.75	0.49	167.60	1.12	3.90%
Honeywell Intl	HON	7.02%	31.40	34.70	5.70%	10.51%	26.10	12.53	0.78	3.07	1.33	3.50%
Lockheed Martin	LMT	6.60%	80.65	74.76	-11.08%	-7.30%	28.56	9.09	0.66	10.11	0.96	3.10%
General Dynamics	GD	5.80%	55.39	55.39	-3.82%	0.00%	21.33	8.61	0.68	1.93	1.01	2.80%
Raytheon Co	RTN	5.03%	44.43	46.27	-9.35%	4.14%	18.02	9.11	0.75	1.91	0.88	2.60%
Itt Indus	ITT	4.27%	44.50	49.40	7.41%	11.01%	8.99	13.76	0.77	2.79	1.69	1.80%
L-3 Communications Hldgs	LLL	4.14%	69.38	75.50	2.33%	8.82%	8.80	9.32	0.58	1.44	0.96	1.90%
Northrop Grumman	NOC	4.12%	45.68	44.58	-1.02%	-2.41%	14.18	8.05	0.42	1.19	0.82	3.80%
Precision Castparts	PCP	4.11%	73.03	79.81	34.18%	9.28%	11.18	10.50	1.73	2.27	0.77	0.20%
Computer Sciences	CSC	3.74%	44.30	48.17	37.08%	8.74%	7.30	10.82	0.44	1.33	1.44	
SAIC	SAI	3.68%	18.55	18.09	-7.14%	-2.48%	7.18	13.20	0.71	3.64	1.20	
Rockwell Collins	COL	3.42%	41.73	42.20	7.96%	1.13%	6.68	11.69	1.44	4.13	0.79	2.30%
Goodrich Corp	GR	3.26%	49.97	51.36	38.74%	2.78%	6.37	11.24	0.94	2.43	1.48	1.90%
Garmin Ltd	GRMN	2.84%	23.82	27.66	44.29%	16.12%	5.54	13.97	1.67	2.41	1.13	2.80%
Ball Corp	BLL	2.33%	45.16	48.36	16.28%	7.09%	4.53	11.30	0.63	3.50	1.55	0.80%
URS Corporation	URS	2.15%	49.52	50.60	24.11%	2.18%	4.21	15.15	0.41	1.12	1.48	
Harris Corp	HRS	2.12%	28.36	31.31	-17.71%	10.40%	4.15	9.91	0.74	1.91	0.76	2.50%
Textron	TXT	1.85%	9.66	13.44	-3.10%	39.13%	3.55	17.01	0.28	1.20	39.30	0.60%
Flir Systems	FLIR	1.65%	22.56	21.49	-29.95%	-4.74%	3.22	14.05	2.90	3.18	0.79	
Trimble Navigation Ltd	TRMB	1.45%	19.63	23.71	9.72%	20.78%	2.83	18.10	2.50	2.45	1.24	
Ebit Systems	ESLT	1.42%	61.85	65.74	41.44%	6.29%	2.77	13.99	1.03	3.73	1.61	4.90%
Alliant Techsystems	ATK	1.32%	82.36	78.72	-8.21%	-4.42%	2.58	8.82	0.57	4.23	0.80	
Oshkosh Truck	OSK	1.05%	14.54	27.45	208.77%	88.79%	2.04	12.48	0.30	26.98		1.50%
Mantech International'a'	MANT	0.97%	43.04	53.23	-1.77%	23.68%	1.90	15.98	0.93	2.45	1.14	
Caci Intl	CACI	0.71%	42.71	46.20	2.46%	8.17%	1.38	13.92	0.52	1.44	1.15	
Teledyne Technologies	TDY	0.60%	32.75	32.73	-26.53%	-0.06%	1.20	10.39	0.66	2.16	0.96	
Moog Inc.	MOGA	0.59%	25.81	26.96	-26.28%	4.46%	1.15	11.57	0.63	1.09	1.48	
DynCorp	DCP	0.58%	16.79	20.31	33.88%	20.96%	1.14	11.88	0.37	2.29	0.89	
Sra International'a'	SRX	0.57%	17.56	19.70	14.20%	12.19%	1.11	17.59	0.73	1.55	1.60	
Cubic Corp	CUB	0.54%	35.79	39.16	43.97%	9.42%	1.05	17.48	1.12	2.68	1.29	0.40%
Cogent Inc.	COGT	0.52%	10.73	11.40	-15.99%	6.24%	1.02	20.73	7.70	1.92	1.52	
Comtech	CMTL	0.46%	31.88	31.87	-30.45%	-0.03%	0.90	15.86	1.53	1.46	0.54	
Esterline Technologies	ESL	0.43%	27.07	28.43	-24.97%	5.02%	0.84	8.44	0.59	0.77	0.50	
Viasat Inc	VSAT	0.43%	25.64	27.00	12.13%	5.30%	0.84	14.14	1.35	1.84	1.01	
Digital Globe	DGI	0.42%	19.20	18.20	-20.87%	-5.21%	0.79	23.33	2.86	1.88	1.35	
Orbital Sciences Corp	ORB	0.39%	15.17	13.54	-30.67%	-10.74%	0.76	13.96	0.66	1.59	1.67	
Stanley Inc.	SXE	0.38%	32.88	30.74	-10.14%	-6.51%	0.73	15.53	0.95	3.30	1.14	
AAR Corp	AIR	0.38%	16.05	19.13	3.91%	19.19%	0.74	9.56	0.53	1.12	0.72	
L-1 Identity Solutions	ID	0.36%	7.74	7.87	16.77%	1.68%	0.67	31.48	1.11	0.96	4.47	
Triumph Group	TGI	0.34%	40.00	39.94	-5.93%	-0.15%	0.67	8.49	0.54	0.84	0.88	0.40%
American Science & Engineering	ASEI	0.32%	69.12	69.75	-5.69%	0.91%	0.62	18.80	2.82	3.32	1.15	1.10%
AXSYS Technologies	AXYS	0.32%	53.64	53.67	-2.17%	0.06%	0.62	17.54	2.47	3.07	0.97	
AeroVironment	AVAV	0.31%	30.86	28.44	-22.74%	-7.84%	0.61	19.48	2.51	3.00	1.19	
Ceradyne Inc	CRDN	0.24%	17.66	18.05	-11.13%	2.21%	0.46	15.43	0.92	0.73	3.09	
GeoEye	GEOY	0.24%	23.56	24.80	28.97%	5.26%	0.46	16.21	2.93	1.98	1.12	
NCI Information Technology	NCIT	0.22%	30.42	31.69	5.18%	4.17%	0.43	18.53	1.04	4.04	1.35	
Argon St	STST	0.21%	20.57	19.11	1.33%	-7.10%	0.41	15.17	1.16	1.37	1.21	
Force Protection	FRPT	0.19%	8.84	5.17	-13.55%	-41.52%	0.36	8.76	0.33	1.29	0.52	
Osi Systems	OSIS	0.18%	20.85	19.80	42.96%	-5.04%	0.34	17.37	0.56	1.32	1.23	
Applied Signal Technology	APSG	0.17%	25.51	25.00	39.35%	-2.00%	0.33	21.37	1.74	2.59	1.09	1.90%
EMS Tech	ELMG	0.17%	20.90	22.00	-14.96%	5.26%	0.33	13.10	0.97	1.42	0.92	
TASER International Inc.	TASR	0.17%	4.56	5.25	-0.57%	15.13%	0.33	37.50	3.47	2.91		
Mercury Computer Sys	MRCY	0.13%	9.25	11.50	82.25%	24.32%	0.26	39.66	1.27	1.91		
Ladish Co	LDSH	0.09%	12.97	11.00	-20.59%	-15.19%	0.17	10.48	0.43	0.82	2.07	
Ducommun	DCO	0.09%	18.79	17.28	3.47%	-8.04%	0.18	7.26	0.44	0.81	0.59	1.70%
Herley Industries	HRLY	0.08%	10.97	12.18	-0.81%	11.03%	0.16	15.62	0.99	0.86	6.61	
VSE Corporation	VSEC	0.08%	26.16	29.61	-24.52%	13.19%	0.15	7.03	0.13	1.76		0.70%
Integral Systems	ISYS	0.06%	8.32	7.18	-40.41%	-13.70%	0.12	13.05	0.78	1.14	0.89	

Data Provided by Yahoo Finance & Capital IQ, and Forward P/E by Thompson