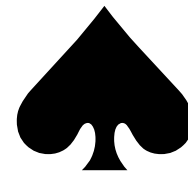


SPADE INVESTOR



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Defense * Homeland Security * Aerospace

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- Defense in an Obama Administration
- Statistics: Comparison between Military of Today and the Recent Past
- 2009 Forecasts
- \$45 billion in Contracts and Protests
- DoD Doubles Potential Buy of Lighter MRAPs
- Obama National Security Team: Pentagon's Positive Opinion

A&D Stock Valuation Watch

With 54 companies in the SPADE Defense Index:

- 39 companies have a P/S < 1.0
- 32 have a PEG of < 1.0
- 42 have a PEG of < 1.26

The sector as a whole has a P/E of 12.44 (down from 13.77 last month), and

- 33 have a P/E < 12
- 27 have a P/E < 10

SPADE Defense Index Statistics

11/28/08 Close: 1473.64
 All-time Close: 2747.67
 Date of all-time close: 9 October 2007

	SPADE Defense	S&P500
November	[8.46%]	[7.48%]
3rd QTD	[24.35%]	[23.05%]
Year to Date	[42.73%]	[38.96%]

Commentary

Although November ended on an upbeat, overall the month was brutal for stocks and the defense sector was no different.

The sector has not been trading on fundamentals or the realization that defense sector revenues and earnings are relatively independent of recession, instead following the broader markets (see chart). But while the defense sector is undervalued at these levels, the same can be said about other sectors as well. So the question becomes, when you put money back into the market, and when the market trades on fundamentals, why defense?

1. The Department of Defense budget: It looks like the FY-2009 and FY-2010 budgets will come in at the current levels or *as much as \$50 billion higher* -- at least this is what defense leaders are proposing and the Bush White House is advocating.

2. Boeing: The company has been a major source of weakness for the sector with its stock price down more than half during

2008. The company's rebound following the strike settlement was shortlived as the broader stock market shortly thereafter retested its lows. Although next quarter's earnings for many commercial aerospace companies should be down year-over-year (reflecting the strike), it is likely already priced in. The first test flight of the 787, and subsequent 2009 milestones including the delivery of the first planes, should provide positive news to boost stocks higher. Low oil prices have stabilized airline expenses and reduced the risk the recession would have if airlines delayed delivery of new aircraft orders.

3. Defense Procurement Changes:

It's been suggested that the Obama administration will focus on monitoring program costs better; shifting procurement to more fixed cost contracts; and restructuring some delivery timetables on large programs -- each of which is not necessarily a negative and could benefit firms by improving margins and creating more (albeit smaller) programs to compete for.

4. Security Needs:

The coordinated terrorist attacks in Mumbai, India shows how lucky the U.S. has been since 2001 in thwarting new attacks. The forgotten part of the defense sector is that which focuses on collecting and analyzing

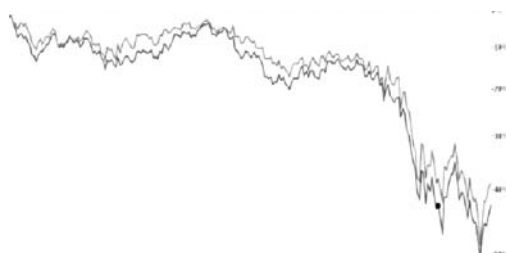
Month in Review - November

November was a bit like October, major declines before rebounding a bit at the end of the month.

Still, ten companies in November managed to post double-digit gains led by companies involved with homeland security, namely, Cogent (up more than 47%) and URS, NCI, OSI Systems, and American Science (all up more than 20%). Unfortunately 19 posted double digit declines and almost 70% ended down for the month. Overall, 16 companies, including large caps Boeing and Honeywell and large mid-caps Rockwell Collins, Textron, Precision Castparts have lost more than half their value during 2008.

A list of the top 10 leaders and laggards is on page 2. A complete list of YTD and monthly returns can be found on page 5.

YTD the SPADE Defense Index has tracked the movements in the S&P500



Bush to Obama:

Boost Defense Spending Through 2015

According to John Young, acquisition chief at the Pentagon, President George Bush and Secretary of Defense Robert Gates are advising the Obama administration to increase defense spending for the next five years. Although no figure was given, other estimates place it at \$50 billion. Young stated that the recommendations were a 'template' and were needed to fight the war on terror. In 1Q09, decisions on \$100 billion in weapons spending will need to be made.

continued on page 2

November 2008 Top Gainers

1	Cogent	47.05%
2	URS Corporation	29.16%
3	NCI Information	21.01%
4	OSI Systems	20.70%
5	American Science	20.62%
6	Cubic Corp.	18.83%
7	Raytheon	18.71%
8	ViaSat	17.62%
9	DynCorp	12.33%
10	Cerdayne	11.74%

November 2008 Laggards

1	Mercury Computer	[61.84%]
2	Gencorp	[41.63%]
3	L-1 Identity	[28.78%]
4	Garmin	[24.14%]
5	Elbit Systems	[23.25%]
6	Triumph Group	[22.02%]
7	SRA International	[18.72%]
8	Boeing	[18.68%]
9	L-3 Communications	[17.25%]
10	Ducommun	[17.19%]

YTD Top Gainers

1	Axsys Technologies	90.48%
2	NCI Information	68.32%
3	American Science	33.69%
4	AeroVironment	33.18%
5	Mantech	24.19%
6	Cogent	20.54%
7	Applied Signal	15.54%
8	SI International	11.18%
9	Argon ST	5.55%
10	Stanley Inc.	[0.37%]

YTD Laggards

1	Oshkosh Truck	[85.19%]
2	Mercury Computer	[82.99%]
3	Garmin	[82.44%]
4	Textron	[78.64%]
5	Gencorp	[75.47%]
6	Taser International	[69.77%]
7	L-1 Identity	[67.47%]
8	Ladish	[61.59%]
9	Triumph Group	[58.47%]
10	Ducommun	[56.00%]

Largest Defense Prime Contractors

	Nov	YTD
Lockheed Martin	[9.34%]	[26.74%]
Boeing	[18.68%]	[51.26%]
General Dynamics	[14.34%]	[41.94%]
Northrop Grumman	[12.67%]	[47.93%]
Raytheon	[4.52%]	[19.60%]

ETF Statistics (AMEX: PPA)

Powershares Aerospace & Defense

Exchange / Ticker Symbol:	AMEX / PPA
Fee	60 basis
Assets (11/29/08)	\$119 M
Closing Price (11/29/08)	\$12.69
November 08 Volume	1,466,200
3 month Avg Daily Trading Volume**	95,888

Powershares Aerospace & Defense ETF(AMEX: PPA)

Average Portfolio Market Cap*	\$11.18 Billion
Portfolio P/E*	12.24
Portfolio P/S*	0.82
Portfolio P/B*	2.05
Portfolio P/Cash Flow*	6.99
Earnings Growth Rate (ttm)*	12.75%

source: Yahoo! Finance, [* 31 Oct 08] - [** 31 Nov 08]

intelligence to determine threats and stop them before they can be executed. The attacks in India serve to remind us of the importance of defense spending. One can expect India's government to increase resources to protect its citizenry. In addition, the nation was already seen as a major new export market with tens of billions in proposed acquisitions for new fighter jets and other equipment anticipated over the next few years. With U.S. C4ISR skills unmatched in size, scope, and capabilities, (with the possible exception of Israel), new opportunities in India may open up in this market as well.

5. The Obama Defense Team

While military officials and officers were wary of the agenda under an Obama administration before the election, they appear to be increasingly receptive to what they are hearing now. The expected retention of Robert Gates as Secretary of Defense, the appointment of Sen. Hillary Clinton for Secretary of State, and retired Marine Corps General James Jones as national security adviser have been greeted with relief at the Pentagon. Clinton is seen as a defense moderate to hawk and her membership on the Senate Armed Services Committee has given her close ties to the military community. Jones was the Supreme Allied Commander at NATO and a Marine commandant. After last week's meeting with Obama, Admiral Michael Mullen, the Chairman of the Joint Chief of

Staff said he came away with a very positive feeling. Regarding the proposed 16-month timeline for withdrawing from Iraq, Both Secretary Gates, Adm. Mullen, and General David Petraeus, all said they were not troubled by the timeline especially in light that the Iraqi parliament passed an agreement with the U.S. military to leave the country by 2011.

Lastly

The positives in the defense sector at this time seem to outweigh the negatives however we are in a market that tends to discount fundamentals and reacts to negative news in the broader markets.

And there will be negative news -- dismal revenues/earnings from non-defense aerospace activities due to the strike at Boeing are likely -- but we still have not yet seen any indication that defense budget declines will affect revenues and earnings over the next several quarters, and there will be limited impact on defense sales due to an economy in recession.

Outside factors, are likely to continue to be in control -- whether upside [a santa claus rally that offsets some of 2008's performance, economic news better than the long recession forecasts, or the BRIC nations providing stability and hence growth to Western exporters (China's CSI 300 is up 17% since November 4th, Brazil's Bovespa is up 15% since October 27th, and Russia's RTS is up 23% since

October 24)] or downside [addition financial, banking, automotive sector issues; news indicating a deepening recession in the U.S. and abroad, etc.]

2009 Forecasts

Northrop Grumman CEO Ron Sugar - "Defense spending will likely remain steady through the first few years of a new administration...though there would be significant deviations in Pentagon priorities for 2011 and 2012. You may see some rearrangement of what's emphasized and what's not emphasized, but the way this system works, the next several years are pretty well understood....cybersecurity and UAVs are two areas that should see significant growth" -- as cited in Reuters on 11/19

Boeing Defense -- in a *Wall Street Journal* article they said that they expect the new administration will "take a hard look at everything" in the defense budget.

Rockwell Collins CEO, Clay Jones, "The basic, core defense budget will not be reduced because I don't think it can afford to be reduced."

AIA President, Marion Blakey, "[Obama] understands the criticality of an adequate defense budget and importance of strong defense."

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 service-women.

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

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

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Scott Sacknoff: Index Manager

...[I don't] see defense spending declining in the first years of an Obama administration. There are a set of demands that are very severe, very important to our national well-being

Richard Danzig, a U.S. Navy secretary under President Clinton in the October 3rd Wall Street Journal.

DoD Doubles Potential Buy of Lighter MRAPs *

* [The headline in a 17 November 2008 *Defense News*]. A request for bids that went out on 13 November states a need for up to 10,000 of the 7- to 10-ton troop transporters which would be capable of handling the Afghanistan terrain. Orders would be comparable to the 12,000 14- to 24-ton MRAPs that were ordered for Iraq. The program name is the MRAP All-Terrain Vehicles (M-ATV). Plan is to award up to 5 indefinite delivery, indefinite quantity contracts for testing early in 2009. For those unfamiliar ,the initial award is essentially just to prequalify bidders but there is no guarantee that they will actually receive a contract or in what amount. The five likely contenders are Oshkosh's Sandcat, Force Protection's Cheetah, Textron's Armored Security Vehicle. Lockheed Martin-BAE's unnamed vehicle for the Joint Light Tactical Vehicle program, and Navistar's MaxxPro Dash.

Financial Crisis

Defense companies have very low net debt -- about \$5 billion total -- and about \$20 billion in free cash flow according to Pierre Chao, Renaissance Strategic Advisors.

Defense companies have used some of the cash to acquire small, specialized companies, and add new capabilities or technologies. With questions over where and how the DoD will spend its budget and how they will meet all their requirements, companies have held onto the cash waiting for direction.

Obama Tech Bias Favor Space Program

AviationWeek stated their belief that Obama's emphasis on technology will favor government space development activities.

Global Defense Budgets

France's Equipment Budget (euros)

2009: 16.59 B	2010: 16.53B
2011: 16.21 B	2012: 16.64B
2013: 17.27 B	2014: 18.01B

The equipment budget includes research, maintenance in operational condition, infrastructure, and acquisition of new gear.

India: Announced its 2008-2009 defense budget was \$26.4 billion based on an exchange rate of 40 rupees to the \$1.

Contracts

\$2.5 Billion - From Norway for up to 48 F-35 Joint Strike Fighters to replaces its aging fleet of F-16s. The Norwegian Parliament must still approve the deal.

\$2 Billion - Lockheed Martin for 12 Halifax-class frigates for the Canadian Navy

\$1.2 Billion - Oshkosh Trucks from the Army for more than 6000 heavy tactical vehicles such as trucks, palletized load systems and trailers and equipment transporters.

\$667.3 Million - Lockheed Martin from NASA for avionics software, simulators and other systems needed to help the agency transition from the Space Shuttle to the Constellation program. The contract runs through 30 Sept 2012 and has two, one-year options that could raise the total to \$977 million.

\$442 Million - Raytheon and Lockheed Martin under a parallel contract to develop a large rocket with multiple projectiles capable of shooting down both real and decoy missiles in mid-flight.

\$97 Million - Northrop Grumman - for 12 Hunter MQ-5B UAVs plus control stations and other equipment.

\$65 Million - Honeywell for 90 T-Hawk Micro Air Vehicle UAVs weighting just 17 lbs each.

\$50 Million - Bought by the Pentagon for the F-22 fighter jet to keep factories running until the Obama administration can make a decision on the plane's future.

Protest

Potentially worth \$20 billion, the Joint Light Tactical Vehicle (Humvee replacement) is facing two protests -- one from the Boeing/Textron team and a second from Northrop Grumman/Oshkosh Defense. Teams led by General Dynamics, Lockheed Martin, and BAE Systems were the finalists.

No Irregularities

A Pentagon audit of the \$15 billion Combat Search & Rescue helicopter award found that the Air Force acted properly in changing specifications. The award has been on hold since 2006 when Lockheed Martin and United Technologies protested Boeing's contract win.

Airlines to Profit Through Recession?

Mike Derchin, FTN Midwest Securities analyst stated that U.S. airlines could earn \$5.2 billion in 2009 due to the decline in oil prices, consolidation, reductions in capacity, and higher average fares.

Year	SPADE	S&P500
YTD	[42.73%]	[38.96%]
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%

Defense and aerospace contractors have been knocked down with the rest of the bear. But P/E ratios haven't been this cheap since the beginning of the decade.
Gary Gordon, ETF Expert Newsletter

Though it is not related to the defense sector, I found the following table comparing the economy during the George W. Bush administration quite interesting.

	January 22, 2001	October 31, 2008
Real GDP Growth	4.09% over prior 8 yrs	2.2% (2001-2008)
National debt	\$5.7 trillion	\$9.7 trillion +
Budget deficit/surplus over past 3 years	\$431 billion surplus	\$410 billion deficit (08 est)
Unemployment Rate	4.2%	6.1% (Aug 08)
U.S. Poverty Rate	31.6 million	37.3 million (07)
Price of Gas	\$1.39 /gallon	\$3.70/gallon (Sept08), \$2.10/gallon (Oct 08)
Consumer Credit Debt	\$7.65 trillion	\$12.8 trillion
Change Median Income	\$6k increase/8 years	\$1100 increase in 7 yrs
U.S. Trade Deficit	\$380 billion	\$708.5 billion
Strength U.S. Dollar	1.07 euros/\$	0.70 euros/\$
Foreign oil dependency	52.75% imported	60.38% imported (08)
S&P 500	1342.90	968.75
Dow	10,578.24	9336.93
NASDAQ	2757.91	1720.95
SPADE Defense Index	1030.57	1609.86

Equities Magazine, October 2008, p 22 - Figures compiled using info from Bureau of Economic Analysis, Dept of Treasury, Bureau Labor Statistics, U.S. Census Bureau, others

Quarter	SPADE	S&P500
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%
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%	5.22%
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%

Armed Force Journal (October 2008)

Quotes from 'Balancing Strategy & Budgets' by Mackenzie Eaglen, a senior policy analyst for national security at The Heritage Foundation -

"The Iraq war was not fought without prior mobilization but it followed a decade-long procurement holiday. If our country cuts the defense budget now without considering America's worldwide responsibilities or the likely geopolitical landscape the U.S. will face over the next five to 10 years, we're setting ourselves up for disaster. That's especially true because the U.S. does not spend enough today to meet its security commitments beyond Iraq."

"The Cold War may be over, but the U.S. still has global interests and global responsibilities, and they cannot be protected on the cheap."

"In the meantime, the cost of being unprepared is often measured in the lives of men and women in the armed forces and international security of the nation put at risk."

Comparison: Military Today with Recent Past

Active duty Army:
 Operation Desert Storm: 18 divisions
 Today: 10 divisions

Navy:
 Reagan Administration: Almost 600 ships
 Today: Struggles to sustain a fleet of 280

Marine Corps:
 Average age of the helicopters is 25 years.

Fighter Aircraft:
 - Pentagon bought an average of 238 fighter aircraft each year from 1975 to 1990, it bought only 28 per year from 1991 to 2000.
 - The B-52 bomber is almost 50 years old.

~~America's military could soon pay a heavy price for any replay of the 1990s peace dividend. Except this time, there is a gap between the perceived and actual pace of peacetime operations.~~

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Split	Company	Ticker	Nov-08	SPADEF Defense Index				Market	Forward	Price/	Price/	PEG	Div Yld						
				Float %	Price	Price	% Ch							% Ch	Cap	P/E	Sales	Book	5 yr
					31-Oct-08	28-Nov-08	YTD							MTD					
	United Technologies	UTX	8.38%	54.96	48.53	-36.60%	-11.70%	46.13	9.50	0.77	2.15	0.92	3.20%						
	Boeing Co	BA	7.59%	52.42	42.63	-51.26%	-18.68%	31.30	6.92	0.46	3.48	0.81	3.80%						
	Lockheed Martin	LMT	7.13%	85.05	77.11	-26.74%	-9.34%	30.89	9.61	0.69	3.00	0.89	3.00%						
	Honeywell Intl	HON	6.12%	30.45	27.86	-54.75%	-8.51%	20.23	7.65	0.53	2.06	0.74	3.90%						
	General Dynamics	GD	6.06%	60.32	51.67	-41.94%	-14.34%	20.14	7.60	0.68	1.61	0.85	2.70%						
	Raytheon Co	RTN	6.00%	51.11	48.80	-19.60%	-4.52%	20.20	10.43	0.85	1.54	0.94	2.30%						
	SAIC	SAI	4.37%	18.47	17.80	-11.53%	-3.63%	7.19	14.59	0.75	3.96	1.22							
	Precision Castparts	PCP	4.21%	64.81	62.70	-54.79%	-3.26%	8.74	7.22	1.17	1.83	0.46	0.20%						
	Itt Indus	ITT	4.14%	44.50	41.86	-36.61%	-5.93%	7.60	10.14	0.66	1.68	0.86	1.70%						
	Northrop Grumman	NOC	4.08%	46.89	40.95	-47.93%	-12.67%	13.39	7.61	0.39	0.75	0.62	3.90%						
	L-3 Communications Hldgs	LLL	3.71%	81.17	67.17	-36.60%	-17.25%	8.13	8.94	0.54	1.30	0.79	1.80%						
	Rockwell Collins	COL	3.21%	37.13	34.08	-52.65%	-8.21%	5.41	7.57	1.10	3.73	0.55	2.80%						
	Harris Corp	HRS	2.76%	35.95	34.88	-44.35%	-2.98%	4.62	7.65	0.84	2.00	0.50	2.30%						
	Flir Systems	FLIR	2.55%	32.10	31.00	-0.96%	-3.43%	4.30	19.75	4.19	5.56	1.17							
	Computer Sciences	CSC	2.49%	30.16	27.86	-43.68%	-7.63%	4.22	6.46	0.24	0.71	0.58							
	Goodrich Corp	GR	2.49%	36.56	33.65	-52.34%	-7.96%	4.14	6.62	0.57	1.47	0.45	3.00%						
	Textron	TXT	2.23%	17.70	15.23	-78.64%	-13.95%	3.67	4.91	0.25	1.06	0.34	6.00%						
	Garmin Ltd	GRMN	2.09%	22.45	17.03	-82.44%	-24.14%	3.45	5.13	0.94	1.61	0.34	4.40%						
	Ball Corp	BLL	2.08%	34.20	36.45	-19.00%	6.58%	3.46	9.07	0.44	2.40	0.98	1.10%						
	URS Corporation	URS	1.89%	29.39	37.96	-30.13%	29.16%	3.17	12.78	0.33	0.83	1.09							
	Alliant Techsystems	ATK	1.60%	82.54	82.20	-27.74%	-0.41%	2.69	9.30	0.60	3.07	0.88							
	Trimble Navigation Ltd	TRMB	1.45%	20.57	20.36	-32.67%	-1.02%	2.43	12.19	1.75	2.07	0.64							
	Mantech International'a'	MANT	1.13%	53.94	54.42	24.19%	0.89%	1.93	18.57	1.07	2.95	1.26							
	Elbit Systems	ESLT	0.92%	48.51	37.23	-37.49%	-23.25%	1.56	10.14	0.65	2.61	1.13	2.10%						
	Teledyne Technologies	TDY	0.86%	45.57	40.62	-23.83%	-10.86%	1.46	11.67	0.77	2.22	0.80							
	Moog Inc.	MOGA	0.81%	35.12	32.18	-29.75%	-8.37%	1.37	9.49	0.70	1.34	0.99							
	Caci Intl	CAI	0.79%	41.18	44.41	-0.80%	7.84%	1.33	13.26	0.53	1.46	1.00							
	Cogent Inc.	COGT	0.71%	9.14	13.44	20.54%	47.05%	1.21	24.00	10.67	2.29	1.33							
	Esterline Technologies	ESL	0.65%	36.05	36.91	-28.68%	2.39%	1.09	9.30	0.69	0.88	0.47							
	Orbital Sciences Corp	ORB	0.60%	20.49	17.20	-29.85%	-16.06%	1.01	18.90	0.83	2.09	18.90							
	Stanley Inc.	SXE	0.50%	34.26	31.90	-0.37%	-6.89%	0.75	18.44	1.10	3.96	1.21							
	DynCorp	DCP	0.50%	13.22	14.85	-44.75%	12.33%	0.85	9.64	0.32	1.79	0.80							
	Sra International'a'	SRX	0.50%	18.48	15.02	-49.00%	-18.72%	0.84	11.47	0.54	1.20	0.81							
	AXSYS Technologies	AXYS	0.46%	66.03	69.81	90.48%	5.72%	0.78	25.86	3.36	4.27	1.43							
	Cubic Corp	CUB	0.42%	22.25	26.44	-32.55%	18.83%	0.71	14.37	0.76	1.62	1.06	0.70%						
	Ceradyne Inc	CRDN	0.41%	23.50	26.26	-44.04%	11.74%	0.69	8.23	0.94	1.10	0.76							
	AeroVironment	AVAV	0.40%	35.92	32.23	33.18%	-10.27%	0.68	23.36	3.00	3.63	1.39							
	American Science & Engineering	ASEI	0.39%	62.90	75.87	33.69%	20.62%	0.67	21.37	3.68	4.00	1.62	1.10%						
	Viasat Inc	VSAT	0.39%	18.22	21.43	-37.76%	17.62%	0.66	11.05	1.03	1.47	0.92							
	AAR Corp	AIR	0.39%	15.99	16.94	-55.46%	5.94%	0.66	7.30	0.43	1.03	0.59							
	Triumph Group	TGI	0.33%	43.86	34.20	-58.47%	-22.02%	0.58	5.65	0.44	0.74	0.37	0.50%						
	Oshkosh Truck	OSK	0.31%	7.66	7.00	-85.19%	-8.62%	0.52	3.03	0.07	0.35	0.39	5.70%						
	L-1 Identity Solutions	ID	0.27%	8.20	5.84	-67.47%	-28.78%	0.50	58.40	0.88	0.38								
	Argon St	STST	0.25%	20.86	19.59	5.55%	-6.09%	0.42	17.03	1.28	1.48	1.09							
	Si International	SINT	0.24%	28.80	30.54	11.18%	6.04%	0.38	20.64	0.68	1.47	1.85							
	NCI Information Technology	NCIT	0.23%	23.80	28.80	68.32%	21.01%	0.38	19.86	0.99	4	1.26							
	GeoEye	GEOY	0.21%	21.64	19.99	-40.59%	-7.62%	0.37	31.23	2.32	1.53	1.84							
	TASER International Inc.	TASR	0.16%	5.01	4.35	-69.77%	-13.17%	0.27	72.50	2.60	2.35	6.83							
	Osi Systems	OSIS	0.15%	11.50	13.88	-47.56%	20.70%	0.25	12.97	0.38	0.85	0.77							
	Ladish Co	LDSH	0.14%	17.03	16.59	-61.59%	-2.58%	0.26	6.21	0.60	1.08	0.88							
	Applied Signal Technology	APSG	0.12%	17.92	15.69	15.54%	-12.44%	0.20	21.20	1.07	1.60	1.63	3.20%						
	Ducommun	DCO	0.10%	20.19	16.72	-56.00%	-17.19%	0.18	7.18	0.43	0.73	0.73	1.80%						
	Gencorp	GY	0.10%	4.90	2.86	-75.47%	-41.63%	0.16	4.93	0.21									
	Mercury Computer Sys	MRCY	0.04%	7.18	2.74	-82.99%	-61.84%	0.06	8.06	0.32	0.48								

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