

TROSTLE INVESTMENT PORTFOLIO (TIP)
A Student-Managed Investment Portfolio
1st Quarter Report
31 March 2013

For the first quarter ending 31 March 2013, the Elizabethtown College Student-Managed Investment Portfolio rose 8.81% compared to a rise of 10.61% for the S&P 500 Stock Index. Since inception (August 2007), the student portfolio has risen at a compound annual rate of 8.25% compared to a rise of 3.61% for the S&P 500.

During the first quarter, the students in BA426A SMIP voted to:

- Sell 623 shares of General Electric Company (GE), net amount \$13,835;
- Buy 400 shares of Bank of America Corporation (BAC), net amount \$5,120.

In addition, on January 2, 2013, the portfolio received 309 shares of Abbvie Incorporated (ABBV) as a result of a spin-off from Abbott Labs (ABT). Abbvie, the proprietary pharmaceutical business, accounted for 45% of overall sales in 2011, and will pay the higher dividend of \$1.60 annually (4.5% yield), compared to \$0.56 for Abbott. Abbvie will feature strong margins and cash flow, coupled with relatively slower growth, and a larger U.S. exposure with domestic sales accounting for 56% in 2011.

Abbott, the medical products business, will have substantial international exposure with only 29% of 2011 sales from the U.S. and a significant exposure to emerging markets (40% of sales). Long-term, both companies appear to be attractive investments and the spin-off should improve overall 'value'.

Subsequent Events:

To date, there are no subsequent events of a material nature.

Compliance:

To my knowledge, the student portfolio is in compliance with the Investment Policy Statement.

Sincerely,

Randy Trostle, Ph.D.
Department of Business
Elizabethtown College
5 April 2013