



With
**David &
Tom Gardner**
Motley Fool
Co-Founders

New Recommendations

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Join Us in Investor's Paradise

Berkshire Hathaway's annual meeting is only weeks away, and you don't need to fly out there to take part ...

We'll kick things off with a special report coming your way soon — and see why this is one company no Fool should pass by without a close look.

Simply go to stockadvisor.fool.com and add BRK-B to My Scorecard to get all of the Fool's unfolding coverage of the event. It's a Berkshire bonanza!

Wake Up to the Power of Conscious Investing

Dear Fellow Fools,

We're big fans of great businesses here at *Stock Advisor*, which is why my brother and I (Tom here) aim to help you invest in purpose-driven companies, with ample growth pastures ahead, run by effective, ethical visionaries. Many of our favorite companies exemplify this model: **Chipotle**, **Costco**, **Google**, **Starbucks**, **Walt Disney**, and **Whole Foods**, to name just a few standouts on our scorecard.

In their very best form, great businesses are *conscious* businesses. If you're not familiar with Conscious Capitalism, I encourage you to pick up a copy of *Conscious Capitalism: Liberating the Heroic Spirit of Business* by John Mackey (co-founder of Whole Foods) and Raj Sisodia, professor of marketing at Bentley University and a driving force behind the mission to help companies embrace thoughtful business practices. If I were building an all-star team of business leaders, I'd put Mackey and Sisodia near the top of my draft.

A Movement for Change

With Americans losing their confidence in big business big time, Conscious Capitalism strives to be a wake-up call for free enterprise to return to its innovative and empowering roots. Mackey and Sisodia embrace four tenets:

- » **Higher purpose.** The company exists to help the world in some way
- » **Stakeholder integration.** There are no trade-offs among investors, employees, customers, or suppliers
- » **Conscious leadership.** Management is motivated to live and breathe the purpose and create value for stakeholders
- » **Conscious culture.** Empowerment, collaboration, and purpose reign high

If you think all this is a bunch of kumbaya mumbo-jumbo, well, think again. Historically, conscious businesses have made exceptional investments. The 18 companies Sisodia features in his seminal 2007 work *Firms of Endearment* have thumped the S&P 500 over the past five, 10, and 15 years. Companies that land on *Fortune's* Great Places to Work list have produced annualized returns twice as high as the S&P over the past 15 years. And from our own research, we've found that the top 50 public companies rated as best places to work on Glassdoor.com have equally impressive outperformance track records.

Good Culture Is Good for You

One of my favorite business thinkers of all time, Peter Drucker, said that "culture eats strategy for breakfast." As CEO of The Motley Fool, I think about our company culture a lot. I want us to have the most creative, empowering, and thriving culture of any company, period. And I think we are just about the greatest workplace around.

I want to feel the same way about the companies I invest in. I want leadership teams and CEOs that I can learn from and that are engaging. I want our companies, *your* companies, to be conscious. Because conscious companies not only compete, they win, for all stakeholders. And that's not just good for your portfolio; it's good for the world as a whole.

Tom Gardner

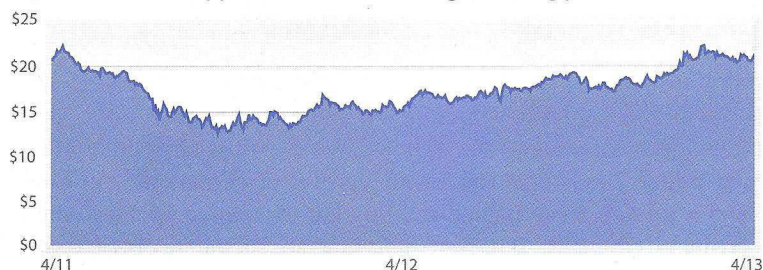
David's Recommendation: Qiagen (Nasdaq: QGEN)

By DAVID GARDNER

Qiagen is a top provider of genomic testing technology and a leader in molecular diagnostics and related instruments.

Why Buy:

- » Its gold standard DNA test for human papillomavirus is being rolled out in emerging economies.
- » Qiagen has a big opportunity to grow its lead in personalized health care thanks to proprietary tools and partnerships with Big Pharma.
- » Sales of lab supplies should climb alongside rising pharma research.



Headquarters:	Venlo, The Netherlands
Website:	www.qiagen.com
Recent Price:	\$20.77
Risk Rating:	11 of 25 — coconut
Position in Industry:	Top dog
Market Cap:	\$4,913
Cash/Debt:	\$485 / \$851
Revenue ('10/'11/'12):	\$1,087 / \$1,170 / \$1,255
Earnings ('10/'11/'12):	\$144 / \$96 / \$130
Insider Ownership:	3.6%
Biggest Threat:	Less public health screening

The Team Says: **Test this one out**

Data as of 4/16/13

Dollar amounts in millions except recent price

When you visit the doctor these days, you don't just want an opinion — you want cold, hard facts. In today's genomic era, diagnostic tests help medical professionals determine everything from which kind of bacteria is infecting your fingertip to the exact genetic subtype of a cancer cell.

The gold rush for new medical advances opens up a big opportunity for businesses tied to lab work, including those that make the picks and shovels. That's where my recommendation this month, **Qiagen** (Nasdaq: QGEN), pronounced "KAI-uh-jen," comes in.

Qiagen serves an estimated \$70 billion global marketplace that spans pharmaceutical companies and biotechs, government and university researchers, and commercial labs. At the forefront of personalized medicine, Qiagen is serving these customers by combining the steady business of lab supplies and equipment with the high-growth field of molecular diagnostics. Add in proprietary equipment, and you have a winning matchup that offers Fools like us a relatively safe investment with big potential.

Business Gets Personal

Chemicals and disposable accessories used to detect, purify, and analyze biological samples make up 87% of what Qiagen sells, along with many reagents and labware needed for research. But in terms of revenue, about half of the \$1.3 billion Qiagen brought in last year came from a different arena: molecular diagnostics.

This fast-growing niche identifies the genetic makeup of samples and includes Qiagen's biggest product, its gold-standard DNA test for human papillomavirus, or HPV. The

company also makes tests for tuberculosis, HIV, influenza, and a range of sexually transmitted diseases.

Within this niche, there are big opportunities in the newer field of personalized health care, where patients are given molecular diagnostic tests to determine whether they're genetically eligible for cutting-edge treatments. Qiagen has enjoyed big wins partnering with pharmaceutical companies to create these tests, including **Bristol-Myers Squibb** (NYSE: BMY), **Eli Lilly** (NYSE: LLY), and **Pfizer** (NYSE: PFE). All told, the company has developed personalized health-care tests for 30-plus biomarkers, with more than 15 partnered projects under way.

These types of diagnostic tests offer big advantages. During the research phase, they help drug companies focus on patients more likely to see results, making drugs in the pipeline more likely to get the green light. In the field, the tests help improve patient outcomes while saving money for insurers and the government. Most market research pegs annual growth for molecular diagnostics at 10% or more over the next several years, but these estimates vary widely — a lot depends on ongoing R&D and drug approvals. But with its leading position and razor-and-blade business model that requires its tests to be run on its proprietary QIASymphony line of equipment, Qiagen should achieve at least 10% growth in these tests for the foreseeable future.

Diagnosis: Low Expectations

Analysts are cautious here, looking for only about 6% annual top-line growth over the next few years, with profits climbing about 9% a year. The company is trading at about 18 times estimated 2013 earnings and 19 times trailing adjusted earnings, which is close to average for the S&P 500.