

Research

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Themes Tracker

November 2011

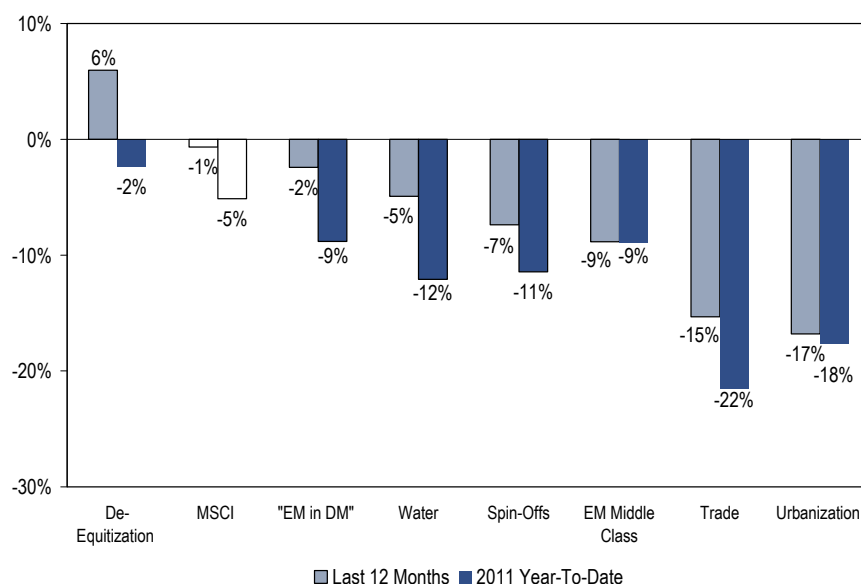
- **Dynamic portfolios** — Added to “Emerging Market Consumerism in China and India” portfolio: **Hongguo, Hugo Boss Group**. Added to “Realizing Value” portfolio: **Beam Inc.** Added to “De-Equitization” portfolio: **Lufkin Industries**.
- **What's new** — “Trade Transformation,” published October 17, 2011. Sectors that support a trade-related infrastructure in EMs — including marine transportation, surface transportation, and air freight logistics — seem well-positioned to benefit from the reorientation of world trade towards emerging markets in general, and Emerging Asia in particular. We highlighted 28 stocks that seem well-positioned to benefit from the anticipated “trade transformation.”
- **Worth highlighting** — Further color by CIRA analysts on the investment implications of the “Trade Transformation” theme as it impacts (i) container terminal operators and freight forwarders; (ii) air freight logistics companies; and (iii) banks.

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Figure 1. 2011 and Twelve Month Performance of Seven Theme Portfolios and MSCI AC World Index
Through October 28, 2011



Source: Citi Investment Research and Analysis

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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We are highlighting eight investment themes:

- **Emerging Market Consumerism in China and India** (September 15, 2009; updated August 4, 2010). The number of middle income consumers will increase by over 800 million by 2030, according to World Bank projections. Half of these new consumers will be located in China and India. As income levels increase, spending patterns should also shift.
- **The Growing Middle Class in Latin America** (March 11, 2011). The middle class has expanded dramatically in Latin America since 2003 and now accounts for over 50% of the population of the region. Though the pace of middle class growth in the region will moderate going forward, we still see significant middle class expansion potential over the medium-term.
- **“EM in DM”** (May 4, 2011). In addition to an expansion of the middle classes, growth in emerging economies offers a range of other investment opportunities. We highlight companies listed in developed markets with at least 50% of sales estimated to come from emerging economies, either now or in five years.
- **Urbanization** (February 2, 2011). The percentage of the world’s population in urban locations now exceeds that in rural areas. Starting with “a clean slate,” cities in emerging economies can move up the value chain, shifting towards higher value-added services and more knowledge-based activities. Many developed economy cities have well-established comparative advantages in certain service sectors; urbanization will result in a larger global market for these services.
- **Thirsty Cities — Urbanization to Drive Water Demand** (July 20, 2011). Urbanization also results in a specific need for an adequate water infrastructure. As urban areas increase in size and become more affluent, changing diets and sanitation requirements can cause the demand for water to increase five-fold beyond the “basic water requirement” needed for drinking, cooking, and personal hygiene. At the same time, however, excessive pumping of aquifers and increased pollution are among the factors pressuring water supplies globally.
- **Trade Transformation** (October 17, 2011). CIRA economists argue that world trade is set to grow faster than global GDP in coming decades, with a reorientation of world trade towards emerging markets in general, and Emerging Asia in particular. Sectors that support a trade-related infrastructure in EMs — including marine transportation, surface transportation, and air freight logistics — seem well-positioned to benefit from the reorientation of world trade.
- **Realizing Value** (May 19, 2010, updated March 2, 2011). In a turnaround from prior decades, developed market mega-cap stocks trade at a discount to mid-caps. Large conglomerates in developed markets can realize underappreciated value by spinning off mid-sized non-core units.
- **De-Equitization** (September 29, 2010). Low equity valuations, surplus cash flows, and negligible cost of debt financing should spur a meaningful reduction in share counts in developed markets. Equity investors can tilt global portfolios to focus on candidates for takeovers and share buybacks. Big increases in dividend payments reflect another way to reduce excess capital and boost ROEs.

In our monthly *Themes Tracker*, we highlight recent developments and list companies that seem well positioned to benefit from the various themes — both companies included in the original reports *and* new additions.

- At any point in time, the theme portfolios will only include companies rated 1 or 2 by analysts at Citi Investment Research and Analysis (CIRA). It is for this reason that some of the companies highlighted in our original reports are no longer included in the tables below.
- With regard to additions of companies we believe are well positioned to benefit from a particular theme, we take into account the suggestions of CIRA's global equity strategists, among other factors.

Emerging Market Consumerism in China and India

In our September 2009 report, we highlighted local companies and multinationals with exposure to emerging consumerism in China and India. In our August 2010 report, we highlighted companies well positioned to benefit from the services story.

New Additions: Hongguo, Hugo Boss Group

CIRA analysts recently initiated coverage¹ with a Buy rating on **Hongguo**. The company is China's second-largest retailer by sales of mid-to-premium end women's footwear. This segment of the women's footwear market accounts for almost 30% of the women's footwear market in China, and mainly targets middle-class women with mid-to-high income who have relatively high purchasing power.

Women who purchase shoes in this segment are also more brand-oriented and typically seem to choose brands with high awareness of brand and quality. The CIRA analysts believe the growing middle-class population in China will drive retail sales of the mid-to-premium women's footwear market.

Other CIRA analysts initiated coverage² with a Buy rating on **Hugo Boss Group**. While the company's heritage lies in menswear, the analysts see underappreciated opportunities in womenswear, accessories and luxury menswear. These segments account for less than 30% of group sales, but likely represent attractive medium-term revenue and margin opportunities, especially in China.

Demand for premium apparel is growing very quickly in China, and Hugo Boss is benefiting from the rising brand consciousness of the Chinese consumer in formalwear and sportswear that has historically been dominated by local players. Hugo Boss offers an affordable price point in China where premium brands are often perceived as luxury, thus providing significant retail expansion opportunities in big urban areas and tier 2-3 cities.

Well-Positioned Companies

Figure 2 lists the companies currently highlighted as beneficiaries of "Emerging Market Consumerism in China and India."

¹ See Catherine Lim's October 28, 2011 report, "Hongguo"

² See Thomas Chauvet's October 12, 2011 report, "Hugo Boss Group"

Figure 2. Companies Well Positioned to Benefit from Emerging Market Consumerism in China and India

Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating	Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating
AIA Group	HK	\$37	-4%	15	1	Mastercard	US	\$45	21%	17	2
Air China	CN	\$14	-7%	6	2H	McDonald's	US	\$96	12%	16	2
Anta Sports	CN	\$2	19%	7	1	Menqniu Dairy	HK	\$6	32%	18	1
Apollo Hospitals	IN	\$1	36%	26	1	Merck	US	\$108	8%	9	2
Aurobindo Pharma	IN	\$1	3%	6	1H	Mindray	CN	\$3	7%	16	2H
Australia & NZ Bank	AU	\$61	11%	10	2	Motorola Mobility	US	\$12	na	27	2H
Becton, Dickinson	US	\$17	7%	13	2	NIIT	IN	\$0	7%	10	1
Beijing Airport	HK	\$2	47%	10	1	Nike	US	\$45	15%	19	1
Belle	HK	\$17	28%	19	1	Pantaloen	IN	\$1	-27%	36	1
Brilliance China	HK	\$5	42%	14	2H	Pearson	GB	\$15	17%	13	1
Chimei Innolux	TW	\$3	-20%	-8	1	Pernod-Ricard	FR	\$26	12%	15	1
China Distance Edu	CN	\$0	326%	9	1H	PICC Property	CN	\$16	40%	10	1
China Eastern Airlines	CN	\$7	4%	5	2H	Ping An Insurance	CN	\$60	19%	15	1
China Merchants Bank	CN	\$44	13%	8	1	Powerlong Real Estate Holdings	CN	\$1	30%	2	1
China Southern Airlines	CN	\$9	11%	5	1H	Ranbaxy	IN	\$4	24%	20	1H
China Yurun Food	HK	\$3	-5%	10	1H	Samsung Electronics	KR	\$129	3%	8	1
Daiichi Sankyo	JP	\$14	15%	20	2	Shandong Weiqiao	CN	\$5	26%	23	2H
Dell	US	\$30	48%	8	1	Shanghai Airport	CN	\$4	17%	14	1
Dongfeng Motor	CN	\$14	5%	8	1	Sharp	JP	\$11	na	NMF	2
Dr Reddy	IN	\$6	253%	21	1	Simcere Pharmaceuticals	CN	\$1	14%	15	1
Fortis Healthcare	IN	\$1	47%	26	1	Sinopharm	CN	\$7	19%	23	1
Franklin Resources	US	\$24	19%	12	1	Standard Chartered	GB	\$57	8%	11	1
Glenmark Pharma	IN	\$2	53%	11	1	Sun Pharma	IN	\$11	27%	24	2
Guangzhou Pharma	CN	\$1	15%	10	1H	Suzuki Motor	JP	\$13	32%	18	1
HDFC Bank	IN	\$24	27%	23	2	T Rowe Price	US	\$14	9%	19	2
Hengan International	CN	\$11	21%	23	1	Tata Motors	IN	\$12	72%	7	1
Hewlett-Packard	US	\$56	6%	6	1	Terumo	JP	\$10	-9%	23	1
Hongkong	CN	\$0	37%	8	1	Tinavi	CN	\$16	9%	28	2
HSBC Holdings	GB	\$158	17%	9	1	Unilever	NL	\$103	5%	14	1
Huao Boss Group	DE	\$7	29%	15	1	United Spirits	IN	\$2	na	24	1
Hyundai Motor	KR	\$45	13%	6	1	Varian Medical	US	\$7	17%	15	2
Intercontinental Hotels	GB	\$5	13%	15	1	Visa	US	\$78	20%	16	2
LG Electronics	KR	\$10	-2%	9	1	Volkswagen	DE	\$79	9%	7	2
L'Oréal	FR	\$68	10%	17	1	Xtep Intl.	HK	\$1	21%	5	1
Lupin	IN	\$4	24%	20	1	Yue Yuen Industrial	HK	\$5	13%	8	1
Maruti Suzuki India	IN	\$7	-4%	14	2	Yum Brands	US	\$25	16%	17	2
AVERAGE OF ALL STOCKS		\$24	24%	14							

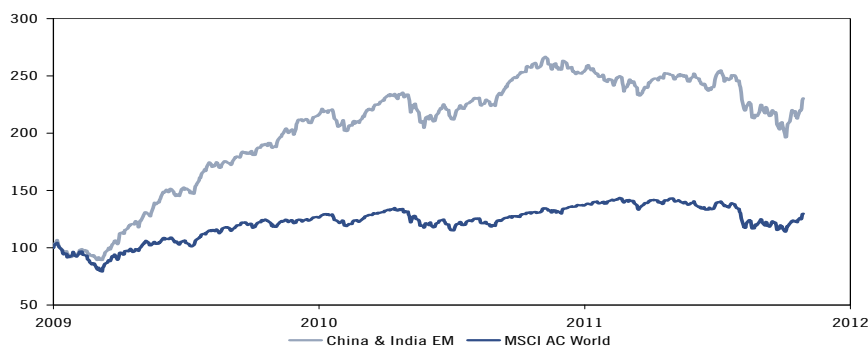
Source: Citi Investment Research and Analysis

Portfolio Performance

Figure 3 shows the performance of the portfolio, which is down 9% in 2011, and down 10% over the last twelve months; the MSCI AC World Index is down 5% in 2011, and down 1% in the last twelve months.

Figure 3. Emerging Market Consumerism in China and India:

Performance of September 15, 2009 and August 4, 2010 portfolios. 1/1/2009 = 100



Source: Citi Investment Research and Analysis

Portfolio History

The following companies were removed following suspension of coverage: Ctrip.com (5/27/2011), Daphne (5/25/2010), Denway (1/21/2010), EIH (5/31/2010), Golden Eagle Retail Group (3/18/2010), Home Inns (5/27/2010), Hotel Leela Venture (5/31/2010), Lianhua Supermarket (3/18/2010), Parkson Retail Group (3/18/2010), Reckitt Benckiser (1/7/2010), SABMiller (4/23/2010), Shanghai Jin Jiang Int'l Hotels (5/27/2010), Shiseido (8/12/2010). Jet Airways and Marico were removed on September 2, 2010. Nokia was removed following a downgrade to Sell on September 15, 2010. Tsingtao Brewery was removed following a downgrade to Sell on November 16, 2010. Dairy Farm was removed following a downgrade to Sell on March 6, 2011. Li Ning was removed following a downgrade to Sell on March 20. China Dongxiang was removed following a downgrade to Sell on March 22. Honda Motor, Nissan Motor, and Toyota Motor were removed following downgrades to Sell on April 8. Peak Sport was removed following a downgrade to Sell on August 18. Motilal Oswal Financial Services was removed following a downgrade to Sell on September 26.

Figure 4. Emerging Market Consumerism in China and India Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
AIA Group	4/1/2011	24.15	24.10	0%	10%
Air China	9/30/2011	5.49	6.24	14%	-29%
Anta Sports	12/1/2010	14.64	8.03	-45%	-35%
Apollo Hospitals	8/4/2010	391.53	507.65	30%	12%
Aurobindo Pharma	8/4/2010	196.66	128.45	-35%	-51%
Australia and New Zealand Banking Group	8/4/2010	23.14	22.08	-5%	-5%
Becton, Dickinson	8/4/2010	71.19	79.64	12%	-6%
Beijing Airport	9/30/2011	3.16	3.55	12%	-14%
Belle	9/15/2009	7.64	15.72	106%	20%
Brilliance China	9/15/2009	0.92	8.73	849%	47%
Chimei Innolux	5/2/2011	29.40	12.50	-57%	-69%
China Distance Education	8/4/2010	4.95	2.63	-47%	-34%
China Eastern Airlines	9/30/2011	2.48	3.18	28%	-19%
China Merchants Bank	8/4/2010	21.10	16.92	-20%	-14%
China Southern Airlines	9/30/2011	3.68	4.60	25%	-3%
China Yurun Food Group	1/31/2011	25.20	13.50	-46%	-47%
Daiichi Sankyo	8/4/2010	1604.00	1591.00	-1%	-10%
Dell	9/15/2009	16.57	16.31	-2%	20%
Dongfeng Motor	9/15/2009	8.10	13.04	61%	-3%
Dr Reddy	8/4/2010	1375.70	1671.80	22%	1%
Fortis Healthcare	1/3/2011	150.05	124.80	-17%	-15%
Franklin Resources	8/4/2010	103.13	110.92	8%	0%
Glenmark Pharmaceuticals	8/4/2010	265.30	303.35	14%	-16%
Guangzhou Pharma	1/3/2011	12.88	5.76	-55%	-55%
HDFC Bank	8/4/2010	422.76	482.50	14%	3%
Hengan International	12/1/2010	71.05	68.85	-3%	3%
Hewlett-Packard	9/15/2009	45.64	27.94	-39%	-34%
HSBC Holdings	8/4/2010	6.72	5.65	-16%	-13%
Hyundai Motor	9/15/2009	108500.00	225000.00	107%	30%
Intercontinental Hotels	9/15/2009	7.90	11.91	51%	-4%
LG Electronics	9/15/2009	127000.00	77000.00	-39%	-35%
L'Oréal	2/28/2011	84.24	80.31	-5%	-3%
Lupin	8/4/2010	382.36	474.10	24%	-1%

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

Figure 4 Continued. Emerging Market Consumerism in China and India Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
Maruti Suzuki India	9/15/2009	1496.55	1128.00	-25%	-21%
Mastercard	8/4/2010	205.30	354.58	73%	58%
McDonald's	9/15/2009	54.98	93.29	70%	22%
Mengniu Dairy	9/15/2009	20.55	25.30	23%	23%
Merck	9/2/2010	35.35	35.11	-1%	-3%
Mindray	8/4/2010	31.11	27.09	-13%	3%
Motorola*	9/15/2009	9.20	11.64	27%	30%
NIIT	8/4/2010	68.55	48.00	-30%	-12%
Nike	12/1/2010	87.64	96.75	10%	13%
Pantaloen	9/15/2009	304.95	191.05	-37%	-48%
Pearson	8/4/2010	10.18	11.76	16%	17%
Pernod-Ricard	1/31/2011	69.63	68.98	-1%	-2%
PICC Property & Casualty	8/4/2010	8.00	11.12	39%	-1%
Ping An Insurance	8/4/2010	64.35	59.05	-8%	-32%
Powerlong Real Estate Holdings	4/1/2011	2.52	1.24	-51%	-51%
Ranbaxy	8/4/2010	448.45	514.40	15%	-14%
Samsung Electronics	9/15/2009	769000.00	945000.00	23%	0%
Shandong Weigao Group	8/4/2010	9.23	8.06	-13%	-27%
Shanghai Airport	9/30/2011	11.80	13.00	10%	5%
Sharp	9/15/2009	1044.00	737.00	-29%	-12%
Sincere Pharmaceuticals	1/31/2011	12.82	9.32	-27%	-18%
Sinopharm	8/4/2010	30.60	21.45	-30%	-21%
Standard Chartered	8/4/2010	17.38	15.23	-12%	-12%
Sun Pharmaceuticals	8/4/2010	355.65	508.80	43%	5%
Suzuki Motor	9/15/2009	2070.00	1704.00	-18%	-15%
T Rowe Price Group	8/4/2010	50.15	56.54	13%	-12%
Tata Motors	9/15/2009	113.85	206.20	81%	-21%
Terumo	8/4/2010	4640.00	4105.00	-12%	-10%
Tingyi	12/1/2010	19.22	23.10	20%	16%
Tsingtao Brewery	9/15/2009	28.55	41.20	44%	1%
Unilever	9/15/2009	16.54	21.14	28%	8%
United Spirits	9/15/2009	888.45	857.75	-3%	-41%
Varian Medical Systems	8/4/2010	56.97	60.57	6%	-13%
Visa	8/4/2010	72.45	95.10	31%	35%
Volkswagen	9/15/2009	71.06	132.50	86%	9%
Xtep Intl.	12/1/2010	6.63	3.17	-52%	-42%
Yue Yuen Industrial	9/15/2009	20.35	22.35	10%	-20%
Yum Brands	9/15/2009	33.62	54.14	61%	10%
MSCI AC World	9/15/2009	304.017	328.362	8%	-5%

*Adjusted for spin-off

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

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Source: Citi Investment Research and Analysis

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Source: Citi Investment Research and Analysis

The Growing Middle Class in Latin America

In our March 2011 report, we highlighted dozens of local companies and multinationals with exposure to the growing middle class in Latin America.

Well-Positioned Companies

Figure 6 lists the companies currently highlighted as beneficiaries of the theme.

Figure 6. Companies Well Positioned to Benefit from the Growing Middle Class in Latin America

Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating	Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating
AB-InBev	BE	\$92	25%	14	1	Hypermarcas	BR	\$4	6%	18	2H
AmBev	BR	\$94	9%	19	1	Iguatemi Shopping Centers	BR	\$2	12%	14	1
Arca Continental	MX	\$8	7%	17	1	Intergroup	PE	\$3	18%	10	1
Arcos Dorados Holdings	AR	\$5	58%	21	1	Itau Unibanco	BR	\$89	15%	8	1
Avon Products	US	\$8	12%	10	1	Kimberly-Clark	US	\$27	9%	13	2
Banco do Brasil	BR	\$44	-1%	6	1	Kimberly-Clark de Mexico	MX	\$6	0%	19	2
Banco Santander	ES	\$75	-4%	7	2H	LAN Airlines	CL	\$9	20%	14	1
Bemis	US	\$3	8%	13	1	Localiza	BR	\$3	22%	14	1
BR Malls	BR	\$5	-6%	17	1	Lojas Americanas	BR	\$7	27%	24	2
Bradesco	BR	\$71	13%	9	1	Lojas Renner	BR	\$4	18%	14	2
Casino Guichard Perachon	FR	\$11	12%	12	1	MARFRIG	BR	\$2	na	-21	2H
Chedraui	MX	\$2	6%	20	2	MRV Engenharia	BR	\$4	23%	6	1H
Cielo	BR	\$15	3%	13	1	Multiplan	BR	\$4	22%	19	1
Coca-Cola	US	\$156	10%	16	1	Natura Cosmeticos	BR	\$9	7%	17	1
Coca-Cola FEMSA	MX	\$17	14%	17	1	Nestlé	CH	\$187	-46%	16	2
Colgate-Palmolive	US	\$44	3%	16	2	Owens Illinois	US	\$3	na	6	1
Commercial Mexicana	MX	\$2	-2%	17	3	PepsiCo	US	\$99	10%	13	2
Compania Cervecerias Unidas	CL	\$4	7%	73	2	Procter & Gamble	US	\$178	1%	15	1
Copa Airlines	PA	\$3	10%	11	1	Redecard	BR	\$11	2%	13	1
Corporacion GEO	MX	\$1	9%	6	2	Rossi Residencial	BR	\$2	9%	7	1H
Credicorp	BM	\$9	20%	11	1	Saint Gobain	FR	\$26	29%	9	1
Cyrela	BR	\$4	0%	11	1H	Santander Brasil	BR	\$35	14%	6	1
Danone	FR	\$44	-1%	17	2	Soriana	MX	\$4	8%	13	1
Embotelladora Andina	CL	\$3	-6%	16	2	TAM	BR	\$3	-34%	19	1
FEMSA	MX	\$24	22%	16	2	Unilever	NL	\$103	5%	14	1
Gafisa	BR	\$2	3%	6	1H	URBI	BR	\$1	8%	8	2
GENOMMA LAB	MX	\$2	22%	18	1	Wal-Mart	US	\$196	10%	13	1
Grupo Aeroportuario del Sureste	MX	\$2	7%	14	1	Walmex	MX	\$47	16%	23	1
Grupo Pão De Acucar	BR	\$6	65%	9	1						
AVERAGE OF ALL STOCKS		\$32	10%	14							

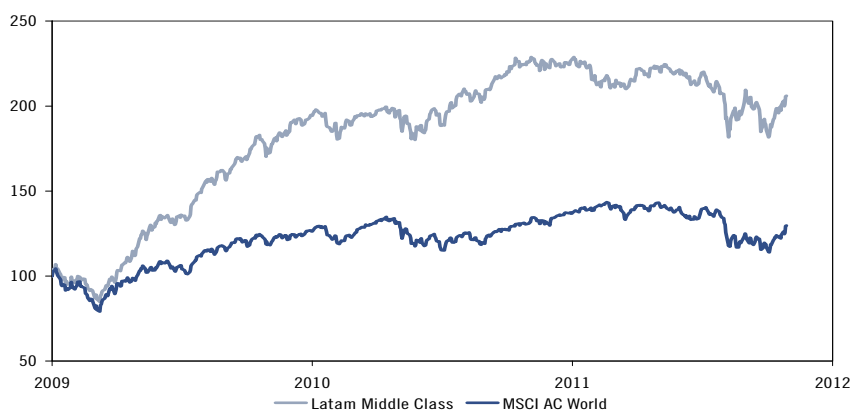
Source: Citi Investment Research and Analysis

Portfolio Performance

Figure 7 shows the portfolio is down 9% in 2011, and down 8% in the last year.

Figure 7. The Growing Middle Class in Latin America

Performance of March 11, 2011 portfolio. 1/1/2009 = 100



Source: Citi Investment Research and Analysis

Portfolio History

B2W was removed following a downgrade to Sell on March 24, 2011. Grupo Continental was acquired on June 1. Empresas La Polar was removed on June 9 following the stock being placed Under Review. Cencosud and SACI Falabella were removed on October 4 following suspension of coverage. GOL Linhas Aéreas Inteligentes was removed on October 10 following its downgrade to Sell.

Figure 8. The Growing Middle Class in Latin America Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
AB-InBev	3/11/2011	41.07	39.94	-3%	-7%
AmBev	3/11/2011	27.77	34.49	24%	11%
Arca Continental	3/11/2011	68.14	63.50	-7%	6%
Arcos Dorados Holdings	6/1/2011	22.09	23.09	5%	NA
Avon Products	3/11/2011	27.16	18.87	-31%	-35%
Banco do Brasil	3/11/2011	28.18	26.10	-7%	-17%
Banco Santander	3/11/2011	8.09	6.43	-21%	-19%
Bemis	3/11/2011	32.21	28.50	-12%	-13%
BR Malls	3/11/2011	16.42	18.50	13%	8%
Bradesco	3/11/2011	30.50	31.35	3%	-4%
Casino Guichard Perachon	3/11/2011	69.07	66.84	-3%	-8%
Chedraui	3/11/2011	37.20	33.17	-11%	-12%
Cielo	3/11/2011	35.17	45.80	30%	36%
Coca-Cola	3/11/2011	64.81	68.93	6%	5%
Coca-Cola FEMSA	3/11/2011	76.29	93.67	23%	14%
Colgate-Palmolive	3/11/2011	79.18	91.22	15%	14%
Commercial Mexicana	3/11/2011	17.25	19.19	11%	25%
Compania Cervecerias Unidas	3/11/2011	53.23	56.72	7%	-6%
Copa Airlines	3/11/2011	53.10	70.30	32%	19%
Corporacion GEO	3/11/2011	33.30	18.80	-44%	-58%
Credicorp	3/11/2011	107.18	110.90	3%	-7%
Cvrela	3/11/2011	16.20	15.78	-3%	-28%
Danone	3/11/2011	44.27	50.32	14%	7%
Embotelladora Andina	3/11/2011	22.07	23.08	5%	-3%
FEMSA	3/11/2011	57.53	69.00	20%	23%
Gafisa	3/11/2011	10.27	6.54	-36%	-46%
GENOMMA LAB INTERNACIONAL	3/11/2011	26.10	27.50	5%	-8%
Grupo Aeroportuario del Sureste	3/11/2011	56.64	57.03	1%	1%
Grupo Pão De Acucar	3/11/2011	63.01	68.84	9%	-1%
Hypermarcas	3/11/2011	18.00	9.91	-45%	-56%
Iquatermi Shopping Centers	3/11/2011	37.75	34.47	-9%	-17%
Interacoup	3/11/2011	28.50	27.50	-4%	-24%
Itau Unibanco	3/11/2011	35.68	33.10	-7%	-17%
Kimberly-Clark	3/11/2011	64.65	70.37	9%	12%
Kimberly-Clark de Mexico	3/11/2011	69.99	74.20	6%	-2%
LAN Airlines	3/11/2011	26.45	25.91	-2%	-16%
Localiza	3/11/2011	23.75	26.30	11%	-2%
Lojas Americanas	3/11/2011	13.79	15.58	13%	4%
Lojas Renner	3/11/2011	52.22	52.80	1%	-6%
MARFRIG	3/11/2011	14.30	7.80	-45%	-50%
MRV Engenharia	3/11/2011	13.47	12.88	-4%	-17%
Multiplan	3/11/2011	34.20	34.89	2%	-5%
Natura Cosméticos	3/11/2011	45.20	33.50	-26%	-30%
Nestlé	3/11/2011	51.60	51.35	0%	-6%
Owens Illinois	3/11/2011	30.71	21.24	-31%	-31%
PepsiCo	3/11/2011	64.65	63.20	-2%	-3%
Procter & Gamble	3/11/2011	61.49	64.73	5%	1%
Redecard	3/11/2011	23.00	28.50	24%	35%
Rossi Residencial	3/11/2011	13.60	11.50	-15%	-22%
Saint Gobain	3/11/2011	40.32	35.02	-13%	-9%
Santander Brasil	3/11/2011	19.24	16.00	-17%	-29%
Soriana	3/11/2011	40.40	29.10	-28%	-26%
TAM	3/11/2011	20.96	20.86	0%	-14%
Unilever	3/11/2011	18.57	21.14	14%	8%
URBI	3/11/2011	26.00	18.04	-31%	-38%
Wal-Mart	3/11/2011	52.59	57.15	9%	6%
Walmex	3/11/2011	35.49	34.92	-2%	-1%
MSCI AC World	3/11/2011	350.320	328.362	-6%	-5%

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

Contact Information

Figure 9. The Growing Middle Class in Latin America Theme Contact Information

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Source: Citi Investment Research and Analysis

Figure 9 Continued. The Growing Middle Class in Latin America Theme Contact Information

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Source: Citi Investment Research and Analysis			

“EM in DM”

In our May, 2011 report, we pointed out that, in addition to an expansion of the middle classes, growth in emerging economies offers a range of other opportunities. We highlighted companies listed in developed markets with at least 50% of sales estimated to come from emerging economies, either now or in five years.

Well-Positioned Companies

Figure 10 lists the companies currently highlighted as beneficiaries of “EM in DM.”

Figure 10. Companies Listed in Developed Markets with Material Sales Exposure to Emerging Economies

Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating	Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating
AB-InBev	BE	\$92	25%	14	1	KBR	US	\$4	13%	10	1H
adidas Group	DE	\$15	15%	14	1	Komatsu	JP	\$25	130%	11	2
Advanced Micro Devices	US	\$4	9%	8	1H	Lanxess	DE	\$5	9%	8	1
AES Corp.	US	\$9	na	10	1	Marvell Technology	US	\$8	34%	14	1
Altera Corp.	US	\$13	-2%	16	1	Micron Tech	US	\$6	na	-13	1H
Amphenol	US	\$8	7%	16	1	Nitto Denko	JP	\$7	13%	12	1
Avon Products	US	\$8	12%	10	1	Nvidia Corp	US	\$9	na	16	2H
Banco BPI	PT	\$1	-35%	7	2H	Pirelli	IT	\$4	17%	9	1
Banco Santander	ES	\$75	-4%	7	2H	Qualcomm	US	\$87	12%	18	1
Caterpillar	US	\$61	45%	11	2	SABMiller	GB	\$60	24%	18	2
Clariant	CH	\$3	24%	7	2	Suzuki Motor	JP	\$13	32%	18	1
Coca-Cola Hellenic Bottling	GR	\$7	7%	11	1	Swatch	CH	\$23	19%	13	1
Colgate-Palmolive	US	\$44	3%	16	2	Syngenta	CH	\$30	15%	15	2
Corning	US	\$23	-13%	9	2	Tele2	SE	\$10	-12%	12	1
EADS	NL	\$25	64%	12	2	Telefonica	ES	\$100	-17%	9	2
Edenred	FR	\$7	83%	20	2	Telenor	NO	\$30	-1%	12	1
Erste Bank	AT	\$9	7%	6	1	Texas Instruments	US	\$36	-14%	14	1
Fanuc	JP	\$33	103%	17	1	Volkswagen	DE	\$79	9%	6	2
First Solar	US	\$4	-17%	10	2H	Waters	US	\$7	15%	15	2
Heineken	NL	\$29	-3%	13	2	Worley Parsons	AU	\$7	15%	18	2
Hitachi Construction Machinery	JP	\$4	138%	14	2	Yum! Brands	US	\$25	16%	17	2
Jabil Circuits	US	\$4	31%	8	2						
AVERAGE OF ALL STOCKS		\$25	19%	12							

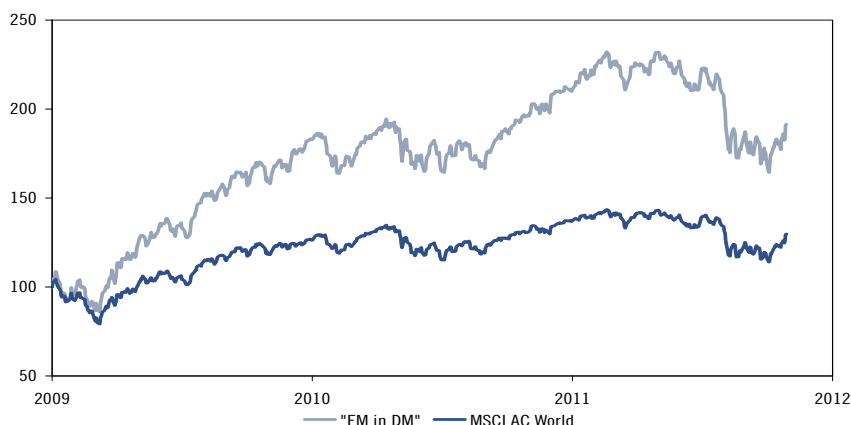
Source: Citi Investment Research and Analysis

Portfolio Performance

Figure 11 shows the performance of the portfolio, which is down 9% in 2011, and down 2% in the last twelve months.

Figure 11. “EM in DM”

Performance of May 2, 2011 portfolio. 1/1/2009 = 100



Source: Citi Investment Research and Analysis

Portfolio History

Figure 12. "EM in DM" Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
AB-InBev	5/4/2011	41.45	39.94	-4%	-7%
adidas Group	9/30/2011	45.78	52.31	14%	7%
Advanced Micro Devices	5/4/2011	8.79	5.94	-32%	-27%
AES Corp.	6/1/2011	12.74	11.65	-9%	-4%
Altera Corp.	5/4/2011	47.35	39.94	-16%	12%
Amphenol	5/4/2011	54.88	49.27	-10%	-7%
Avon Products	5/4/2011	30.32	18.87	-38%	-35%
Banco BPI	6/30/2011	1.02	0.55	-46%	-56%
Banco Santander	5/4/2011	8.28	6.43	-22%	-19%
Caterpillar	5/4/2011	110.77	96.85	-13%	3%
Clariant	5/4/2011	18.37	9.72	-47%	-49%
Coca-Cola Hellenic	6/30/2011	18.52	14.31	-23%	-27%
Colgate-Palmolive	5/4/2011	85.65	91.22	7%	14%
Corning	5/4/2011	20.39	15.31	-25%	-21%
EADS	5/4/2011	20.47	21.35	4%	22%
Edenred	5/4/2011	20.88	20.46	-2%	15%
Erste Bank	5/4/2011	34.20	17.10	-50%	-51%
Fanuc	5/4/2011	13540.00	13070.00	-3%	5%
First Solar	5/4/2011	126.31	53.99	-57%	-59%
Heineken	5/4/2011	40.89	35.94	-12%	-2%
Hitachi Construction Machinery	5/4/2011	2007.00	1560.00	-22%	-20%
Jabil Circuits	5/4/2011	19.49	21.32	9%	6%
KBR	7/28/2011	34.95	28.60	-18%	-6%
Komatsu	5/4/2011	2924.00	2023.00	-31%	-18%
Lanxess	5/4/2011	61.62	45.14	-27%	-24%
Marvell Technology	5/4/2011	15.00	14.09	-6%	-24%
Micron Tech	5/4/2011	10.74	5.88	-45%	-27%
Nitto Denko	5/4/2011	4615.00	3475.00	-25%	-9%
Nvidia Corp	5/4/2011	18.65	15.60	-16%	1%
Pirelli	7/28/2011	7.32	6.68	-9%	10%
Qualcomm	5/4/2011	56.08	53.23	-5%	8%
SABMiller	5/4/2011	22.29	23.55	6%	4%
Suzuki Motor	5/4/2011	1920.00	1704.00	-11%	-15%
Swatch	5/4/2011	416.80	389.00	-7%	-7%
Syngenta	6/1/2011	291.70	274.80	-6%	0%
Tele2	7/28/2011	133.60	139.30	4%	0%
Telefonica	5/4/2011	18.04	15.73	-13%	-7%
Telenor	6/30/2011	88.35	98.50	11%	4%
Texas Instruments	5/4/2011	34.82	31.50	-10%	-3%
Volkswagen	5/4/2011	116.60	116.40	0%	10%
Waters	5/4/2011	96.87	82.22	-15%	6%
Worley Parsons	5/4/2011	29.70	28.12	-5%	5%
Yum! Brands	5/4/2011	53.43	54.14	1%	10%
MSCI AC World	3/11/2011	350.320	328.362	-6%	-5%

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

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Source: Citi Investment Research and Analysis

Figure 13 Continued. "EM in DM" Theme Contact Information

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Source: Citi Investment Research and Analysis

Urbanization

In our February 2011 report, we listed companies with direct exposure to eleven mega cities forecast to experience material GDP growth.

Well-Positioned Companies

Figure 14 lists companies currently highlighted as beneficiaries of “Urbanization.”

Figure 14. Companies Well Positioned to Benefit from Urbanization

Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating	Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating
Agile Property Holdings	HK	\$3	-2%	4	1	Intl. Consolidated Airlines	GB	\$5	na		1
Bank of East Asia	HK	\$8	9%	13	2	Itaú Unibanco	BR	\$89	15%	8	1
Bank VTB	RU	\$25	32%	6	1	KWG Prop	HK	\$1	39%	3	1
Barclays	GB	\$39	-2%	7	1	Land Securities	GB	\$9	-39%	19	1
Berkeley Group Holdings	GB	\$3	19%	15	2	Lifestyle International	HK	\$5	20%	18	1
BR Malls	BR	\$5	-6%	17	1	Lojas Renner	BR	\$4	18%	14	2
British Land	GB	\$7	-44%	18	2	Michael Page Group	GB	\$2	26%	18	1
Burberry Group	GB	\$10	84%	22	2	Multiplan	BR	\$4	22%	19	1
Cathay Pacific Airways Ltd.	HK	\$7	-49%	15	2	New World Development	HK	\$6	-37%	7	1
DB Corp.	IN	\$1	8%	19	1	Parkson	CN	\$4	18%	17	1
DLF	IN	\$8	3%	23	1	Phoenix Mills	IN	\$1	41%	24	1
Glorious Property Holdings	HK	\$1	-6%	2	1	Poly (HK) Investments	HK	\$2	18%	5	1H
Golden Eagle	KY	\$5	30%	20	1	Shanghai Industrial	HK	\$4	-11%	9	1
Grupo Pão de Açúcar	BR	\$6	65%	9	1	Sino-Ocean Land Holdings	CN	\$3	3%	6	1
Hang Lung Properties	HK	\$17	-3%	19	1	SOHO China	HK	\$4	15%	5	1
Hang Seng Bank	HK	\$25	10%	11	1	Standard Chartered	GB	\$57	8%	11	1
Henderson Land	HK	\$13	-43%	18	1	State Bank of India	IN	\$25	13%	10	1
HK Exchanges & Clearing	HK	\$19	12%	23	1	Swire Pacific	HK	\$17	-49%	13	1
Hopson	HK	\$1	35%	2	1	Tullett Prebon	GB	\$1	-3%	8	1
HSBC Holdings	GB	\$158	17%	9	1	Unitech	IN	\$2	-9%	13	2H
Hysan Development	HK	\$4	13%	20	1	Walmex	MX	\$47	16%	23	1
ICAP	GB	\$4	20%	10	1	Wharf (Holdings)	HK	\$16	-45%	11	1
ICICI Bank	IN	\$22	23%	17	1	Wheelock & Co.	HK	\$6	-42%	7	1
Iguatemi Shopping Centers	BR	\$2	12%	14	1	X5 Retail Group	RU	\$8	11%	24	1
Intime Dept Store	HK	\$3	27%	16	1	Yanlord	SG	\$2	-8%	6	1

AVERAGE OF ALL STOCKS **\$15** **6%** **13**

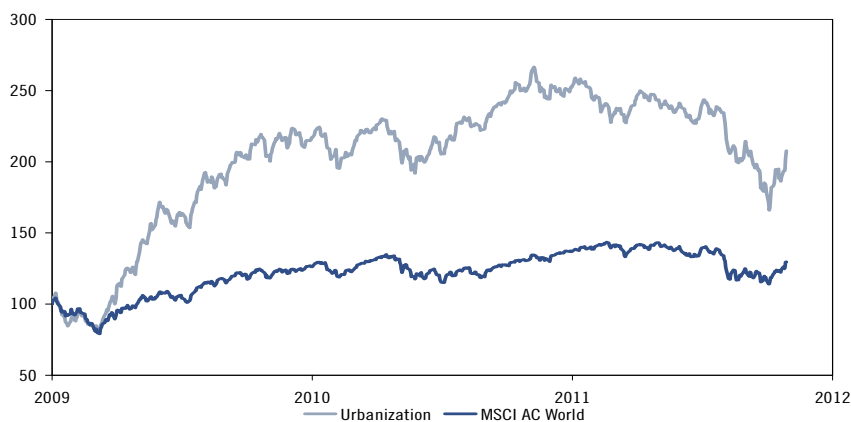
Source: Citi Investment Research and Analysis

Portfolio Performance

Figure 15 shows the performance of the “Urbanization” portfolio, which is down 18% in 2011, and down 17% in the last twelve months.

Figure 15. Urbanization

Performance of February 2, 2011 Portfolio. 1/1/2009 = 100



Source: Citi Investment Research and Analysis

Portfolio History

The following companies were removed following suspension of coverage: China Merchant Holdings (March 23, 2011), COSCO Intl. Holdings (September 19, 2011), Cosco Pacific (March 23, 2011), Moscow United Electricity Dist. Co (July 7, 2011), Mosenergo (July 7, 2011).

Figure 16. Urbanization Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
Aiile Property Holdings	2/2/2011	11.80	7.60	-36%	-34%
Bank of East Asia	2/2/2011	35.60	28.85	-19%	-11%
Bank VTB	2/2/2011	6.91	4.95	-28%	-25%
Barclays	2/2/2011	3.02	2.01	-33%	-23%
Berkelley Group Holdings	2/2/2011	8.85	12.73	44%	43%
BR Malls	2/2/2011	14.75	18.50	25%	8%
British Land	2/28/2011	5.84	5.16	-12%	-2%
Burberry Group	2/2/2011	11.30	14.07	25%	25%
Cathay Pacific Airways Ltd.	2/2/2011	20.35	14.58	-28%	-32%
DB Corp.	7/28/2011	245.10	220.90	-10%	-17%
DLF	2/2/2011	227.10	247.70	9%	-15%
Glorious Property Holdings	2/2/2011	2.30	1.28	-44%	-52%
Golden Eagle Retail Group	5/2/2011	20.35	19.72	-3%	3%
Grupo Pão de Açúcar	2/2/2011	60.84	68.84	13%	-1%
Hana Luna Properties	2/2/2011	34.55	29.30	-15%	-19%
Hana Sena Bank	2/28/2011	124.20	102.20	-18%	-20%
Henderson Land	2/2/2011	54.90	42.45	-23%	-20%
HK Exchanges & Clearing	5/2/2011	177.20	136.80	-23%	-22%
Hopson	2/2/2011	9.22	5.15	-44%	-38%
HSBC Holdings	2/2/2011	7.01	5.65	-19%	-13%
Hysan Development	2/2/2011	37.40	27.90	-25%	-24%
ICAP	2/2/2011	5.45	4.33	-21%	-19%
ICICI Bank	2/2/2011	1008.70	932.95	-8%	-18%
Iquatem Shopping Centers	2/2/2011	36.00	34.47	-4%	-17%
Intl. Consolidated Airlines	2/2/2011	3.03	1.99	-34%	NA
Intime Department Store	5/2/2011	12.12	11.70	-3%	3%
Itaú Unibanco	2/2/2011	35.76	33.10	-7%	-17%
KWG Prop	2/2/2011	6.07	3.36	-45%	-43%
Land Securities	2/28/2011	7.67	7.00	-9%	4%
Lifestyle Intl. Holdings	5/2/2011	22.20	21.40	-4%	12%
Loias Renner	2/2/2011	49.00	52.80	8%	-6%
Michael Page Group	2/2/2011	5.41	4.18	-23%	-25%
Multiplan	2/2/2011	31.00	34.89	13%	-5%
New World Development	2/2/2011	13.67	8.33	-39%	-37%
Parkson Retail Group	5/2/2011	11.92	10.24	-14%	-15%
Phoenix Mills	2/2/2011	201.45	199.95	-1%	-10%
Poly (HK) Investments	2/2/2011	7.37	3.92	-47%	-48%
Shanghai Industrial	2/2/2011	31.35	25.20	-20%	-25%
Sino-Ocean Land Holdings	2/2/2011	5.23	3.48	-33%	-32%
SOHO China	2/2/2011	6.24	5.63	-10%	-3%
Standard Chartered	2/2/2011	17.03	15.23	-11%	-12%
State Bank of India	2/2/2011	2573.35	1907.00	-26%	-32%
Swire Pacific	2/2/2011	122.50	92.15	-25%	-28%
Tullett Prebon	2/2/2011	4.02	3.69	-8%	-4%
Unitech	2/2/2011	45.25	29.05	-36%	-56%
Walmex	2/2/2011	35.50	34.92	-2%	-1%
Wharf (Holdings)	2/2/2011	57.79	42.95	-26%	-26%
Wheelock & Co.	2/2/2011	31.30	23.40	-25%	-26%
X5 Retail Group	2/2/2011	43.40	30.00	-31%	-35%
Yanlord	2/2/2011	1.57	1.10	-30%	-35%
MSCI AC World	2/2/2011	355.701	328.362	-8%	-5%

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

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Figure 17. Urbanization Theme Contact Information

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Source: Citi Investment Research and Analysis

Figure 17 Continued. Urbanization Theme Contact Information

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Ken Yeung	+852-2501-2713	ken.yeung@citi.com	Hang Lung Properties Henderson Land Hysan Development Yanlord

Source: Citi Investment Research and Analysis

Thirsty Cities — Urbanization to Drive Water Demand

In our July 2011 report, we listed companies with material exposure to water issues associated with urbanization.

Well-Positioned Companies

Figure 18 lists companies currently highlighted as beneficiaries of burgeoning water demand.

Figure 18. Companies Well Positioned to Benefit from Burgeoning Water Demand

Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating	Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating
Danaher	US	\$34	18%	15	1	Nalco	US	\$5	10%	20	2
Ecolab	US	\$13	14%	19	2	Pentair	US	\$4	22%	12	1
G.U.D. Holdings	AU	\$1	-2%	11	1	Roper Industries	US	\$8	21%	17	2
Hyflux	SG	\$1	5%	13	1	Rotork	GB	\$2	15%	16	2
ITT Corp.	US	\$8	5%	9	2	Sound Global	CN	\$1	27%	8	1
Kubota	JP	\$11	18%	14	2	Suez Environnement	FR	\$8	-9%	12	1
Kurita Water Industries	JP	\$4	2%	16	2	Veolia Environnement	FR	\$8	-10%	11	1
AVERAGE OF ALL STOCKS		\$8	10%	14							

Source: Citi Investment Research and Analysis

Portfolio Performance

Figure 19 shows the performance of the water portfolio, which is down 12% in 2011, and down 5% in the last twelve months.

Figure 19. Water

Performance of July 20, 2011 Portfolio. 1/1/2009 = 100



Source: Citi Investment Research and Analysis

Portfolio History

Figure 20. Water Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
Danaher	7/20/2011	53.11	50.86	-4%	8%
Ecolab	8/31/2011	53.60	55.00	3%	9%
G.U.D. Holdings	7/20/2011	8.52	7.82	-8%	-22%
Hyflux	7/28/2011	2.00	1.47	-27%	-37%
ITT Corp.	7/20/2011	56.20	44.99	-20%	-14%
Kubota	7/20/2011	740.00	673.00	-9%	-12%
Kurita Water Industries	7/20/2011	2332.00	2200.00	-6%	-14%
Nalco	7/20/2011	35.87	38.32	7%	20%
Pentair	7/20/2011	40.63	36.83	-9%	1%
Roper Industries	7/20/2011	82.70	82.89	0%	8%
Rotork	7/20/2011	15.92	17.27	8%	-6%
Sound Global	7/20/2011	0.66	0.60	-10%	-28%
Suez Environnement	7/20/2011	13.18	11.60	-12%	-25%
Veolia Environnement	7/20/2011	17.82	10.70	-40%	-51%
MSCI AC World	7/20/2011	346.993	328.362	-5%	-5%

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

Contact Information

Figure 21. Water Theme Contact Information

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Patrick Yau, CFA	+65-6657-1168	patrick.yau@citi.com	Hyflux

Source: Citi Investment Research and Analysis

Trade Transformation

In our October 2011 report, we highlighted 28 global stocks involved with sectors that support a trade-related infrastructure including marine transportation, surface transportation and air freight logistics. These companies seem well-positioned to benefit from a reorientation of world trade towards emerging markets in general, and Emerging Asia in particular.

Subsequent to the publication of the report, CIRA analysts provided further color on the investment implications of the “Trade Transformation” theme as it impacts:

- **Container terminal operators and freight forwarders.** See Roger Elliott’s October 18, 2011 report, “Transforming Trade.” <https://www.citigroupgeo.com/pdf/SEU42871.pdf>
- **Air freight logistics companies.** See Christian Wetherbee’s October 20, 2011 report, “Trade Transformed.” <https://www.citigroupgeo.com/pdf/SNA91592.pdf>
- **Banks.** See the October 27, 2011 report “Banking on Trade” by Ronit Ghose et al. <https://www.citigroupgeo.com/pdf/SGL03624.pdf>

Well-Positioned Companies

Figure 22 lists the 28 companies.

Figure 22. Companies with Material Exposure to an Anticipated “Trade Transformation”

Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating	Company	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating
AP Moller Maersk	DK	\$30	-33%	13	1	Mundra Port	IN	\$7	40%	24	1
Asciano	AU	\$5	na	14	1	Navios Maritime Holdings	US	\$0	-36%	7	1H
Boeing	US	\$50	1%	15	1	Orient Overseas Intl.	HK	\$3	-89%	135	1
China South Locomotive	CN	\$7	28%	11	2H	Panalpina	CH	\$3	na	14	1
Cummins	US	\$19	38%	10	1	Safe Bulkers	GR	\$0	-3%	4	2H
DP World	AE	\$9	14%	19	1	Samsung Heavy Inds.	KR	\$7	1%	9	1H
Essar Ports	IN	\$1	na	38	1	SITC Intl.	HK	\$1	12%	6	1H
FedEx Corp.	US	\$26	29%	13	1	STX Pan Ocean	KR	\$1	na	NMF	2
Genesee & Wyoming	US	\$3	23%	21	2	TNT Express	NL	\$5	80%	16	1
Gujarat Pipavav Port	IN	\$1	na	27	1	Toll Holdings	AU	\$4	7%	11	1
Hamburger Hafen und Logistik	DE	\$2	26%	14	1	United Parcel Service	US	\$69	16%	15	1
Hyundai Heavy Industries	KR	\$21	-5%	7	1H	Wan Hai Lines	TW	\$1	-67%	61	1
Hyundai Mipo Dockyard	KR	\$2	-12%	7	1	Yangzijiang	SG	\$3	11%	5	1
Kuehne & Nagel Intl.	CH	\$15	4%	20	2	Zhuzhou CSR Times Electric	CN	\$3	37%	10	1
AVERAGE OF ALL STOCKS		\$11	5%	20							

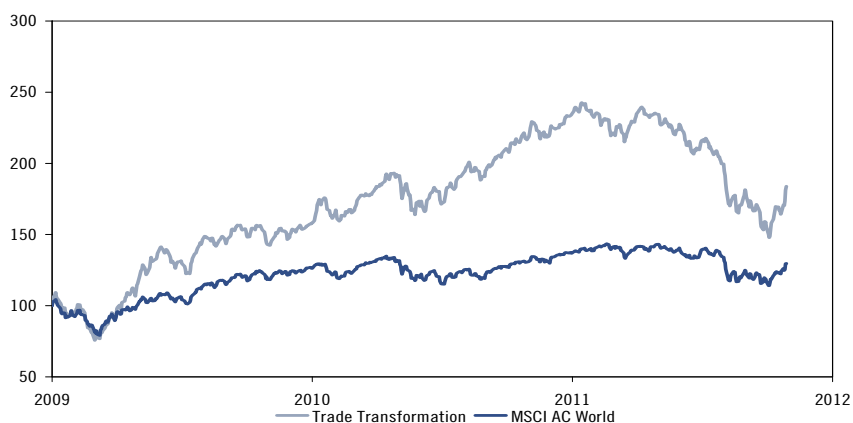
Source: Citi Investment Research and Analysis

Portfolio Performance

Figure 23 shows the performance of the “Trade Transformation” portfolio, which is down 22% in 2011, and down 15% in the last twelve months.

Figure 23. Trade Transformation

Performance of October 17, 2011 Portfolio. 1/1/2009 = 100



Source: Citi Investment Research and Analysis

Portfolio History

Figure 24. Trade Transformation Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
AP Moller Maersk	10/17/2011	35100.00	38660.00	10%	-23%
Ascianno	10/17/2011	1.54	1.58	2%	-1%
Boeing	10/17/2011	61.78	68.17	10%	4%
China South Locomotive	10/17/2011	3.96	5.23	32%	-49%
Cummins	10/17/2011	92.37	102.75	11%	-7%
DP World	10/17/2011	10.96	11.00	0%	-13%
Essar Ports	10/17/2011	55.10	66.95	22%	-59%
FedEx Corp.	10/17/2011	73.97	84.25	14%	-9%
Genesee & Wyoming	10/17/2011	52.03	61.81	19%	17%
Gujarat Pipavav Port	10/17/2011	68.85	70.55	2%	15%
Hamburger Hafen und Logistik	10/17/2011	20.74	22.80	10%	-34%
Hyundai Heavy Industries	10/17/2011	300000.00	308000.00	3%	-30%
Hyundai Mipo Dockyard	10/17/2011	114000.00	125999.99	11%	-44%
Kuehne & Nagel Intl.	10/17/2011	103.00	114.30	11%	-12%
Mundra Port	10/17/2011	155.80	162.90	5%	13%
Navios Maritime Holdings	10/17/2011	3.67	3.95	8%	-25%
Orient Overseas Intl.	10/17/2011	36.15	37.15	3%	-51%
Panalpina	10/17/2011	80.90	86.50	7%	-28%
Safe Bulkers	10/17/2011	6.30	7.01	11%	-21%
Samsung Heavy Inds.	10/17/2011	29850.00	34200.00	15%	-17%
SITC Intl.	10/17/2011	2.23	2.10	-6%	-55%
STX Pan Ocean	10/17/2011	8430.00	7740.00	-8%	-32%
TNT Express	10/17/2011	5.38	5.88	9%	
Toll Holdings	10/17/2011	4.72	4.94	5%	-14%
United Parcel Service	10/17/2011	68.01	71.49	5%	-2%
Wan Hai Lines	10/17/2011	14.95	15.75	5%	-36%
Yangzijiang	10/17/2011	0.97	1.00	4%	-48%
Zhuzhou CSR Times Electric	10/17/2011	16.80	19.50	16%	-36%
MSCI AC World	10/17/2011	310.870	328.362	6%	-5%

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

Contact Information

Figure 25. Trade Transformation Theme Contact Information

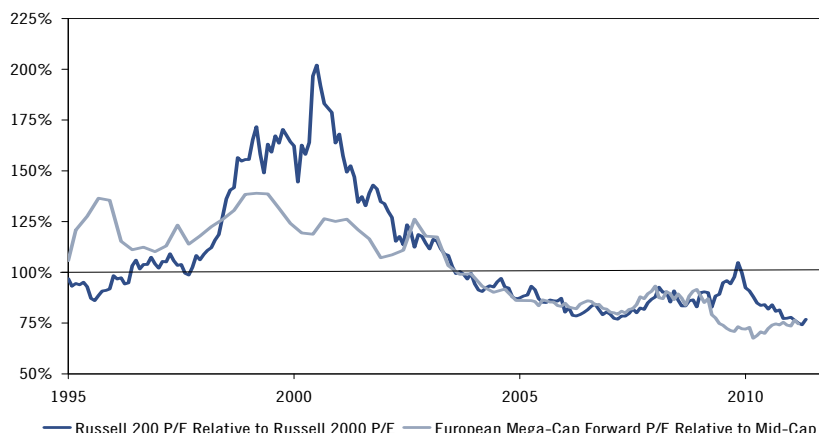
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Source: Citi Investment Research and Analysis

Realizing Value

As we outlined in our May 2010 report, developed market mega-cap stocks now trade at a discount to mid-caps — Figure 26. Large conglomerates can realize underappreciated value by spinning off mid-sized non-core units.

Figure 26. U.S. and European Mega-Cap P/E Relative to Mid-Cap



Source: Citi Investment Research and Analysis

A New Addition: Beam Inc.

CIRA analyst Vivien Azer recently initiated coverage³ on **Beam Inc.** Following its spin-off from Fortune Brands the company is a spirits pure-play, with the *Jim Beam* bourbon and *Sauza* tequila brands accounting for nearly 35% of sales.

Ms. Azer acknowledges that Beam could be an attractive acquisition candidate in the near-term, and more so over the long-run, as the company improves its pricing and geographic mix.

A 27% Discount

Figure 27 illustrates that 18 candidates to realize value via a spin-off were recently trading at an average 27% discount to their SOTP valuations.

Figure 27. Share Price Discount to Sum-of-the-Parts Value

Company	RIC Code	SOTP Value Per Share	Local Currency Price 28 October 2011	SOTP Discount
AP Moller Maersk	MAERSKb.CO	kr 46.388	kr 38.660	-17%
Autoquill	AGL.MI	€14.3	€ 8.8	-38%
CVS Caremark	CVS.N	\$43	\$37	-14%
Daimler	DAIGn.DE	€55.31	€ 39.20	-29%
eBay	EBAY.O	\$39.00	\$33.25	-15%
Expedia	EXPE.O	\$35.00	\$27.28	-22%
ITT Corp.	ITT.N	\$57	\$45	-21%
Kraft Foods	KFT.N	\$42	\$35	-16%
Lagardere Groupe	LAGA.PA	€ 20.50	€ 20.22	-1%
Lufthansa	LHAG.DE	€ 23.35	€ 10.40	-55%
Marriott International*	MAR.N	\$40	\$33	-18%
MEMC Electronic Materials	WFR.N	\$15	\$7	-56%
Navios Maritime Holdings	NM.N	\$6.94	\$3.95	-43%
OGX	OGXP3.SA	R\$ 20.50	R\$ 14.80	-28%
PPR	PRT.PA	€ 145	€ 115.2	-21%
Siemens	SIEGn.DE	€ 140	€ 78	-44%
Tyco International	TYC.N	\$67	€ 47	-30%
Average				-27%

*SOTP Value = CIRA Target Price

Source: Citi Investment Research and Analysis

³ See Vivien Azer's October 4, 2011 report, "Beam Inc."

Well-Positioned Companies

Figure 28 highlights companies that we view as well-positioned to benefit from a future spin-off, or from a spin-off that has already occurred.

Figure 28. Companies Well Positioned to Benefit from Spin-Offs

Parent	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating	Spin-Off	Country	Mkt Cap (\$bn)	2010-12e EPS CAGR	2012e P/E	CIRA Rating
Accor	FR	\$8	-69%	16	1	Edenred	FR	\$7	83%	20	2
AP Moller Maersk	DK	\$30	-33%	13	1						
Autogrill	IT	\$3	15%	16	1						
						Beam Inc.	US	\$8	10%	21	2
CVS Caremark	US	\$49	10%	11	1						
Daimler	DE	\$57	16%	7	1						
eBay	US	\$41	17%	14	1						
Expedia	US	\$7	20%	12	1						
						Fiat Industrial	IT	\$11	48%	11	1
ITT Corp.	US	\$8	5%	9	2						
Kraft Foods	US	\$62	11%	14	1						
Lagardere Groupe	FR	\$4	50%	9	2						
Lufthansa	DE	\$7	-69%	28	1						
Marathon Oil	US	\$19	-23%	12	1	Marathon Petroleum	US	\$13	81%	6	1H
Marriott International	US	\$11	15%	21	1						
McDermott Intl.	US	\$3	21%	7	1H	Babcock & Wilcox	US	\$3	15%	13	2H
MEMC Electronic Materials	US	\$1	232%	4	1H						
Motorola Solutions	US	\$15	61%	15	2						
Navios Maritime Holdings	US	\$0	-36%	7	1H						
Northrop Grumman	US	\$15	2%	8	1	Huntington Ingalls Industries	US	\$1	15%	8	1
OGX	BR	\$28	27%		1H						
PPR	FR	\$20	28%	11	1						
Siemens	DE	\$100	34%	9	1						
TABCORP Holdings	AU	\$2	-20%	6	1	Echo Entertainment	AU	\$3	na	17	1
TNT Express	NL	\$5	80%	16	1						
Tyco International	CH	\$22	19%	13	2	PostNL	NL	\$2	-5%	6	1
AVERAGE OF ALL STOCKS			\$18	22%	12						

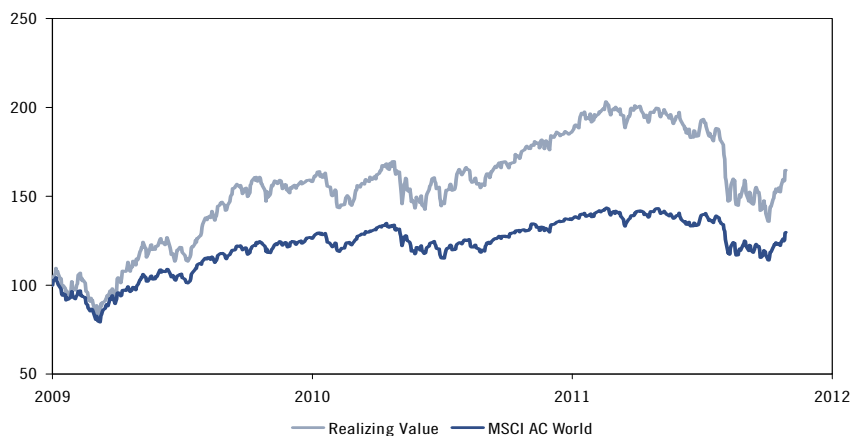
Source: Citi Investment Research and Analysis

Portfolio Performance

Figure 29 illustrates the performance of the "Realizing Value" portfolio, which is down 11% in 2011, and down 7% in the last twelve months.

Figure 29. Realizing Value

Performance of May 19, 2010 Portfolio. 1/1/2009 = 100



Source: Citi Investment Research and Analysis

Portfolio History

Genzyme was removed on September 2, 2010; it was subsequently acquired. TNT was removed following the company's de-merger on May 25, 2011. McKesson Corp. was removed on June 30, 2011, reflecting that the stock was trading close to its sum-of-the-parts value. Finmeccanica was removed on July 29, reflecting a deteriorating fundamental outlook. Hutchison Whampoa was removed on August 31, following downgrades to Hold. Motorola Mobility was removed on August 31, reflecting its impending acquisition. Fiat SpA was removed effective September 30, following its downgrade to Hold. ConocoPhillips was removed effective September 30, reflecting a revised valuation. El Paso Corp. is being removed effective October 31, reflecting its impending acquisition.

Figure 30. Realizing Value Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
Accor*	5/19/2010	39.47	45.48	15%	-11%
AP Moller Maersk	4/1/2011	49280.00	38660.00	-22%	-23%
Autogrill	6/30/2011	9.05	8.82	-3%	-17%
Babcock & Wilcox	8/2/2010	23.15	23.40	1%	-9%
CVS Caremark	4/1/2011	34.96	36.84	5%	6%
Daimler	4/1/2011	51.59	39.20	-24%	-23%
eBay	7/28/2011	33.35	33.25	0%	19%
Echo Entertainment	6/30/2011	4.11	3.82	-7%	NA
Edenred	7/2/2010	14.80	20.46	38%	15%
Expedia	5/2/2011	25.37	27.28	8%	9%
Fiat Industrial	4/1/2011	10.29	6.85	-33%	NA
Huntington Ingalls Industries	4/1/2011	40.04	29.42	-27%	NA
ITT Corp.	7/28/2011	54.50	44.99	-17%	-14%
Kraft Foods	8/31/2011	35.02	35.40	1%	12%
Lagardere Groupe	5/2/2011	29.70	20.22	-32%	-34%
Lufthansa	3/2/2011	14.40	10.40	-28%	-36%
Marathon Oil	1/31/2011	27.74	27.97	1%	24%
Marathon Petroleum	7/28/2011	42.78	37.32	-13%	NA
Marriott International	3/2/2011	38.03	32.78	-14%	-21%
McDermott Intl.*	5/19/2010	22.80	22.56	-1%	-33%
MEMC Electronic Materials	3/2/2011	13.15	6.64	-50%	-41%
Motorola*	5/19/2010	6.81	11.64	71%	30%
Navios Maritime Holdings	3/2/2011	5.51	3.95	-28%	-25%
Northrop Grumman	4/1/2011	62.97	57.92	-8%	-1%
OGX	12/1/2010	20.80	14.80	-29%	-26%
PostNL	5/19/2010	9.92	3.71	-63%	-61%
PPR	5/19/2010	99.36	115.20	16%	-3%
Siemens	4/1/2011	99.38	78.19	-21%	-16%
TABCORP*	12/1/2010	7.10	6.81	-4%	-4%
TNT Express	7/28/2011	7.15	5.88	-18%	NA
Tyco International	9/30/2011	40.75	47.05	15%	14%
MSCI AC World	5/19/2010	309.800	328.362	6%	-5%

*Adjusted for spin-off

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

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Source: Citi Investment Research and Analysis

De-Equitization

In our September 29 report, we noted three ways that investors can exploit the return of de-equitization: takeovers, share buybacks, and big dividend payouts.

A New Addition: Lufkin Industries

For some time, CIRA analyst Robin Shoemaker has been predicting⁴ a new wave of industry consolidation in the Oilfield Equipment & Services sector. He argues that the strategic logic behind the current M&A wave is that acquisitions provide growth for oilfield service and equipment companies that have ample cash to spend at a time when valuations are low enough to temper downside risk in the event of an unexpected slump in energy prices.

In a recent report,⁵ the CIRA analyst highlighted **Lufkin Industries** as another attractive M&A target among the companies in the CIRA coverage universe.

Well-Positioned Companies

Below we list companies potentially involved with various forms of de-equitization, including potential takeover targets (Figure 32), companies with a history of significant share buybacks (Figure 33), and stocks with relatively high dividend yields (Figure 34).

Figure 32. “De-Equitization” — Potential Takeovers

Company Name	Country	Sector	Mkt Cap (\$bn)	CIRA Rating
Allergan Inc	United States	Health Care	\$26	1
AMERIGROUP	United States	Health Care	\$3	1
Anadarko Petroleum Corp.	United States	Energy	\$40	1
Beazer Homes	United States	Consumer Discretionary	\$0	1H
Capital One Financial	United States	Financials	\$21	1
Celgene Corp	United States	Health Care	\$30	1
Ciena Corp.	United States	Information Technology	\$1	1H
Cliffs Natural Resources	United States	Materials	\$10	1
Convergys Corp.	United States	Information Technology	\$1	1
Dresser Rand	United States	Energy	\$4	1
Edwards Lifesciences	United States	Health Care	\$9	1
EMC Corporation	United States	Information Technology	\$51	1
Fiat Industrial	Italy	Industrials	\$11	1
FMC Technologies	United States	Energy	\$11	1
General Mills	United States	Consumer Staples	\$25	1
Hain Celestial Group	United States	Consumer Staples	\$1	1
Helmerich & Payne	United States	Energy	\$6	1
Hershey Foods	United States	Consumer Staples	\$12	1
Informa	United Kingdom	Consumer Discretionary	\$4	1
ITV	United Kingdom	Consumer Discretionary	\$4	1
Lufkin Industries	United States	Energy	\$2	1
Marvell Technology Group	United States	Information Technology	\$8	1
McDermott International	United States	Energy	\$3	1H
Molina Healthcare	United States	Health Care	\$1	1
NII Holdings	United States	Telecommunication Services	\$4	1
Pharmasset	United States	Health Care	\$5	1H
Prudential	United Kingdom	Financials	\$27	1
Saks Inc.	United States	Consumer Discretionary	\$2	1
Scandinavian Air System	Sweden	Industrials	\$1	1
Superior Energy Services	United States	Energy	\$2	1
United Utilities	United Kingdom	Utilities	\$7	1
Weatherford Intl.	Switzerland	Energy	\$12	1

Source: Citi Investment Research and Analysis

⁴ See Robin Shoemaker's January 11, 2011 report “Oilfield Equipment & Services”

⁵ See Robin Shoemaker's October 4, 2011 report “Oilfield Equipment Services”

Figure 33. “De-Equitization” — Share Buybacks

Company Name	Country	Sector	5 year Change in Share Count	CIRA Rating
Aetna	United States	Health Care	-34%	1
Amgen Inc	United States	Health Care	-24%	1
AstraZeneca	United Kingdom	Health Care	-13%	1
AutoZone	United States	Consumer Discretionary	-43%	1
Ball Corp	United States	Materials	-19%	1
BASF	Germany	Materials	-15%	1
Comcast Corp	United States	Consumer Discretionary	-44%	1
Dell	United States	Information Technology	-20%	1
Fiserv Inc	United States	Information Technology	-22%	1
Hewlett-Packard	United States	Information Technology	-25%	1
IBM	United States	Information Technology	-24%	1
KPN	Netherlands	Telecommunication Services	-33%	1
Lockheed Martin	United States	Industrials	-21%	1
Microsoft	United States	Information Technology	-22%	1
Next Group	United Kingdom	Consumer Discretionary	-30%	1
Novo-Nordisk	Denmark	Health Care	-14%	1
Omnicom Group	United States	Consumer Discretionary	-22%	1
Procter & Gamble	United States	Consumer Staples	-19%	1
Raytheon	United States	Industrials	-20%	1
Symantec	United States	Information Technology	-36%	1
Target Corp	United States	Consumer Discretionary	-20%	1
Time Warner	United States	Consumer Discretionary	-29%	1
UnitedHealth	United States	Health Care	-20%	1
WellPoint	United States	Health Care	-43%	1

Source: Citi Investment Research and Analysis

Figure 34. “De-Equitization” — High Dividend Yields

Company Name	Country	Sector	Dividend Yield 2011e	CIRA Rating
AstraZeneca	United Kingdom	Health Care	5.8%	1
CenturyLink	United States	Telecommunication Services	8.1%	1H
DNB NOR	Norway	Financials	6.1%	1
GDF Suez	France	Utilities	7.5%	1
KPN	Netherlands	Telecommunication Services	8.8%	1
Maxim Integrated	United States	Information Technology	3.2%	1
Red Electrica	Spain	Utilities	6.2%	1
Reynolds American	United States	Consumer Staples	5.4%	1
RSA Insurance	United Kingdom	Financials	8.2%	1
SCOR	France	Financials	7.1%	1
Vivendi	France	Telecommunication Services	9.2%	1
Zurich Financial	Switzerland	Financials	8.3%	1

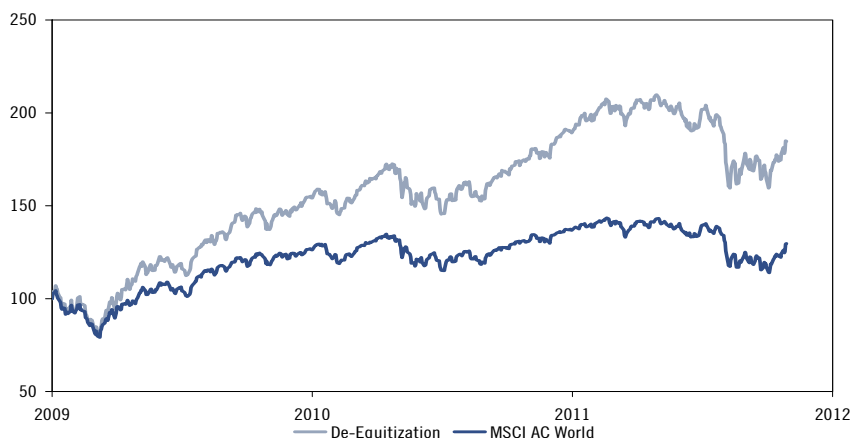
Source: Citi Investment Research and Analysis

Portfolio Performance

Figure 35 illustrates the performance of the “De-Equitization” portfolio, which is down 2% in 2011, and up 6% over the last twelve months.

Figure 35. De-Equitization

Performance of September 29, 2010 Portfolio. 1/1/2009 = 100



Source: Citi Investment Research and Analysis

Portfolio History

Reflecting that this theme only focuses on stocks rated Buy, the following stocks were removed following their downgrade to Hold: Akzo Nobel (June 28, 2011), Altria Group (November 12, 2010), AmerisourceBergen (July 29, 2011), Cooper Industries (April 11, 2011), Croda International (April 28, 2011), Enagas (March 10, 2011), EOG Resources (November 3, 2010), France Telecom (June 5, 2011), Infinera Corp. (January 28, 2011), Invensys (May 24, 2011), Juniper Networks (July 27, 2011), Lorillard (November 12, 2010), Man Group (September 29, 2011), Medidata Solutions (January 27, 2011), Meritage Homes (February 22, 2011), NetApp (February 17, 2011), Nvidia Corp. (February 17, 2011), OTE (December 9, 2010), PG&E (January 10, 2011), Portugal Telecom (November 4, 2010), Scottish & Southern Energy (May 12, 2011), Swedish Match (September 21, 2011), Swisscom (February 17, 2011), Thomas Cook Group (October 22, 2010), TUI Travel Plc (October 22, 2010), Veeco Instruments (December 13, 2010), and Weir Group (February 14, 2011). Tullow was removed following suspension of coverage on December 21, 2010. Qwest Communications was removed following the completion of its acquisition on April 1, 2011. E Trade Financial was removed following suspension of coverage on April 14, 2011. TNT was removed following the company's de-merger on May 25, 2011. Synovus Financial was removed following suspension of coverage on June 2, 2011. Deere, Syngenta and Texas Instruments were removed on August 31. SMA Solar Technology was removed following suspension of coverage on October 4, 2011.

Figure 36. De-Equitization Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
Aetna	8/31/2011	40.03	40.63	1%	33%
Allergan Inc	9/29/2010	66.71	84.40	27%	23%
AMERIGROUP	9/29/2010	42.19	55.59	32%	27%
Amgen Inc	9/29/2010	54.94	57.24	4%	4%
Anadarko Petroleum Corp.	9/29/2010	57.54	83.74	46%	10%
AstraZeneca PLC	1/31/2011	30.31	30.54	1%	5%
AutoZone	8/31/2011	307.00	327.82	7%	20%
Ball Corp	9/29/2010	29.44	35.66	21%	5%
BASF	9/29/2010	46.46	54.99	18%	-8%
Beazer Homes	9/29/2010	4.12	2.20	-47%	-59%
Capital One Financial	9/29/2010	38.93	46.90	20%	10%
Celgene Corp	9/29/2010	57.43	66.19	15%	12%
CenturyLink	9/29/2010	39.62	35.96	-9%	-22%
Ciena Corp.	9/29/2010	15.69	13.82	-12%	-34%
Cliffs Natural Resources	9/29/2010	64.11	72.81	14%	-7%
Comcast Corp	9/29/2010	18.15	23.85	31%	9%
Convergys Corp.	9/29/2010	10.36	11.11	7%	-16%
Deere and Co	9/29/2010	71.73	78.67	10%	-5%
Dell	8/31/2011	14.87	16.31	10%	20%
DNB NOR	7/28/2011	79.65	66.10	-17%	-19%
Dresser-Rand Group	1/31/2011	45.93	49.58	8%	16%
Edwards Lifesciences	9/29/2010	67.94	76.06	12%	-6%
EMC Corporation	9/29/2010	20.67	25.03	21%	9%
Ferrovial	9/29/2010	6.94	9.52	37%	28%
Fiat Industrial	4/1/2011	10.29	6.85	-33%	NA
Fiserv Inc	9/29/2010	53.55	60.76	13%	4%
FMC Technologies	1/31/2011	47.00	47.12	0%	6%
GDF Suez	9/29/2010	26.32	21.76	-17%	-19%
General Mills	9/29/2010	36.87	39.13	6%	10%
Hain Celestial Group	9/29/2010	24.52	34.15	39%	26%
Helmerich & Payne	5/2/2011	63.15	56.89	-10%	17%
Hershey Foods	6/1/2011	55.25	57.45	4%	22%
Hewlett-Packard	8/31/2011	26.03	27.94	7%	-34%
IBM	8/31/2011	171.91	187.45	9%	28%
Informa	9/29/2010	4.26	3.82	-10%	-6%
ITV	9/29/2010	0.59	0.66	11%	-6%
KPN	9/29/2010	11.40	9.51	-17%	-13%
Lockheed Martin	9/29/2010	71.89	75.43	5%	8%
Marvell Technology Group	9/29/2010	17.70	14.09	-20%	-24%
Maxim Integrated	9/29/2010	18.69	26.55	42%	12%
McDermott International	9/29/2010	14.67	10.86	-26%	-48%
Microsoft	8/31/2011	26.60	26.98	1%	-3%
Molina Healthcare	9/29/2010	17.90	21.42	20%	15%
Next Group	9/29/2010	22.27	25.80	16%	31%
NII Holdings	9/29/2010	41.18	24.97	-39%	-44%
Novo-Nordisk	8/31/2011	553.50	585.50	6%	-7%
Omnicom Group	9/29/2010	39.43	45.34	15%	-1%
Pharmasset	9/29/2010	14.93	70.16	370%	222%
Procter & Gamble	8/31/2011	63.68	64.73	2%	1%
Prudential	9/29/2010	6.34	6.64	5%	-1%
Raytheon	8/31/2011	43.23	43.54	1%	-6%
Red Electrica	9/29/2010	34.41	36.12	5%	3%
Reynolds American	9/29/2010	29.96	39.13	31%	20%
RSA Insurance	9/29/2010	1.30	1.15	-12%	-8%
Saks Inc.	9/29/2010	8.66	10.94	26%	2%
Scandinavian Airlines System	1/31/2011	24.40	11.25	-54%	-50%
SCOR	9/29/2010	17.64	17.70	0%	-7%

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

Figure 36 Continued. De-Equitization Model Portfolio Data

	Date Added	Local Currency Price Added	Local Currency Price 10/28/2011	Performance Since Added	2011 Performance YTD
Superior Energy Services	9/29/2010	26.82	29.82	11%	-15%
Symantec	8/31/2011	17.15	17.99	5%	7%
Syngenta	9/29/2010	248.20	274.80	11%	0%
Target Corp	9/29/2010	53.54	55.24	3%	-8%
Texas Instrument	9/29/2010	26.84	31.50	17%	-3%
Time Warner	8/31/2011	31.66	35.47	12%	10%
United Utilities	9/29/2010	5.72	6.08	6%	3%
UnitedHealth	8/31/2011	47.52	48.85	3%	35%
Vivendi	9/29/2010	19.93	16.84	-16%	-17%
Weatherford Intl.	5/2/2011	20.69	16.29	-21%	-29%
WellPoint	8/31/2011	63.30	68.68	8%	21%
Zurich Financial	9/29/2010	231.40	210.00	-9%	-13%
MSCI AC World	9/29/2010	322.923	328.362	2%	-5%

Returns are gross of management and transaction fees. Past performance is no indication of future performance. Full histories of the portfolios can be obtained upon request.

Source: Citi Investment Research and Analysis

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Source: Citi Investment Research and Analysis

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Source: Citi Investment Research and Analysis

Appendix 1: Stocks Mentioned

Figure 38. Stocks Mentioned in This Report

Company	RIC CODE	CIRA Rating/ Risk Rating	Market Cap (\$ Millions)	Local Currency Price 10/28/2011
AB-InBev	ABI.BR	1	\$91,360	39.94
Accor	ACCP.PA	1	\$7,626	25.03
adidas Group	ADSGn.DE	1	\$15,271	52.31
Advanced Micro Devices	AMD.N	1H	\$4,079	5.94
AES Corp.	AES.N	1	\$8,927	11.65
Aetna	AET.N	1	\$14,735	40.63
Agile Property Holdings	3383.HK	1	\$3,206	7.60
AIA Group	1299.HK	1	\$37,388	24.10
Air China	0753.HK	2H	\$14,061	6.24
Akzo Nobel	AKZO.AS	2	\$12,526	39.47
Allergan Inc	AGN.N	1	\$25,874	84.40
Altera Corp.	ALTR.O	1	\$12,549	39.94
Altria Group	MO.N	2	\$56,737	27.56
AmBev	ABV.N	1	\$93,995	34.49
AMERIGROUP	AGP.N	1	\$2,824	55.59
AmerisourceBergn	ABC.N	2	\$11,163	42.08
Amgen Inc	AMGN.O	1	\$50,244	57.24
Amphenol	APH.N	1	\$8,216	49.27
Anadarko Petroleum Corp.	APC.N	1	\$40,367	83.74
Anta Sports	2020.HK	1	\$2,316	8.03
AP Moller Maersk	MAERSKb.CO	1	\$29,900	38660.00
Apollo Hospitals	APLH.BO	1	\$1,397	507.65
Arca Continental	AC.MX	1	\$7,777	63.50
Arcos Dorados Holdings	ARCO.N	1	\$4,750	23.09
AstraZeneca PLC	AZN.L	1	\$64,212	30.54
Aurobindo Pharma	ARB.N.BO	1H	\$766	128.45
Australia and New Zealand Bank	ANZ.AX	2	\$61,003	22.08
Autogrill	AGL.MI	1	\$3,016	8.82
AutoZone	AZO.N	1	\$13,067	327.82
Avon Products	AVP.N	1	\$7,788	18.87
B2W	BTOW3.SA	3H	\$1,349	14.66
Babcock & Wilcox	BWC.N	2H	\$2,671	23.40
Ball Corp	BLL.N	1	\$5,785	35.66
Banco BPI	BBPI.LS	2H	\$702	0.55
Banco do Brasil	BBAS3.SA	1	\$44,232	26.10
Banco Santander	SAN.MC	2H	\$73,775	6.43
Bank of East Asia	0023.HK	2	\$7,701	28.85
Bank VTB	VTBRq.L	1	\$25,260	4.95
Barclays	BARC.L	1	\$39,058	2.01
BASF	BASFn.DE	1	\$69,316	54.99
Beam Inc.	BEAM.N	2	\$7,618	49.37
Beazer Homes	BZH.N	1H	\$162	2.20
Becton, Dickinson	BDX.N	2	\$17,241	79.64
Beijing Airport	0694.HK	1	\$1,969	3.55
Belle	1880.HK	1	\$16,774	15.72
Bemis	BMS.N	1	\$2,915	28.50
Berkeley Group Holdings	BKGH.L	2	\$2,648	12.73
BR Malls	BRML3.SA	1	\$5,007	18.50

Source: Citi Investment Research and Analysis

Figure 38 Continued. Stocks Mentioned in This Report

Company	RIC CODE	CIRA Rating/ Risk Rating	Market Cap (\$ Millions)	Local Currency Price 10/28/2011
Bradesco	BBDC4.SA	1	\$70,481	31.35
Brilliance China	1114.HK	2H	\$5,481	8.73
British Land	BLND.L	2	\$7,363	5.16
Burberry Group	BRBY.L	2	\$9,660	14.07
Capital One Financial	COF.N	1	\$21,260	46.90
Casino Guichard Perachon	CASP.PA	1	\$10,623	66.84
Caterpillar	CAT.N	2	\$61,111	96.85
Cathay Pacific Airways Ltd.	0293.HK	2	\$7,246	14.58
Celgene Corp	CELG.O	1	\$29,919	66.19
Cemex	CX.N	2H	\$4,423	4.43
Cencosud	CEN.SN	NA	\$14,463	3130.00
CenturyLink	CTL.N	1H	\$21,964	35.96
Chedraui	CHDRAUIB.MX	2	\$2,423	33.17
Chimei Innolux	3481.TW	1	\$2,987	12.50
China Distance Education	DL.N	1H	\$89	2.63
China Dongxiang	3818.HK	3	\$1,024	1.50
China Eastern Air	0670.HK	2H	\$7,299	3.18
China Merchant Holdings	0144.HK	NA	\$7,752	25.65
China Merchants Bank	3968.HK	1	\$44,468	16.92
China Southern Airlines	1055.HK	1H	\$8,773	4.60
China Yurun Food Group	1068.HK	1H	\$3,245	13.50
Cielo	CIEL3.SA	1	\$14,727	45.80
Ciena	CIEN.O	1H	\$1,290	13.82
Clariant	CLN.VX	2	\$3,344	9.72
Cliffs Natural Resources	CLF.N	1	\$10,256	72.81
Coca-Cola	KO.N	1	\$156,420	68.93
Coca-Cola FEMSA	KOF.N	1	\$17,028	93.67
Coca-Cola Hellenic Bottling	HLBr.AT	1	\$7,312	14.31
Colgate-Palmolive	CL.N	2	\$44,194	91.22
Comcast Corp	CMCSK.O	1	\$64,339	23.33
Commercial Mexicana	COMEUBC.MX	3	\$1,584	19.19
Compania Cervecerias Unidas	CCU.N	2	\$3,636	56.72
ConocoPhillips	COP.N	2H	\$96,716	71.74
Convergys Corp.	CVG.N	1	\$1,301	11.11
Cooper Industries	CBE.N	1	\$8,866	54.92
Copa Airlines	CPA.N	1	\$3,043	70.30
Corning	GLW.N	2	\$23,464	15.31
Corporacion GEO	GEOB.MX	2	\$775	18.80
COSCO International Holdings	0517.HK	NA	\$657	3.38
Cosco Pacific	1199.HK	NA	\$3,849	11.40
Credicorp	BAP.N	1	\$8,658	110.90
Croda International	CRDA.L	3	\$3,746	17.33
Ctrip.com	CTRP.O	NA	\$5,134	36.42
CVS Caremark	CVS.N	1	\$49,100	36.84
Cyrela	CYRE3.SA	1H	\$3,839	15.78
Daiichi Sankyo	4568.T	2	\$14,260	1591.00
Daimler	DAIGn.DE	1	\$56,823	39.20
Dairy Farm	DAIR.SI	3	\$10,933	8.06
Danaher	DHR.N	1	\$34,441	50.86
Danone	DANO.PA	2	\$43,786	50.32

Source: Citi Investment Research and Analysis

Figure 38 Continued. Stocks Mentioned in This Report

Company	RIC CODE	CIRA Rating/ Risk Rating	Market Cap (\$ Millions)	Local Currency Price 10/28/2011
Daphne	0210.HK	NA	\$1,738	8.30
DB Corp.	DBCL.BO	1	\$825	220.90
Deere and Co	DE.N	1	\$31,702	78.67
Dell	DELL.O	1	\$29,045	16.31
DLF	DLF.BO	1	\$8,454	247.70
DNB NOR	DNBNOR.OL	1	\$19,612	66.10
Dongfeng Motor	0489.HK	1	\$14,339	13.04
Dr Reddy	REDY.BO	1	\$5,828	1671.80
Dresser-Rand Group	DRC.N	1	\$3,869	49.58
E Trade Financial Corp	ETFC.O	NA	\$3,192	11.63
EADS	EAD.PA	2	\$24,797	21.35
eBay	EBAY.O	1	\$41,374	33.25
Echo Entertainment	EGP.AX	1	\$2,754	3.82
Ecolab	ECL.N	2	\$12,579	55.00
Edenred	EDEN.PA	2	\$6,552	20.46
Edwards Lifesciences	EW.N	1	\$8,638	76.06
EIH	EIHO.BO	NA	\$1,105	91.45
El Paso Corp.	EP.N	1	\$19,433	25.44
Embotelladora Andina	AKOa.N	2	\$3,277	23.08
EMC Corporation	EMC.N	1	\$51,087	25.03
Empresas La Polar SA	LAP.SN	NA	\$166	328.00
Enagas	ENAG.MC	1	\$4,820	14.50
EOG Resources	EOG.N	1	\$24,786	95.18
Erste Bank	ERST.VI	1	\$8,353	17.10
Expedia	EXPE.O	1	\$7,372	27.28
Fanuc	6954.T	1	\$33,380	13070.00
FEMSA	FMX.N	2	\$24,196	69.00
Ferrovial	FER.MC	1	\$9,548	9.52
Fiat	FIA.MI	2	\$7,844	4.85
Fiat Industrial	FI.MI	1	\$10,870	6.85
Fiat SpA	FIA.MI	2	\$7,844	4.85
Finmeccanica	SIFI.MI	3	\$4,062	5.21
First Solar	FSLR.O	2H	\$4,412	53.99
Fiserv Inc	FISV.O	1	\$8,473	60.76
FMC Technologies	FTI.N	1	\$11,031	47.12
France Telecom	FTE.PA	2	\$48,870	13.41
Franklin Resources	BEN.N	1	\$23,644	110.92
G.U.D. Holdings	GUD.AX	1	\$586	7.82
Gafisa	GFSA3.SA	1H	\$1,629	6.54
GDF Suez	GSZ.PA	1	\$65,352	21.76
General Mills	GIS.N	1	\$25,185	39.13
GENOMMA LAB INTERNACIONAL	LABB.MX	1	\$2,206	27.50
Glenmark Pharmaceuticals	GLEN.BO	1	\$1,725	303.35
Glorious Property Holdings	0845.HK	1	\$1,235	1.28
GOL Linhas Aéreas Inteligentes	GOL.N	3H	\$2,179	8.43
Golden Eagle Retail Group	3308.HK	1	\$4,953	19.72
Grupo Aeroportuario del Sureste	ASR.N	1	\$1,683	57.03
Grupo Pão de Açúcar	PCAR4.SA	1	\$6,381	68.84
Guangzhou Pharma	0874.HK	1H	\$1,318	5.76
Hain Celestial Group	HAIN.O	1	\$1,496	34.15

Source: Citi Investment Research and Analysis

Figure 38 Continued. Stocks Mentioned in This Report

Company	RIC CODE	CIRA Rating/ Risk Rating	Market Cap (\$ Millions)	Local Currency Price 10/28/2011
Hang Lung Properties	0101.HK	1	\$16,533	29.30
Hang Seng Bank	0011.HK	1	\$24,922	102.20
HDFC Bank	HDBK.BO	2	\$23,529	482.50
Heineken	HEIN.AS	2	\$28,613	35.94
Helmerich & Payne	HP.N	1	\$5,882	56.89
Henderson Land	0012.HK	1	\$13,136	42.45
Hengan International	1044.HK	1	\$10,780	68.85
Hershey Foods	HSY.N	1	\$12,477	57.45
Hewlett-Packard	HPQ.N	1	\$54,165	27.94
Hitachi Construction Machinery	6305.T	2	\$4,295	1560.00
HK Exchanges & Clearing	0388.HK	1	\$18,653	136.80
Home Inns	HMIN.O	NA	\$1,426	35.07
Honda Motor	7267.T	2	\$57,193	2498.00
Hongguo	1028.HK	1	\$489	1.89
Hopson	0754.HK	1	\$1,108	5.15
Hotel Leela Venture	HTLE.BO	NA	\$311	39.30
HSBC Holdings	HSBA.L	1	\$156,954	5.65
Hugo Boss Group	BOSG_p.DE	1	\$6,632	70.90
Huntington Ingalls Industries	HII.N	1	\$1,407	29.42
Hutchison Whampoa	0013.HK	1	\$39,677	73.25
Hyflux	HYFL.SI	1	\$995	1.47
Hypermarcas	HYPE3.SA	2H	\$3,564	9.91
Hysan Development	0014.HK	1	\$3,747	27.90
Hyundai Motor	005380.KS	1	\$45,333	225000.00
IBM	IBM.N	1	\$219,353	187.45
ICAP	IAP.L	1	\$4,350	4.33
ICICI Bank	ICBK.BO	1	\$22,056	932.95
Iguatemi Shopping Centers	IGTA3.SA	1	\$1,580	34.47
Infinera Corp.	INFN.O	2H	\$823	7.71
Informa	INF.L	1	\$3,512	3.82
Intercontinental Hotels	IHG.L	1	\$5,430	11.91
Intergroup	IFS.LM	1	\$2,535	27.50
Intime Department Store	1833.HK	1	\$2,780	11.70
Intl. Consolidated Airlines	ICAG.MC	1	\$5,035	1.99
Invensys	ISYS.L	2	\$2,966	2.36
Itaú Unibanco	ITUB4.SA	1	\$89,642	33.10
ITT Corp.	ITT.N	2	\$8,323	44.99
ITV	ITV.L	1	\$4,071	0.66
Jabil Circuits	JBL.N	2	\$4,357	21.32
Jet Airways	JET.BO	3H	\$456	251.35
Juniper Networks	JNPR.N	2	\$13,095	24.81
KBR	KBR.N	1H	\$4,147	28.60
Kimberly-Clark	KMB.N	2	\$27,387	70.37
Kimberly-Clark de Mexico	KIMBERA.MX	2	\$5,963	74.20
Komatsu	6301.T	2	\$25,218	2023.00
KPN	KPN.AS	1	\$19,851	9.51
Kraft Foods	KFT.N	1	\$62,326	35.40
Kubota	6326.T	2	\$11,003	673.00
Kurita Water Industries	6370.T	2	\$3,650	2200.00

Source: Citi Investment Research and Analysis

Figure 38 Continued. Stocks Mentioned in This Report

Company	RIC CODE	CIRA Rating/ Risk Rating	Market Cap (\$ Millions)	Local Currency Price 10/28/2011
KWG Prop	1813.HK	1	\$1,274	3.36
Lagardere Groupe	LAGA.PA	2	\$3,623	20.22
LAN Airlines	LFL.N	1	\$8,535	25.91
Land Securities	LAND.L	1	\$8,666	7.00
Lanxess	LXSG.DE	1	\$5,080	45.14
LG Electronics	066570.KS	1	\$9,796	77000.00
Li Ning	2331.HK	2	\$1,016	7.47
Lianhua Supermarket	0980.HK	NA	\$1,817	12.96
Lifestyle Intl. Holdings	1212.HK	1	\$4,552	21.40
Localiza	RENT3.SA	1	\$3,077	26.30
Lockheed Martin	LMT.N	1	\$24,449	75.43
Lojas Americanas	LAME4.SA	2	\$6,704	15.58
Lojas Renner	LREN3.SA	2	\$3,783	52.80
L'Oréal	OREP.PA	1	\$67,864	80.31
Lorillard	LO.N	1	\$15,434	114.61
Lufkin Industries	LUFK.O	1	\$1,863	61.14
Lufthansa	LHAG.DE	1	\$6,544	10.40
Lupin	LUPN.BO	1	\$4,317	474.10
Man Group PLC	EMG.L	2	\$4,476	1.53
Marathon Oil	MRO.N	1	\$19,285	27.97
Marathon Petroleum	MPC.N	1H	\$12,745	37.32
MARFRIG	MRFG3.SA	2H	\$1,579	7.80
Marico	MRCO.BO	3	\$1,952	153.50
Marriott International	MAR.N	1	\$10,821	32.78
Maruti Suzuki India	MRTI.BO	2	\$6,689	1128.00
Marvell Technology	MRVL.O	1	\$8,399	14.09
Marvell Technology Group	MRVL.O	1	\$8,399	14.09
Mastercard	MA.N	2	\$45,006	354.58
Maxim Integrated	MXIM.O	1	\$7,655	26.55
McDermott International	MDR.N	1H	\$2,502	10.86
McDonald's	MCD.N	2	\$96,190	93.29
McKesson Corp.	MCK.N	1	\$20,377	84.41
Medidata Solutions	MDSO.O	2	\$450	18.52
MEMC Electronics	WFR.N	1H	\$1,456	6.64
Mengniu Dairy	2319.HK	1	\$5,676	25.30
Merck	MRK.N	2	\$107,520	35.11
Meritage Homes	MTH.N	2	\$593	18.75
Metka	MTKr.AT	1	\$495	6.91
Michael Page Group	MPI.L	1	\$1,990	4.18
Micron Tech	MU.O	1H	\$5,648	5.88
Microsoft	MSFT.O	1	\$225,446	26.98
Mindray	MR.N	2H	\$3,139	27.09
Molina Healthcare	MOH.N	1	\$968	21.42
Moscow United Electricity Dist. Co.	MSRS.MM	NA	\$2,479	1.52
Mosenergo	MSNG.MM	NA	\$2,581	1.96
Motilal Oswal Financial Services	MOFS.BO	3	\$252	83.55
Motorola Mobility	MMI.N	2H	\$11,656	38.96
Motorola Solutions	MSI.N	2	\$15,372	47.41
MRV Engenharia	MRVE3.SA	1H	\$3,544	12.88
Multiplan	MULT3.SA	1	\$3,738	34.89

Source: Citi Investment Research and Analysis

Figure 38 Continued. Stocks Mentioned in This Report

Company	RIC CODE	CIRA Rating/ Risk Rating	Market Cap (\$ Millions)	Local Currency Price 10/28/2011
Nalco	NLC.N	2	\$5,264	38.32
Natura Cosmeticos	NATU3.SA	1	\$8,633	33.50
Navios Maritime Holdings	NM.N	1H	\$389	3.95
Nestlé	NESN.VX	2	\$187,453	51.35
NetApp	NTAP.O	1	\$15,179	41.59
New World Development	0017.HK	1	\$6,422	8.33
Next Group	NXT.L	1	\$7,036	25.80
NII Holdings	NIHD.O	1	\$4,141	24.97
NIIT	NIIT.BO	1	\$163	48.00
Nike	NKE.N	1	\$44,939	96.75
Nissan Motor	7201.T	1	\$40,551	723.00
Nitto Denko	6988.T	1	\$7,288	3475.00
Nokia Oyj	NOK1V.HE	3	\$26,864	5.07
Northrop Grumman	NOC.N	1	\$15,024	57.92
Novo-Nordisk	NOVOB.CO	1	\$62,944	585.50
Nvidia Corp	NVDA.O	2H	\$9,092	15.60
Nvidia Corp	NVDA.O	2H	\$9,092	15.60
OGX	OGXP3.SA	1H	\$28,036	14.80
Omnicom Group	OMC.N	1	\$12,238	45.34
OTE	OTEr.AT	2	\$2,739	3.70
Owens Illinois	OI.N	1	\$3,365	21.24
Pantaloen	PART.BO	1	\$884	191.05
Parkson Retail Group	3368.HK	1	\$3,620	10.24
Peak Sport	1968.hk	3	\$630	2.50
Pearson	PERSON.L	1	\$15,268	11.76
Pentair	PNR.N	1	\$3,546	36.83
PepsiCo	PEP.N	2	\$98,510	63.20
Pernod-Ricard	PERP.PA	1	\$25,282	68.98
PG&E	PCG.N	1	\$17,272	42.94
Pharmasset	VRUS.O	1H	\$5,222	70.16
Phoenix Mills	PHOE.BO	1	\$600	199.95
PICC Property & Casualty	2328.HK	1	\$15,787	11.12
Ping An Insurance	2318.HK	1	\$59,854	59.05
Pirelli	PECI.MI	1	\$4,391	6.68
Poly (HK) Investments	0119.HK	1H	\$1,850	3.92
Portugal Telecom	PTC.LS	2	\$6,444	5.25
PostNL	PTNL.AS	1	\$2,043	3.71
Powerlong Real Estate Holdings	1238.HK	1	\$629	1.24
PPR	PRTP.PA	1	\$20,259	115.20
Procter & Gamble	PG.N	1	\$177,708	64.73
Procter & Gamble	PG.N	1	\$177,708	64.73
Prudential	PRU.L	1	\$26,926	6.64
Qualcomm	QCOM.O	1	\$87,178	53.23
Ranbaxy	RANB.BO	1H	\$4,349	514.40
Raytheon	RTN.N	1	\$15,125	43.54
Reckitt Benckiser	RB.L	1	\$37,762	32.35
Red Electrica	REE.MC	1	\$6,694	36.12
Redcard	RDCD3.SA	1	\$11,431	28.50
Reynolds American	RAI.N	1	\$22,815	39.13

Source: Citi Investment Research and Analysis

Figure 38 Continued. Stocks Mentioned in This Report

Company	RIC CODE	CIRA Rating/ Risk Rating	Market Cap (\$ Millions)	Local Currency Price 10/28/2011
Roper Industries	ROP.N	2	\$7,836	82.89
Rossi Residencial	RSID3.SA	1H	\$1,760	11.50
Rotork	ROR.L	2	\$2,353	17.27
RSA Insurance	RSA.L	1	\$6,398	1.15
SABMiller	SAB.L	2	\$59,316	23.55
SACI Falabella	FAL.SN	NA	\$22,581	4600.00
Saint Gobain	SGOB.PA	1	\$25,528	35.02
Saks Inc.	SKS.N	1	\$1,722	10.94
Samsung Electronics	005930.KS	1	\$129,271	945000.00
Santander Brasil	SANB11.SA	1	\$35,152	16.00
Scandinavian Airlines System	SAS.ST	1	\$559	11.25
SCOR	SCOR.PA	1	\$4,593	17.70
Scot & Sth Enrgy	SSE.L	2	\$20,462	13.45
Shandong Weigao Group	1066.HK	2H	\$4,711	8.06
Shanghai Airport	600009.SS	1	\$3,873	13.00
Shanghai Industrial	0363.HK	1	\$3,588	25.20
Shanghai Jin Jiang Int'l Hotels	2006.HK	NA	\$724	1.02
Sharp	6753.T	2	\$10,667	737.00
Shiseido	4911.t	3	\$7,595	1452.00
Siemens	SIEGn.DE	1	\$100,127	78.19
Simcere Pharmaceuticals	SCR.N	1	\$502	9.32
Sino-Ocean Land Holdings	3377.HK	1	\$2,560	3.48
Sinopharm	1099.HK	1	\$6,623	21.45
SMA Solar Tech	S92G.DE	NA	\$2,054	43.00
SOHO China	0410.HK	1	\$3,756	5.63
Soriana	SORIANAB.MX	1	\$3,938	29.10
Sound Global	SOGL.SI	1	\$582	0.60
Standard Chartered	STAN.L	1	\$56,909	15.23
State Bank of India	SBI.BO	1	\$24,902	1907.00
Suez Environnement	SEVI.PA	1	\$8,166	11.60
Sun Pharmaceuticals	SUN.BO	2	\$10,720	508.80
Superior Energy Services	SPN.N	1	\$2,310	29.82
Suzuki Motor	7269.T	1	\$12,533	1704.00
Swatch	UHR.VX	1	\$22,773	389.00
Swedish Match	SWMA.ST	2	\$7,525	226.20
Swire Pacific	0019.HK	1	\$17,484	92.15
Swisscom	SCMN.VX	1	\$21,525	358.50
Symantec	SYMC.O	1	\$12,927	17.99
Syngenta	SYNN.VX	2	\$29,742	274.80
Synovus Financial	SNV.N	NA	\$1,202	1.56
T Rowe Price Group	TROW.O	2	\$13,812	56.54
TABCORP Holdings	TAH.AX	1	\$2,243	2.99
TAM	TAM.N	1	\$3,153	20.86
Target Corp	TGT.N	1	\$37,016	55.24
Tata Motors	TAMO.BO	1	\$12,050	206.20
Tele2	TEL2b.ST	1	\$9,616	139.30
Telefonica	TEF.MC	2	\$99,314	15.73
Telenor	TEL.OL	1	\$29,609	98.50
Terumo	4543.T	1	\$10,093	4105.00
Texas Instrument	TXN.N	1	\$35,711	31.50

Source: Citi Investment Research and Analysis

Figure 38 Continued. Stocks Mentioned in This Report

Company	RIC CODE	CIRA Rating/ Risk Rating	Market Cap (\$ Millions)	Local Currency Price 10/28/2011
Thomas Cook Group	TCG.L	2	\$739	0.54
Time Warner	TWX.N	1	\$36,954	35.47
Tingyi	0322.hk	2	\$16,057	23.10
TNT Express	TNTE.AS	1	\$4,744	5.88
Toyota Motor	7203.T	2	\$109,348	2632.00
Tsingtao Brewery	0168.HK	2	\$6,952	41.20
TUI Travel Plc	TT.L	2	\$3,086	1.77
Tullett Prebon	TLPR.L	1	\$1,221	3.69
Tulloo	TLW.L	2	\$20,655	14.45
Tyco International	TYC.N	2	\$21,574	47.05
Unilever	ULVR.L	1	\$103,196	21.14
Unitech	UNTE.BO	2H	\$1,612	29.05
United Spirits	UNSP.BO	1	\$2,359	857.75
United Utilities	UU.L	1	\$6,737	6.08
UnitedHealth	UNH.N	1	\$52,484	48.85
URBI	URBI.MX	2	\$1,327	18.04
Varian Medical Systems	VAR.N	2	\$6,962	60.57
Veeco Instruments	VECO.O	2H	\$1,124	28.13
Veolia Environnement	VIE.PA	1	\$7,554	10.70
Visa	V.N	2	\$77,985	95.10
Vivendi	VIV.PA	1	\$28,671	16.84
Volkswagen	VOWG_p.DE	2	\$78,645	132.50
Wal-Mart	WMT.N	1	\$196,389	57.15
Walmex	WALMEXV.MX	1	\$47,086	34.92
Waters	WAT.N	2	\$7,328	82.22
Weatherford Intl.	WFT.N	1	\$11,937	16.29
Weir Group	WEIR.L	2	\$6,633	20.09
WellPoint	WLP.N	1	\$24,048	68.68
Wharf (Holdings)	0004.HK	1	\$16,388	42.95
Wheelock & Co.	0020.HK	1	\$6,046	23.40
Worley Parsons	WOR.AX	2	\$7,207	28.12
X5 Retail Group	PJPq.L	1	\$8,169	30.00
Xtep Intl.	1368.hk	1	\$852	3.17
Yanlord	YNLG.SI	1	\$1,616	1.10
Yue Yuen Industrial	0551.HK	1	\$4,736	22.35
Yum Brands	YUM.N	2	\$24,766	54.14
Zurich Financial	ZURN.VX	1	\$35,149	210.00

Source: Citi Investment Research and Analysis

Appendix A-1

Analyst Certification

The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.

IMPORTANT DISCLOSURES

Hyundai Motor (005380.KS)

Ratings and Target Price History Fundamental Research

Analyst: Ethan Kim

Covered since November 26 2008

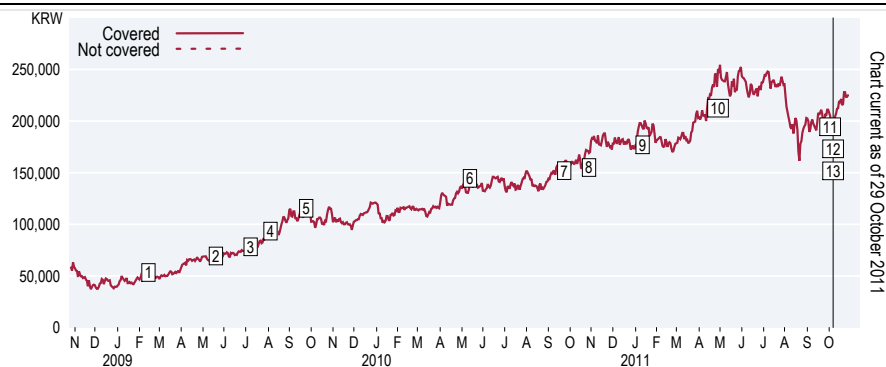


Chart current as of 29 October 2011

Date	Rating	Target Price	Closing Price
1 13-Feb-09	*2H	*59,000.00	52,200.00
2 20-May-09	*1M	*80,000.00	67,300.00
3 8-Jul-09	1M	*91,500.00	78,200.00
4 5-Aug-09	1M	*120,000.00	92,400.01
5 24-Sep-09	1M	*160,000.00	110,500.00

* Indicates change

Date	Rating	Target Price	Closing Price
6 13-May-10	1M	*175,000.00	141,500.00
7 23-Sep-10	1M	*200,000.00	155,500.00
8 28-Oct-10	1M	*215,000.00	169,000.00
9 12-Jan-11	1M	*250,000.00	193,500.00
10 28-Apr-11	1M	*310,000.00	250,500.02

Date	Rating	Target Price	Closing Price
11 4-Oct-11	1M	*320,000.00	205,000.00
12 7-Oct-11	Stock rating system changed		
13 7-Oct-11	*1	320,000.00	200,000.00

Rating/target price changes above reflect Eastern Standard Time

Hyundai Motor (005380.KS)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Ethan Kim

Covered since November 26 2008

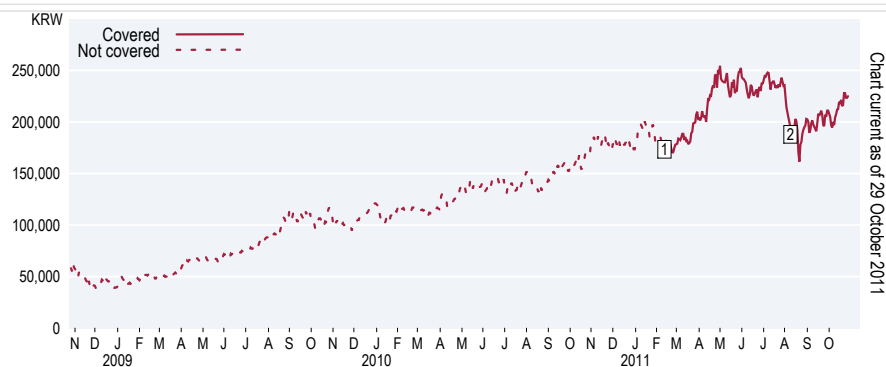


Chart current as of 29 October 2011

Date	Rating	Target Price	Closing Price
1 11-Feb-11	*ADD MP	-	175,500.00

* Indicates change

Date	Rating	Target Price	Closing Price
2 9-Aug-11	*REM MP	-	194,000.00

Rating/target price changes above reflect Eastern Standard Time

Samsung Electronics (005930.KS)

Ratings and Target Price History Fundamental Research

Analyst: Henry H Kim, CFA

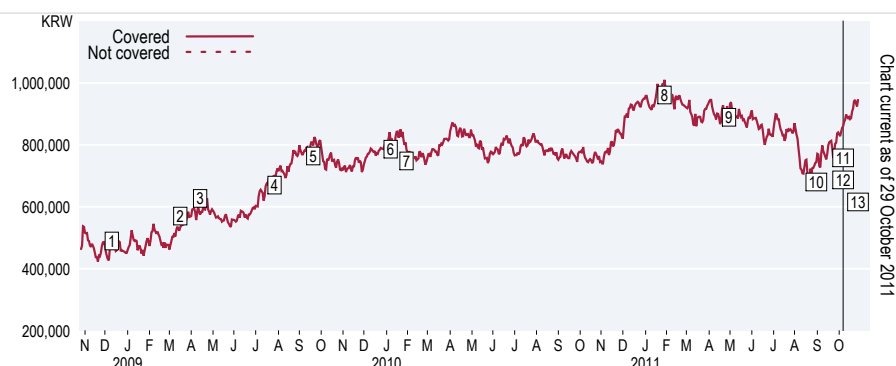


Chart current as of 29 October 2011

	Date	Rating	Target Price	Closing Price
1	10-Dec-08	1L	*664,000.00	481,000.00
2	17-Mar-09	1L	*690,000.00	534,000.00
3	14-Apr-09	1L	*810,000.00	575,000.00
4	28-Jul-09	1L	*900,000.00	700,000.00
5	21-Sep-09	1L	*1,030,000.00	798,000.00

* Indicates change

	Date	Rating	Target Price	Closing Price
6	7-Jan-10	1L	*1,100,000.00	813,000.00
7	29-Jan-10	1L	*1,160,000.00	784,000.00
8	28-Jan-11	1L	*1,200,000.00	1,010,000.00
9	29-Apr-11	1L	*1,250,000.00	893,000.00
10	31-Aug-11	1L	*1,200,000.00	744,000.00

	Date	Rating	Target Price	Closing Price
11	7-Oct-11	Stock rating system changed		
12	7-Oct-11	*1	1,200,000.00	860,000.00
13	28-Oct-11	1	*1,300,000.00	945,000.00

Rating/target price changes above reflect Eastern Standard Time

Samsung Electronics (005930.KS)

Ratings and Target Price History Best Ideas Research Relative Call (3 Month)

Analyst: Henry H Kim, CFA

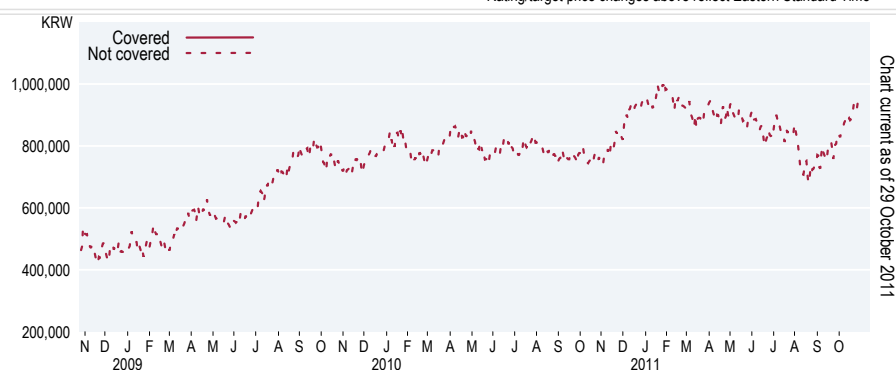


Chart current as of 29 October 2011

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

LG Electronics (066570.KS)

Ratings and Target Price History Fundamental Research

Analyst: Henry H Kim, CFA

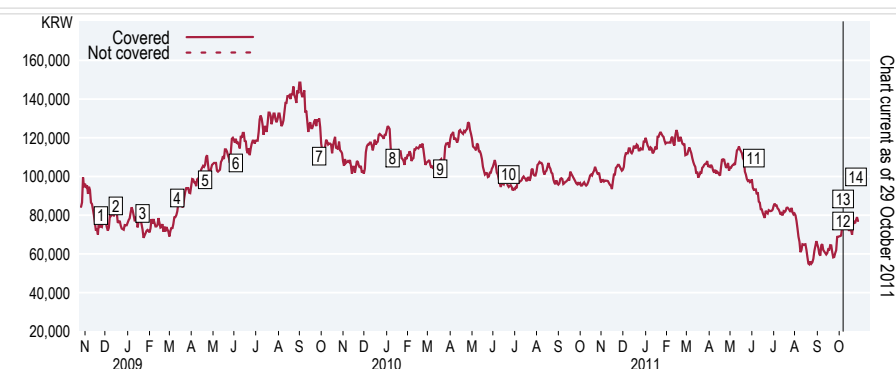


Chart current as of 29 October 2011

	Date	Rating	Target Price	Closing Price
1	25-Nov-08	1L	*129,000.00	74,200.00
2	16-Dec-08	1L	*115,000.00	82,100.00
3	22-Jan-09	1L	*100,000.00	72,500.00
4	12-Mar-09	1L	*110,000.00	82,000.00
5	21-Apr-09	1L	*138,000.00	105,999.99

* Indicates change

	Date	Rating	Target Price	Closing Price
6	3-Jun-09	1L	*154,000.00	119,500.00
7	29-Sep-09	1L	*163,000.00	129,999.99
8	11-Jan-10	1L	*167,000.00	110,500.00
9	18-Mar-10	1L	*160,000.00	108,500.00
10	23-Jun-10	1L	*140,000.00	94,600.00

	Date	Rating	Target Price	Closing Price
11	3-Jun-11	1L	*135,000.00	93,100.00
12	7-Oct-11	Stock rating system changed		
13	7-Oct-11	*1	135,000.00	74,000.00
14	26-Oct-11	1	*115,000.00	77,500.00

Rating/target price changes above reflect Eastern Standard Time

LG Electronics (066570.KS)

Ratings and Target Price History

Best Ideas Research

Relative Call (3 Month)

Analyst: Henry H Kim, CFA



Citigroup Global Markets Korea Securities Limited (CGMK) performs the role of liquidity provider on the warrants of which the underlying asset is Hyundai Motor. As at 01 Nov 11, CGMK holds 3,091,790 Citi ELW 1169, 3,172,380 Citi ELW 1417, 3,220,900 Citi ELW 1470, 3,399,990 Citi ELW 1544, 3,599,990 Citi ELW 1629, 3,399,970 Citi ELW 1630, 3,398,480 Citi ELW 1704, 3,586,430 Citi ELW 1795, 3,399,990 Citi ELW 1796, 3,394,980 Citi ELW 1853, 3,600,000 Citi ELW 1854, 3,400,000 Citi ELW 1916 Call warrants & 3,400 shares of Hyundai Motor.

Citigroup Global Markets Korea Securities Limited (CGMK) performs the role of liquidity provider on the warrants of which the underlying asset is Samsung Elec. As at 01 Nov 11, CGMK holds 3,199,980 Citi ELW 1096, 3,199,400 Citi ELW 1280, 3,398,300 Citi ELW 1522, 3,399,990 Citi ELW 1632, 3,600,000 Citi ELW 1705, 3,399,970 Citi ELW 1706, 3,189,610 Citi ELW 1799, 3,520,000 Citi ELW 1800, 3,600,000 Citi ELW 1801, 3,310,000 Citi ELW 1802, 3,398,110 Citi ELW 1856, 3,599,950 Citi ELW 1857, 3,400,000 Citi ELW 1918 Call warrants & 1,300 shares of Samsung Elec.

Citigroup Global Markets Korea Securities Limited (CGMK) performs the role of liquidity provider on the warrants of which the underlying asset is LG Elec. As at 01 Nov 11, CGMK holds 3,374,980 Citi ELW 1499, 6,650 Citi ELW 1528, 3,304,250 Citi ELW 1588, 2,737,200 Citi ELW 1657, 3,307,420 Citi ELW 1735, 3,265,750 Citi ELW 1838, 3,395,200 Citi ELW 1839, 3,399,900 Citi ELW 1880, 3,596,570 Citi ELW 1881, 3,400,000 Citi ELW 1923 Call warrants & 15,662 shares of LG Elec.

Citigroup Global Markets Inc. is acting as a joint book-running manager for the upcoming equity offering for Arcos Dorados Holdings Inc.

A director of Cemex, S.A.B. de C.V. is a member of the board of directors of an affiliate of Citigroup Global Markets Inc.

An employee of Citigroup Global Markets or its affiliates is a Director of Echo Entertainment Group Ltd.

A director of Citi serves on the board of General Mills Inc.

A seat on the Supervisory Board of Heineken NV is held by an employee of Citigroup Global Markets or its affiliates.

A director of Citi serves on the board of IBM Corporation.

A member of the household of Marcelo Inoue is employed in operational capacity in Itau Unibanco Holding SA.

One or more directors of Kimberly-Clark de Mexico, S.A.B. de C.V. are members of the board of directors of an affiliate of Citigroup Global Markets Inc.

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An employee of Citigroup Global Markets or its affiliates is a Sales Consultant of Next Retail Ltd.

A director of Citi serves on the board of Procter & Gamble Company.

A director of Citi serves on the board of Reynolds American Inc.

An employee of Citi serves on the board of Raytheon Co..

Citi is acting as financial advisor to SCOR SE in respect to the acquisition of AEGON's Transamerica Reinsurance business.

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An employee of Citigroup Global Markets or its affiliates is a trustee of Target Corp.

Josh Levin, CFA, Analyst, holds a long position in the securities of Time Warner Inc.

Craig Williams, Analyst, holds a long position in the securities of Australia and New Zealand Banking Group Ltd.

Leo Kulp, CFA, Analyst, holds a long position in the securities of The Coca-Cola Company.

Robert S Morris, Analyst, holds a long position in the securities of EOG Resources Inc.

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Edwards Lifesciences Corp, FEMSA, First Solar, Inc., Corporacion Geo SAB de CV, General Mills Inc, Gol Linhas Aereas Inteligentes, Hypermarches, Jet Airways, Kimberly-Clark, GENOMMA LAB INTERNACIONAL, Lojas Americanas, Empresas La Polar SA, AP Moller Maersk A/S, Motilal Oswal Financial Services, NIIT, Navios Maritime Holdings Inc., OGX, Prudential Plc, Saks Inc, Sun Pharmaceuticals, Symantec Corp., TABCORP Holdings Ltd, Tata Motors, Pharmasset Inc.. This position reflects information available as of the prior business day.

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Citigroup Global Markets Inc. or an affiliate received compensation for products and services other than investment banking services from NVIDIA Corp, Texas Instruments Inc, Ecolab Inc, Convergys Corp, Terumo, Daiichi Sankyo, Motorola Solutions Inc, Hang Seng Bank, Henderson Land, Hutchison Whampoa, Hysan Development, New World Development, Swire Pacific, Bank of East Asia, Hyundai Motor, Samsung Electronics, Hang Lung Props, Poly (Hong Kong) Investments, China Merchants Holdings (International) Company, Cathay Pacific, Tingyi, Shanghai Industrial, Hong Kong Exchanges & Clearing, Dongfeng Motor, COSCO International Holdings, LG Electronics, China Eastern Airlines, Beijing Capital International Airport, Air China, Guangzhou Pharma, Hengan International, China Southern Airlines, Sinopharm, COSCO Pacific, Powerlong Real Estate Holdings, AIA Group, KWG Prop, Intime Department Store, Belle, Ping An Insurance, Mengniu Dairy, PICC, Li Ning, Parkson, Chimei Innolux, China Dongxiang Group, China Merchants Bank, Shiseido, Shanghai International Airport, Komatsu, Hitachi Construction Machinery, Kubota, Sharp, Fanuc, Nitto Denko, Nissan Motor, Toyota Motor, Honda Motor, Suzuki Motor, AmerisourceBergen Corp, AB-InBev, AmBev, Arca Continental, Accor SA, adidas Group, The AES Corp, Aetna, Autogrill SpA, Allergan Inc, Embotelladora Andina SA, Akzo Nobel NV, Alterra Corp, Advanced Micro Devices, Amgen Inc, Australia and New Zealand Banking Group Ltd, Anadarko Petroleum Corp, Amphenol Corp, Apollo Hospitals, Aurobindo Pharma, Arcos Dorados Holdings, Inc., Grupo Aeroportuario del Sureste SAB, Avon Products Inc, AstraZeneca PLC, AutoZone Inc., Credicorp, Barclays PLC, BASF SE, Banco do Brasil, Bradesco, Banco BPI, Becton, Dickinson and Company, Beam Inc, Franklin Resources Inc, Berkeley Group Holdings PLC, Ball Corp, Bemis Co Inc, Hugo Boss Group, BR Malls, B2W, Babcock & Wilcox, Beazer Homes,

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