



Third Quarter 2009

Positions Recently Added

Accenture PLC (ACN) – July 2009

Accenture provides management consulting, technology services, and outsourcing on a global basis. Its operations span 17 industry groups in 48 countries. ACN's clients include Fortune Global 500 and Fortune 1000 companies, as well as mid-sized companies and government entities. Accenture's diversification provides benefits during weak periods. Moreover, modest improvements in economic activity suggest the company is approaching an improvement for new bookings. Pent up demand from clients for operational improvements along with an up tick in mergers and acquisitions activity should also benefit ACN's core business offerings. ACN generates attractive levels of cash flow, which leads us to expect dividend increases and share repurchases in the future. Importantly, ACN has a strong balance sheet with \$4.5 billion in cash balances and no debt. The stock is also trading at an attractive valuation, below its pre-recession levels based on multiple measures. Given its defensive and cyclical characteristics, as well as its financial strength and attractive valuation, we have added shares of Accenture to portfolios.

Oracle Corp. (ORCL) – July 2009

ORCL is the world's largest enterprise software company. Its products include database, middleware and application software designed for general business and specific industry needs. ORCL has grown through more than 30 acquisitions since 2005 and now has more than 185,000 employees and operations in over 145 countries. Approximately half of ORCL's revenues come from non-U.S. clients. Oracle has defensive characteristics, including both a diversified product line and customers base, as well as a high level of recurring license revenue for software updates, maintenance and product support. The company is also well positioned for an economic recovery and a pick up in corporate information technology spending, as many of its products help its clients streamline operations and reduce both operating expenses and complexity. Given ORCL's wide range of enterprise solutions, along with an improving outlook for both revenue and profit growth, we have added the shares to accounts.

Existing Positions Increased

iShares Emerging Markets ETF (EEM) – September 2009

EEM is comprised of a diversified basket of emerging market equities, with the most heavily weighted countries including China, Brazil, Korea (South), Taiwan, South Africa, India and Russia. In our analysis, economies in the emerging markets should continue to increase in relative size and strength as a result of recent trends. Governments in China, Taiwan and other Asian nations, for example, were more aggressive than developed nations with regard to size of the recently passed economic stimulus plans. Moreover, domestic and regional growth in Southeast Asia should benefit from the fact that the banks are relatively free of toxic assets, unlike many in developed economies. Lastly, the debt loads of governments, corporations and consumers in the developing world are only a fraction of those in the U.S.

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iShares Global Materials ETF (MXI) – September 2009

MXI is comprised of a diversified basket of global, large cap growth companies in the global Materials sector, representing the mining, chemicals, iron/steel, building materials and forest/agricultural products industries. The Fund seeks to track the performance of the S&P Global Materials sector, which is a subset of the S&P Global 1200 Index. MXI is comprised of the largest global producers of materials, including BHP Billiton, Rio Tinto, Anglo American and Freeport McMoran. The constituents are based in the U.S., as well as Australia, the U.K., Canada, Japan and a number of other countries. The relative size and strength of commodity dependent economies such as China, India and Brazil should work to benefit MXI. Moreover, the value of many industrial metals has suffered during the global economic downturn. Many are trading near five-year lows, creating attractive price levels for countries with strong import demand. Lastly, the aggressive actions by global central banks to cut interest rates, and increase the money supply, in an effort to stimulate economic growth could benefit MXI as commodities represent “hard assets” which are typically viewed as a store of value, or hedge, against inflation.

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