

# Viewpoint

Baird Investment Management (BIM) manages high-quality portfolios for high-net-worth individuals and institutional clients.

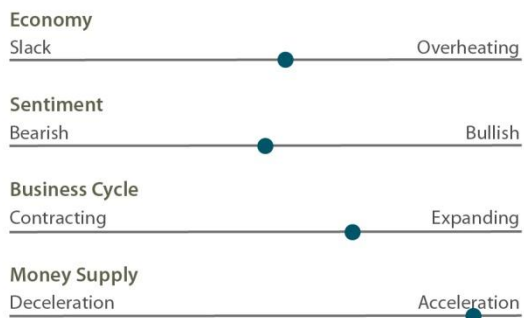
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Baird Investment Management

*“The fire which seems extinguished often slumbers beneath the ashes.”*

**- Pierre Corneille**

### Market barometer



Source: MTI, Investors Intelligence, Bloomberg

### Market update as of 11/30/11

	MTD	YTD	Trailing 12 Months
Dow Industrial Average	1.2%	6.7%	12.4%
S&P 500	-0.2%	1.1%	7.8%
Russell 1000® Growth	0.0%	3.0%	8.7%
Russell MidCap® Growth	-0.5%	-0.2%	6.1%

Source: Russell, APL

## 2011 Year in Review

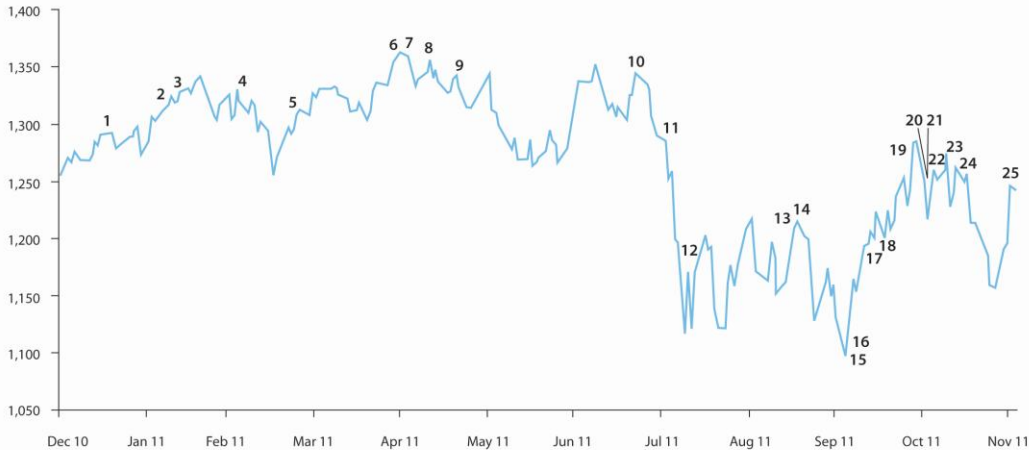
After two strong years, the equity markets in 2011 were an event-driven roller-coaster ride. Looking back at the news and events of the past year reminds us of the profound change happening in our world. Two main themes emerge upon review: the major changes taking place in the Arab world and the stress developed economies are experiencing due to slow economic growth and difficulties addressing their massive debt burden.

The year started positively as market momentum from late 2010 carried into 2011. The markets were able to shrug off the violent political upheavals during the Arab Spring and the horrific nuclear disaster caused by the Japanese earthquake and tsunami, which remind us once again that our technological prowess might not be as advanced as we like to believe. Throughout the year, there were ebbs and flows of news about both domestic and European debt problems. In the summer, the markets dispensed a quick and merciless judgment on how poorly our politicians were handling the debt ceiling talks. When fall arrived, the European debt problems came into focus, as Germany and France battled to save the Euro from disintegrating. The end game still has not been determined for many of these problems, so we would expect them to continue to generate headlines.

Despite 2011's ups and downs, we believe focusing on the fundamentals of the companies represented in our clients' portfolios has served us well, and we will continue to trust in this philosophy in the coming year.

## S&P 500

January 2011 – December 2011



1. Jan. 14: Arab Spring: Tunisian government falls.
2. Feb. 11: Arab Spring: Egyptian President Mubarak resigns.
3. Feb. 15: Arab Spring: Start of protests that lead to Libyan civil war.
4. March 11: Japan 9.0 earthquake causes tsunami and nuclear disaster at Fukushima Daiichi nuclear power plant.
5. March 23: Portugal government collapses.
6. April 29: Wedding of Prince William and Catherine Middleton.
7. May 2: Osama Bin Laden killed.
8. May 9: Creation of \$750 billion European Financial Stability Facility to combat the European sovereign debt crisis.
9. May 19: Dominique Strauss-Kahn resigns as head of IMF.
10. July 21: Space shuttle Atlantis lands at Kennedy Space Center, concluding NASA's space shuttle program.
11. Aug. 1: U.S. House approves raising debt ceiling, capping months of negotiations.
12. Aug. 6: Standard & Poor's downgrades United States credit rating to AA+.
13. Sept. 12: Astronomers announce discovery of HD 85512 b, a super-Earth planet thought to be inhabitable.
14. Sept. 17: Occupy Wall Street Protests begin.
15. Oct. 4: Thailand flooding.
16. Oct. 5: Steve Jobs dies.
17. Oct. 10: Dexia, a Belgian-French financial institution, is taken over by Belgian government to avoid collapse, only weeks after passing European stress test.
18. Oct. 20: Moammar Gadhafi killed.
19. Oct. 27: European Union announces agreement that includes 50% write-down of Greek bonds, recapitalization of European Banks and increase of EFSF to €1 trillion.
20. Oct. 30: MF Global, headed by former New Jersey Governor Jon Corzine, files bankruptcy.
21. Oct. 31: Global population reaches seven billion.
22. Nov. 4: Groupon initial public offering of \$12.7 billion is the highest-valued tech IPO since Google.
23. Nov. 9: Greek Prime Minister Papandreou resigns, followed by Italian Prime Minister Berlusconi.
24. Nov. 10: Jefferson County, Alabama, files largest municipal bankruptcy in U.S. history.
25. Dec. 1: Pfizer's Lipitor, the top-selling branded pharmaceutical in the world, goes off patent.

**To learn more about Baird Investment Management (BIM) and our products, please contact us at 800-792-4100 or 414-765-7246. Visit us online at [bairdinvestmentmanagement.com](http://bairdinvestmentmanagement.com).**

This is not a complete analysis of every material fact regarding any company, industry or security. The opinions expressed here reflect our judgment at this date and are subject to change. The information has been obtained from sources we consider to be reliable, but we cannot guarantee accuracy. Securities should not be purchased solely based on the dividend rate.

The S&P 500 Index is a representative sample of 500 leading companies in leading industries of the U.S. economy. The Russell 1000® Growth Index measures the performance of those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values and is a large-cap index. The Russell Midcap® Growth Index measures the performance of those Russell Midcap companies with higher price-to-book and higher forecasted growth values. The stocks are also members of the Russell 1000® Index. The Dow Jones Composite Average Index is computed from the stock prices of 30 of the largest and most widely held public companies in the United States.

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