Jeffrey D. Saut, (727) 567-2644, Jeffrey.Saut@RaymondJames.com **May 23, 2011**
Investment Strategy

A Few of My Favorite Things

Two weeks ago I said, "While the intermediate/long-term internal stock market energy remains fully charged for a move higher, the market's short-term energy still needs some time to rebuild. This probably means another week, or two, of consolidation and/or attempts to sell stocks down before we begin another leg to the upside. Even so, I don't think any selling will gain much downside traction, implying the zone between the S&P 500's 50-day moving average (DMA) at 1320 and the 1340 level should provide support for stocks." Well, it's now two weeks later and from my lips to God's ears because the S&P 500 (SPX/1333.27) did exactly that last week when it tested its 50-DMA and proceeded to bounce above 1340, which I thought would confirm the successful test of the 1320 level. Alas, that wasn't meant to be as once again Friday's Fade (-10.33 SPX) left the SPX right in the middle of my 1320 – 1340 support zone. Still, the action has not negated the "call" for a move above 1400 by the end of June provided the SPX doesn't decisively violate the 50-DMA to the downside. Accordingly, I thought this morning I would revisit a few of my favorite investment ideas.

To begin, even though I continue to believe commodities are likely on "summer vacation" before they resume their secular bull market, I continue to like a number of special situations in the energy space. For example, Williams Company (WMB/$30.76/Outperform) reported a solid 1Q11 quarter boosted by the strong natural gas liquids (NGL) supply/demand fundamentals. Our bullish thesis on Williams is supported by three main points: (1) we believe the company's E&P assets will garner a higher valuation in the market place as a stand-alone entity when the company splits itself into two parts; (2) we believe the market is undervaluing Williams' ownership of the Williams Partner GP, and (3) we expect strong growth from the Canadian midstream assets.

Next is Clayton Williams (CWEI/$72.12/Outperform), where we sold one-third of our position around $100 last March. Since then the shares have retreated, yet the fundamentals continue to afford an attractive risk/reward ratio for investors despite last week's reduced guidance. To wit, while the guidance update dials back the near-term outlook of the stock slightly, the company is not alone in facing the rising service costs in the industry. What does set Clayton Williams apart from the rest of the group is its highly oil-weighted production profile (74%), growing position in high-return oil plays (namely the Permian and Delaware Basin), and cheap valuation. Raymond James Analyst John Freeman last week reiterated his Outperform rating on Clayton Williams and stated that he viewed any pressure in the stock as a buying opportunity.

Then there is LINN Energy (LINE/$38.56/Strong Buy), which remains the top pick in the upstream MLP space for our analyst Darren Horowitz. The partnership reported a solid 1Q11, but perhaps more importantly guided to a very strong 2011 with an expected average distribution coverage ratio of 1.4x for the remaining quarters. In 2011, we are forecasting LINN will achieve greater than 35% EBITDA growth and 5% distribution growth. After updating for the acquisition and 1Q11 results, we increased our 2011/ 2012 EBITDA forecast by 3%/1%.

EV Energy Partners (EVEP/$54.04/Strong Buy) is also on our "hit list" given its rating upgrade last week following the stock price plunge. EVEP's stock price traded down roughly 8% last Tuesday on no fundamental news. After discussions with management, our analyst views the recent weakness in the stock as likely short-term profit taking and not a reflection of the company`s fundamentals or growth expectations. Moreover, EVEP is optimistic that we will learn about Utica drilling results later this summer. Keep in mind that EVEP owns 150,000 net acres and 80,000 royalty net acres in this emerging shale play. Assuming that the partnership is able to monetize its 150,000 net working interest acreage for $5,000 per acre, and acquire new acreage for a 6.5x multiple of EBITDA, we forecast that such a transaction would boost EVEP`s distributable cash flow (DCF) by $2.70/unit, or a 88% increase to our 2011 DCF forecast. Further, the CEO bought stock last week in the open market, which supports our thesis that the stock price pull-back was not driven by any pending operational/fundamental news. Said weakness provides a compelling entry point given our thesis that the decline in the stock price was unwarranted and that EVEP`s stock price is going to be significantly higher in the next 12 months.

Yet our favorites list is not just concentrated in the energy space. Indeed, after avoiding banks for over 10 years, we warmed to some of the banks late last year. However, that "warmth" was not centered on the marquee names, but rather names like IBERIABANK (IBKC/$58.81/Strong Buy). To be sure, our bank analyst maintains his Strong Buy rating on IBKC shares following solid 1Q11 results that exceeded consensus expectations. While a fair amount of noise from its five FDIC-assisted acquisitions and two

Please read domestic and foreign disclosure/risk information beginning on page 3 and Analyst Certification on page 3.

© 2011 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. All rights reserved.

traditional acquisitions expected to close in 2Q11 will continue to impact operating results, we believe the company is beginning to harvest the investments it has made in its franchise over the past few years. Indeed, management's laser focus on prudent, profitable expansion will drive continued improvement in earnings power, particularly as excess capital and liquidity are fully deployed.

We also like the technology sector despite its recent underperformance. One of our more controversial picks has been Equinix (EQIX/$100.76/Strong Buy). Recall, we recommended EQIX after its collapse last October. Recently, Equinix beat earnings estimates and raised guidance. We continue to see favorable drivers for the data center space and strong top-line growth. We view pricing concerns the market has had regarding data centers as being overdone and still view Equinix as our top idea given its superior revenue growth, and its dominant position in the colocation space.

Additionally, some 13Fs were released last week showing the biggest increases and decreases in major institutional holdings. Four of the biggest increases from our research universe were: Chevron (CVX/$102.57/Outperform), HCA Holdings (HCA/$34.63/ Outperform), J.P. Morgan (JPM/$43.13/Strong Buy), and United Healthcare (UNH/$49.74/Outperform). The name showing the biggest decrease in institutional holding was Cisco (CSCO/$16.53/Market Perform).

The call for this week: This week should be "kiss and tell" with the equity markets in a position whereby they either gather themselves up and finally decisively break out above the 1340 level, or break below the SPX's 50-DMA (@1325.35). This morning, however, it's again European debt woes that are pressuring stocks to the downside leaving the S&P 500 pre-opening futures off some 13-points. If they open there, it would leave them slightly below that 50-DMA, indeed, kiss and tell time . . .

© 2011 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. All rights reserved.

International Headquarters:
The Raymond James Financial Center | 880 Carillon Parkway | St. Petersburg, Florida 33716 | 800-248-8863

Important Investor Disclosures

Raymond James is the global brand name for Raymond James & Associates (RJA) and its non-US affiliates worldwide. Raymond James & Associates is located at The Raymond James Financial Center, 880 Carillon Parkway, St. Petersburg, FL 33716, (727) 567-1000. Affiliates include the following entities, which are responsible for the distribution of research in their respective areas. In Canada, Raymond James Ltd., Suite 2200, 925 West Georgia Street, Vancouver, BC V6C 3L2, (604) 659-8200. In Latin America, Raymond James Latin America, Ruta 8, km 17,500, 91600 Montevideo, Uruguay, 00598 2 518 2033. In Europe, Raymond James European Equities, 40 rue La Boetie, 75008, Paris, France, +33 1 45 61 64 90.

This document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. The securities discussed in this document may not be eligible for sale in some jurisdictions. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. **Investors should consider this report as only a single factor in making their investment decision.**

Investing in securities of issuers organized outside of the U.S., including ADRs, may entail certain risks. The securities of non-U.S. issuers may not be registered with, nor be subject to the reporting requirements of, the U.S. Securities and Exchange Commission. There may be limited information available on such securities. Investors who have received this report may be prohibited in certain states or other jurisdictions from purchasing the securities mentioned in this report. Please ask your Financial Advisor for additional details.

The information provided is as of the date above and subject to change, and it should not be deemed a recommendation to buy or sell any security. Certain information has been obtained from third-party sources we consider reliable, but we do not guarantee that such information is accurate or complete. Persons within the Raymond James family of companies may have information that is not available to the contributors of the information contained in this publication. Raymond James, including affiliates and employees, may execute transactions in the securities listed in this publication that may not be consistent with the ratings appearing in this publication.

Additional information is available on request.

Analyst Information

Registration of Non-U.S. Analysts: The analysts listed on the front of this report who are not employees of Raymond James & Associates, Inc., are not registered/qualified as research analysts under FINRA rules, are not associated persons of Raymond James & Associates, Inc., and are not subject to NASD Rule 2711 and NYSE Rule 472 restrictions on communications with covered companies, public companies, and trading securities held by a research analyst account.

Analyst Holdings and Compensation: Equity analysts and their staffs at Raymond James are compensated based on a salary and bonus system. Several factors enter into the bonus determination including quality and performance of research product, the analyst's success in rating stocks versus an industry index, and support effectiveness to trading and the retail and institutional sales forces. Other factors may include but are not limited to: overall ratings from internal (other than investment banking) or external parties and the general productivity and revenue generated in covered stocks. **The covering analyst and/or research associate owns shares of the common stock of Chevron Corp.**

The views expressed in this report accurately reflect the personal views of the analyst(s) covering the subject securities. No part of said person's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report. In addition, said analyst has not received compensation from any subject company in the last 12 months.

Ratings and Definitions

Raymond James & Associates (U.S.) definitions

Strong Buy (SB1) Expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months.

Outperform (MO2) Expected to appreciate and outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where we are comfortable with the relative safety of the dividend and expect a total return modestly exceeding the dividend yield over the next 12-18 months.

Market Perform (MP3) Expected to perform generally in line with the S&P 500 over the next 12 months.

Underperform (MU4) Expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold.

Suspended (S) The rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be

© 2011 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC.

providing investment banking services to the company. The previous rating and price target are no longer in effect for this security and should not be relied upon.

Raymond James Ltd. (Canada) definitions

Strong Buy (SB1) The stock is expected to appreciate and produce a total return of at least 15% and outperform the S&P/TSX Composite Index over the next six months.

Outperform (MO2) The stock is expected to appreciate and outperform the S&P/TSX Composite Index over the next twelve months.

Market Perform (MP3) The stock is expected to perform generally in line with the S&P/TSX Composite Index over the next twelve months and is potentially a source of funds for more highly rated securities.

Underperform (MU4) The stock is expected to underperform the S&P/TSX Composite Index or its sector over the next six to twelve months and should be sold.

Raymond James Latin American rating definitions

Strong Buy (SB1) Expected to appreciate and produce a total return of at least 25.0% over the next twelve months.
Outperform (MO2) Expected to appreciate and produce a total return of between 15.0% and 25.0% over the next twelve months.
Market Perform (MP3) Expected to perform in line with the underlying country index.
Underperform (MU4) Expected to underperform the underlying country index.
Suspended (S) The rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and price target are no longer in effect for this security and should not be relied upon.

Raymond James European Equities rating definitions

Strong Buy (1) Absolute return expected to be at least 10% over the next 12 months and perceived best performer in the sector universe.
Buy (2) Absolute return expected to be at least 10% over the next 12 months.
Fair Value (3) Stock currently trades around its fair price and should perform in the range of -10% to +10% over the next 12 months.
Sell (4) Expected absolute drop in the share price of more than 10% in next 12 months.

In transacting in any security, investors should be aware that other securities in the Raymond James research coverage universe might carry a higher or lower rating. Investors should feel free to contact their Financial Advisor to discuss the merits of other available investments.

Rating Distributions

	Coverage Universe Rating Distribution		Investment Banking Distribution	
	RJA	RJL	RJA	RJL
Strong Buy and Outperform (Buy)	53%	72%	24%	59%
Market Perform (Hold)	41%	26%	11%	37%
Underperform (Sell)	6%	2%	8%	0%

Suitability Categories (SR)

For stocks rated by Raymond James & Associates only, the following Suitability Categories provide an assessment of potential risk factors for investors. Suitability ratings are not assigned to stocks rated Underperform (Sell). Projected 12-month price targets are assigned only to stocks rated Strong Buy or Outperform.

Total Return (TR) Lower risk equities possessing dividend yields above that of the S&P 500 and greater stability of principal.

Growth (G) Low to average risk equities with sound financials, more consistent earnings growth, possibly a small dividend, and the potential for long-term price appreciation.

Aggressive Growth (AG) Medium or higher risk equities of companies in fast growing and competitive industries, with less predictable earnings and acceptable, but possibly more leveraged balance sheets.

High Risk (HR) Companies with less predictable earnings (or losses), rapidly changing market dynamics, financial and competitive issues, higher price volatility (beta), and risk of principal.

Venture Risk (VR) Companies with a short or unprofitable operating history, limited or less predictable revenues, very high risk associated with success, and a substantial risk of principal.

© 2011 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. All rights reserved.

Raymond James Relationship Disclosures

Raymond James expects to receive or intends to seek compensation for investment banking services from the subject companies in the next three months.

Company Name	Disclosure
Cisco Systems	Raymond James & Associates makes a NASDAQ market in shares of CSCO. Raymond James & Associates received non-investment banking securities-related compensation from CSCO within the past 12 months.
Clayton Williams Energy, Inc.	Raymond James & Associates makes a NASDAQ market in shares of CWEI.
Equinix	Raymond James & Associates makes a NASDAQ market in shares of EQIX. Raymond James & Associates, Inc. provided a fairness opinion to Switch and Data's Board of Directors with respect to the acquisition by Equinix, Inc. in May 2010.
EV Energy Partners L.P.	Raymond James & Associates makes a NASDAQ market in shares of EVEP. Raymond James & Associates received non-investment banking securities-related compensation from EVEP within the past 12 months. Raymond James & Associates sole-managed block trades of EVEP shares in September 2008 and December 2009, lead-managed follow-on offerings of EVEP shares in June 2009, September 2009, and February 2010, co-managed a follow-on offering of 3.5 million EVEP shares at $33.97 per share in August 2010, and lead-managed a follow-on offering of 3.5 million EVEP shares at $44.42 per share in March 2011.
HCA Holdings, Inc.	Raymond James & Associates received non-investment banking securities-related compensation from HCA within the past 12 months. Raymond James & Associates received non-securities-related compensation from HCA within the past 12 months. Raymond James & Associates co-managed an initial public offering of 126.2 million HCA shares at $30.00 per share in March 2011.
IBERIABANK Corporation	Raymond James & Associates makes a NASDAQ market in shares of IBKC. IBERIABANK Corporation has a joint marketing agreement with Raymond James Financial Services, a subsidiary of Raymond James Financial, Inc. Raymond James & Associates co-managed a follow-on offering of IBKC shares in March 2010. Howe Barnes Hoefer & Arnett, Inc. (a wholly owned subsidiary of Raymond James Financial) makes a NASDAQ market in shares of IBKC. Howe Barnes Hoefer & Arnett, Inc. (a wholly owned subsidiary of Raymond James Financial) has received compensation for investment banking services within the last 12 months with respect to IBERIABANK Corporation. Howe Barnes Hoefer & Arnett, Inc. (a wholly owned subsidiary of Raymond James Financial) has managed or co-managed a public offering of securities within the last 12 months with respect to IBERIABANK Corporation.
JPMorgan Chase & Co.	Raymond James & Associates received non-investment banking securities-related compensation from JPM within the past 12 months. Raymond James & Associates received non-securities-related compensation from JPM within the past 12 months.
LINN Energy, LLC	Raymond James & Associates makes a NASDAQ market in shares of LINE. Raymond James & Associates co-managed follow-on offerings of LINN Energy, LLC shares in May 2009, October 2009, and March 2010, lead-managed a follow-on offering of 11.5 million LINN Energy, LLC shares at $35.92 per share in December 2010, and co-managed a follow-on offering of 16.7 million LINN Energy, LLC shares at $38.80 per share in March 2011.
UnitedHealth Group	Raymond James & Associates received non-investment banking securities-related compensation from UNH within the past 12 months.

Risk Factors

Risk and Disclosure information, as well as more information on the Raymond James rating system and suitability categories, is available at rjcapitalmarkets.com/SearchForDisclosures_main.asp. Copies of research or Raymond James' summary policies relating to research analyst independence can be obtained by contacting any Raymond James & Associates or Raymond James Financial Services

© 2011 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. All rights reserved.

International Headquarters:
The Raymond James Financial Center | 880 Carillon Parkway | St. Petersburg, Florida 33716 | 800-248-8863

office (please see raymondjames.com for office locations) or by calling 727-567-1000, toll free 800-237-5643 or sending a written request to the Equity Research Library, Raymond James & Associates, Inc., Tower 3, 6th Floor, 880 Carillon Parkway, St. Petersburg, FL 33716.

International securities involve additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

Small-cap stocks generally involve greater risks. Dividends are not guaranteed and will fluctuate. Past performance may not be indicative of future results.

Investors should consider the investment objectives, risks, and charges and expenses of mutual funds carefully before investing. The prospectus contains this and other information about mutual funds. The prospectus is available from your financial advisor and should be read carefully before investing.

For clients in the United Kingdom:

For clients of Raymond James & Associates (RJA) and Raymond James Financial International, Ltd. (RJFI): This report is for distribution only to persons who fall within Articles 19 or Article 49(2) of the Financial Services and Markets Act (Financial Promotion) Order 2000 as investment professionals and may not be distributed to, or relied upon, by any other person.

For clients of Raymond James Investment Services, Ltd.: This report is intended only for clients in receipt of Raymond James Investment Services, Ltd.'s Terms of Business or others to whom it may be lawfully submitted.

For purposes of the Financial Services Authority requirements, this research report is classified as objective with respect to conflict of interest management. RJA, Raymond James Financial International, Ltd., and Raymond James Investment Services, Ltd. are authorized and regulated in the U.K. by the Financial Services Authority.

For institutional clients in the European Economic Area (EEA) outside of the United Kingdom:

This document (and any attachments or exhibits hereto) is intended only for EEA institutional clients or others to whom it may lawfully be submitted.

For Canadian clients:

Review of Material Operations: The Analyst and/or Associate is required to conduct due diligence on, and where deemed appropriate visit, the material operations of a subject company before initiating research coverage. The scope of the review may vary depending on the complexity of the subject company's business operations.

This report is not prepared subject to Canadian disclosure requirements.

Proprietary Rights Notice: By accepting a copy of this report, you acknowledge and agree as follows:

This report is provided to clients of Raymond James only for your personal, noncommercial use. Except as expressly authorized by Raymond James, you may not copy, reproduce, transmit, sell, display, distribute, publish, broadcast, circulate, modify, disseminate or commercially exploit the information contained in this report, in printed, electronic or any other form, in any manner, without the prior express written consent of Raymond James. You also agree not to use the information provided in this report for any unlawful purpose.

This report and its contents are the property of Raymond James and are protected by applicable copyright, trade secret or other intellectual property laws (of the United States and other countries). United States law, 17 U.S.C. Sec.501 et seq, provides for civil and criminal penalties for copyright infringement.

© 2011 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. All rights reserved.

International Headquarters:
The Raymond James Financial Center | 880 Carillon Parkway | St. Petersburg, Florida 33716 | 800-248-8863