

Dear Premium Portfolio Subscriber,

Mid-February 2015 Update

Our recommendations center on a collection of five stocks that we believe, as a group, will outperform the market this month. **The Buyback Premium Portfolio is beating the S&P 500 by more than 97% since its inception** (August 2, 2000)! This portfolio is up 136.53% since inception (August 2, 2000) vs. a gain of 38.73% in the S&P 500 over the same time frame. We hope that you are participating in these profits. For the month of January 2015, The Buyback Premium Portfolio declined 3.83% vs. a decline of 3.10% in the S&P 500.

New Premium Portfolio Recommendation: On February 3, we issued a sell recommendation on 2 stocks (SONS and TIVO) at market, and advised you to use the proceeds and available cash (approx. 20% of the portfolio value for each stock) to buy the following 2 stocks at market:

Symbol	Company Name
G	Genpact Ltd
WU	Western Union

Genpact Limited

Genpact Limited (G) stands for "generating business impact." G is a global leader in designing, transforming and running intelligent business operations. It helps clients grow and manage cost, risk, and compliance across a range of functions such as finance and procurement, financial services account servicing, claims management, regulatory affairs, and industrial asset optimization. Long-term clients include more than one-fourth of the Fortune Global 500.

Genpact began in 1997 as a business unit within General Electric and in 2005 it became an independent company, seeking to apply GE's industrial engineering ethos to help other businesses reimagine how they operate. It went public in 2007.

Since 2005, it has expanded from 19,000+ employees and annual revenues of \$491.90 million to 67,000+ employees and annual revenues of \$2.28 billion (as of December 31, 2014). Bain Capital became Genpact's largest shareholder in November 2012, with the strategic objective to grow the company further.

Q4 profit was 21 cents per share; earnings were 26 cents per share, exceeding Wall Street expectations by 2 cents a share. Net income was \$45.8 million. For the year, the company reported profit of \$192 million, or 85 cents per share.

G reduced shares outstanding by 5.90% in the past 12 months.

Western Union

Western Union (WU) has come to the top of our filters again. We bought it in December and held it for a month before selling. You'll recall that WU is the world's leading money transfer company. It has branded services Vigo, Orlandi Valuta, Pago

Facil and Western Union Business Solutions, which provide ways to send and receive money around the world, to send payments and to purchase money orders.

These services are offered through a combined network of more than 500,000 agent locations in 200 countries and territories and over 100,000 ATMs and kiosks. In 2014, The Western Union Company completed 255 million consumer-to-consumer transactions worldwide, moving \$85 billion of principal between consumers, and 484 million business payments.

WU inked a recent alliance with Bank of China to provide service throughout mainland China via the bank's branches. This expands WU's reach in China to the 10,000 branch locations throughout the country. Electronic fund transfers are popular in China because of a lower transaction cost; operating out of bank branches provides an easy mode of expansion for WU.

It also began its international direct-to-bank transfers to select banks in India, paving the way for customers to send money in minutes to major Indian banks.

WU has attracted attention from many analysts and funds by generating exceptional margins and dominating the market. Analysts praise the company for a strong brand name, vast reach in the U.S., excellent customer service, fast penetration and presence within high-growth international markets.

WU posted profits of 42 cents per share for Q4, beating analysts' 34-cent average best guess. Earnings were up 35% on a year-over-year basis. The company announced a hike of 24% in its quarterly dividend, and approved a new \$1.2 billion three-year share buyback.

WU has reduced shares outstanding by 5.36% in the past 12 months.

We will continue to hold 5 positions (100% invested). Current positions are: **PIR, SIRI, RNG, G** and **WU**

New subscribers: Buy equal dollar amounts of **PIR, SIRI, RNG, G, WU**. (Buy approximately 20% of the portfolio value for each stock.)