Portfolio Action Update

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IPMG
INVESTMENT PLANNING AND MANAGEMENT GROUP OF
RAYMOND JAMES®

Tactical Asset Allocation Style & Sector Signals

Ratings 60 and Above are a Green Light
Ratings 40 and Below are a Red Light
Ratings 41 to 59 are (Neutral)
Light Green indicates going from Green to Neutral since last Signal Date
Pink indicates going from Red to Neutral since last Signal Date

Styles	Large Cap Growth	Large Cap Value	Mid Cap Growth	Mid Cap Value	Small Cap Growth	Small Cap Value
S - T	4/24/13 (60)	4/25/13 (60)	4/24/13 (100)	4/23/13 (100)	4/23/13 (100)	4/25/13 (90)
I - T	3/1/13 (90)	1/4/13 (80)	4/19/13 (40)	4/24/13 (70)	4/2/13 (10)	4/25/13 (45)
Sectors	**Banking**	**Biotech**	**Energy Oil & Gas**	**Financial Services**	**Gold Mining**	**Healthcare**
S - T	4/15/13 (50)	4/16/13 (60)	4/24/13 (80)	4/23/13 (90)	4/24/13 (90)	4/8/13 (50)
I - T	4/13/13(45)	12/3/12 (90)	2/21/13 (10)	4/24/13 (100)	4/5/13 (0)	3/1/13 (85)
Sectors	**Internet**	**Natural Resource Equities**	**Real Estate**	**Technology**	**Transportation**	**Utility**
S - T	4/24/13 (63)	4/24/13 (60)	4/16/13 (70)	4/26/13 (67)	4/10/13 (88)	1/3/13 (70)
I - T	4/26/13 (63)	4/2/13 (10)	12/3/12 (80)	4/17/13 (47)	11/23/12 (100)	12/10/12 (95)
Foreign	**Emerging Markets**	**China**	**Europe**	**Japan**	**Latin America**	**S.E Asia**
S - T	3/26//13 (100)	4/10/13 (80)	4/26/13 (70)	4/12/13 (75)	4/19/13 (40)	1/2/13 (90)
I - T	4/25/13 (50)	2/25/13 (50)	2/25/13 (40)	12/10/12 (100)	2/20/13 (30)	1//4/13 (80)
Bonds	**Foreign Hedged to $**	**Foreign Non-$hedged**	**Emerging Markets**	**Invest. Grade Corporate**	**High Yield Corporate**	**Long Term Treasury**
I –T	3/18/13 (100)	4/8/13 (90)	4/6/13 (40)	3/15/13 (100)	4/10/13 (80)	3/15/13 (70)
S - T	2/11/13 (100)	4/5/13 (65)	4/5/13 (70)	4/5/13 (85)	2/19/13 (80)	4/1/13 (100)

Rating Table and Technical Analysis Process Explanation at End of Report

MARKET COMMENTS FOR THE WEEK ENDING 4/28/2013

As you can note from the Rating Table, there are mostly Green lights flashing. However, this Rating Table for last week was mostly Red. Note the dates on the Short Term (S - T) lines.

The Green lights began around the middle of the week just completed. In fact, there have been several mini-correction since the beginning of 2013. So far this year, the 50 day moving average (dma) of the S&P500 Large Cap Index has provided the technical support for these mini-corrections. For example, the correction that began on 4/12/13 bottomed on 4/18/13 at the 50 dma for the S&P500 index after a modest decline of 3.3%. The subsequent rally has not yet gone to a new high as of Fridays' ending value, but it is close.

I believe that the bull market trends since the March 2009 low have been substantially aided by Quantitative Easing (QE) and other activities by the Federal Reserve and the U.S. Treasury. Institutional portfolio managers, appearing on CNBC, often state that as long as the Fed continues the QE policy, the Bull run will continue, but express considerable market concerns for when it ends. The hope is that this massive monetary infusion, now running at $85 Billion a month, will eventually lead to a strong economic recovery. The big social hypothesis that is currently being tested is the ability to generate wealth and prosperity by simply "printing money", actually creating electronic money. The history of civilization is not an encouraging precedent for this type of economic policy, but maybe "this time is different". We can hope so, but I doubt it.

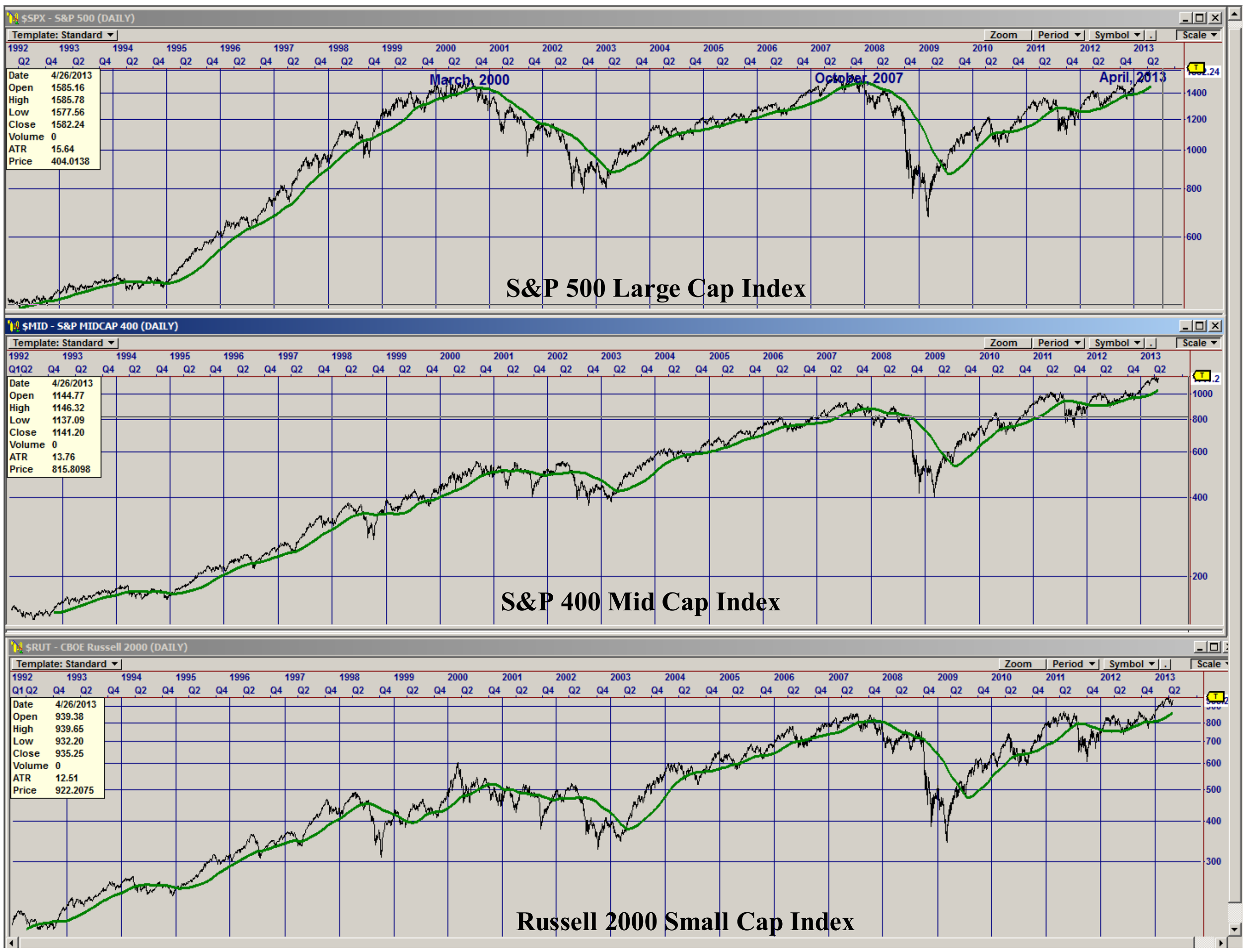
In order to try and understand the progressive Keynesian economic policy arguments, I have been reading the weekly column by Paul Krugman, the Princeton economics professor and op-ed New York Times columnist for the last six months or so. In short, his argument boils down to simply provide as much monetary stimulus as necessary (debt financing) to turn the economy around and provide jobs for everyone and don't worry about how much debt is created. The belief is that austerity is not the right economic policy solution. However, so far, the stimulus has primary been used to keep bond holders whole and prop up the banking system. Although these are not necessarily bad objectives, they don't directly drive employment. In a sense, the stimulus has been somewhat ineffective in job creation to the point that it is now very hard to get consensus support for expanding national debt even more aggressively.

A long term client and friend of mine, and Ph.D. economist, has pointed out that from the beginning the QE would have been better spent if the Treasury had just issued infrastructure bonds that the Federal Reserve would buy, rather than the mortgage backed securities. Or at least, some balance between the two. This money creation could have been used for upgrading the U.S. electric grid, improving transportation systems, building systems to protect the internet from cyber attacks and other productive activities that are needed and that provide direct jobs. For example, the national interstate multi-decade highway system project greatly improved American productivity and helped to provide jobs for a growing middle class in the post WWII and Korean war periods.

The problem now is that there are still global headwinds of deleveraging that have years to go, in my judgment. Japan recently announced a QE policy designed to substantially lower the value of the Yen in an effort to jump start inflationary forces in that country which has been in the throes of deleveraging for over 20 years. European countries are trying to cope with the deleveraging of their debt built up over generations of over spending. The U.S. is in the same boat, but we have the magic wand of having the worlds' reserve currency to help keep us afloat. We need to be very respectful and protective of that magic wand so as not to loose it or break it.

Bottom line, the bullish action so far in 2013 is getting a little long in the tooth in my observations. We are at the door of the seasonal defensive period of May to June. The slope of the advance is approaching parabolic appearance. The economic data is showing some weakness and the mini-corrections are becoming a little more frequent. Consequently, we have reduce our market exposure somewhat in recent weeks as noted later in this report.

Capitalization Styles



Source: Omni Trader Software: Charts depict price trends from January 1992 to April 26, 2013

After a very successful stock market period in the decade of the 1990s, the equity markets have been much more choppy with two serious bear markets in 2000/2002 and 2007/2009. It looks like we are once again at a cyclical extended bullish level. The Large Cap is at the peak of the last two cyclical bullish trends. The S&P400 Mid Cap and the Russell 2000 Small Cap indices have moved above previous peaks, but could be currently overextended with parabolic action.

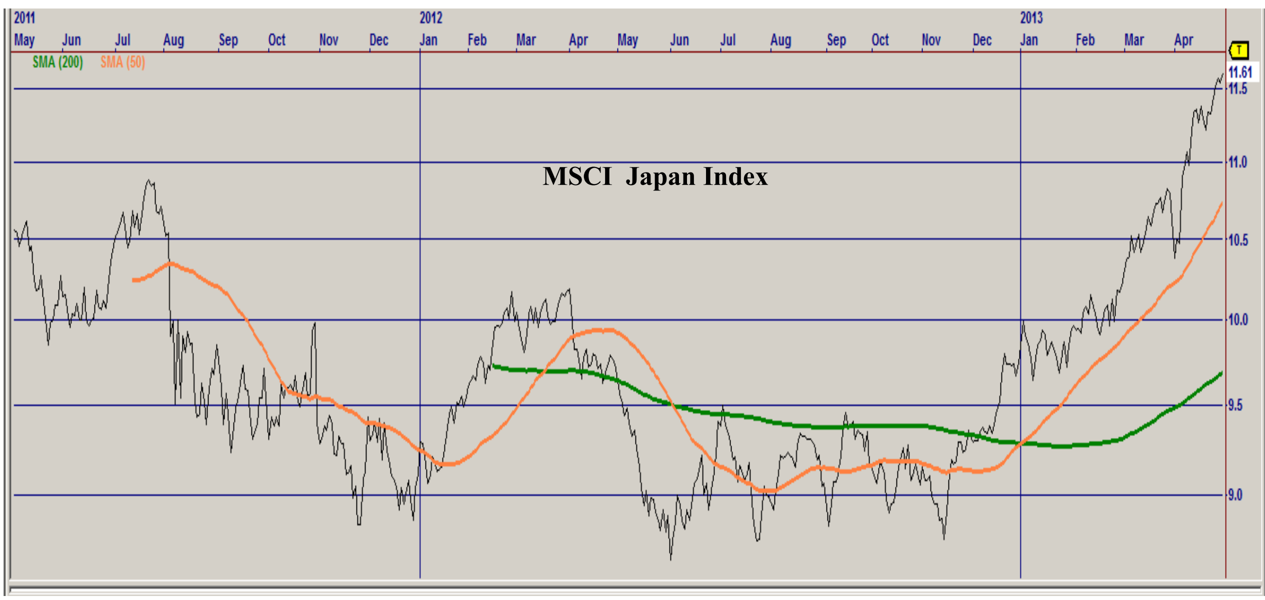
The current drivers mostly cited for the current bullish trends are the low interest rates and the fact that from a global perspective, the U.S. is the best house in a poor neighborhood. Money is coming out of Europe for fear that it might be confiscated there and coming out of Japan because the Yen is being aggressively devalued. Nevertheless, the U..S. is still not experiencing robust economic growth or job creation..

Industrial Sectors

The Intermediate Term (I - T) Rating Table lights are Red for the Gold Mining, Energy and Natural Resources. These sectors have been out of favor for much of the time since September of 2011. In particular, the recent very sharp swoon in the Gold sector is of note. A reminder that when leveraged institutional type holdings come under pressure, they can drop quickly in price until the deleveraging subsides. However, we now have Short Term Green lights in these sectors as they are rebounding some. I am using this rally phase to lighten up some more in these sectors. Although I remain bullish on tangible assets for the long term, the global deleveraging remains a key factor in restraining growth and stretching out any global economic recovery or more serious inflationary pressures.

Biotech, Financial Services, Internet, Real Estate, Transportation and Utilities are on double Green lights and have been market leaders for much of this year. If this rally phase continues into the summer, I expect to see some rotation out of the leaders this year and into some of the lagging sectors such as Technology. Energy and more recently, Banking,

International Markets



Source: Omni Trader Software: Charts depict price trends from May 2011 to April 26, 2013

Japan and S.E. Asia have double Green lights on the Rating Table while Latin America has double Red lights. As noted in the above chart for the MSCI Japan Index, their aggressive policy to devalue the Yen has produced a strong equity market. The Yen is dropping in relation to the U.S. Dollar as well as other Asian world currencies. This is an effort to make their exports more attractive. On the other hand it means that their imports cost a lot more. The side effect is that the purchasing power of the Japanese consumer is being reduced. Normally, it might be expected that other competing Asian countries may also choose to devaluate their currencies in order to keep their exports competitive. I don't think we have seen the end result of this Asian currency battle and its global impact on economic activity, including the U.S..

Bond Markets

Source: Omni Trader Software: Chart depict price trends from November 1993 to April 26, 2013

The above chart show the downward trend in Treasury bond interest rates over the past 20 years. The historic low yield was about 1.4% on July 25, 2012. Since then, rates have bobbed up to the first level of resistance around 2% in March and them back down to the current 1.69%. As a result of the very low velocity of money, (i.e., the lack of demand) and the actions of the Federal Reserve, rates are likely to stay lower longer than thought two or more years ago when the stimulus policies started creating substantial increases in monetary liquidity. With the exception of the Short Term Red light for Emerging Markets bonds, the rest of the bond sectors are on double Green lights. Away from Treasuries, many corporate and international bond rates are still higher than American corporate dividends. Bottom line, we are keeping a wary eye on the direction of interest rates, but for now, we remain invested in selected U.S. and International bond sectors for our Diversified Income Taxable Plus bond strategy.

Portfolio Action Update For the Market Week Ending April 26, 2013

We remain with a bullish bias as a result of the aggressive Federal Reserve stimulus activity, but are near term cautions. Consequently, we have been reducing our Swing position allocations as a result of the extended run in the market since the beginning of the year. The current approximate net market exposure for our various investment strategies are shown below:

Growth Portfolio Plus (GPP) = 54%

Equity Growth Plus (EGP) = 55%

Focus List Plus (FLP) = 66%

Equity Income Portfolio Plus (EIPP) = 78%

Equity Income Plus - ERISA (EIPE) = 77%

Portfolio Income Plus (PIP) = 75%

Energy/Defense/Resources (EDRP) = 68%

Natural Resource Plus (NRP) = 77%

Precious Metals Plus (PMP) = 66%

International Equity Growth (IEG) = 67%

Global Opportunity Plus (GOP) = 89%

Global InDe-flation Plus (GIP) = 83%

Diversified Income Taxable Plus (DITP) = 90% Long Multi-Sector / 9% Short Treasury.

Note: The net exposure values indicated are approximate since individual account exposure can very somewhat from these values. This net exposure is computed by subtracting the total Bear Hedges (if any) from the long positions held in the strategy. Keep in mind that the Bear hedges can be in styles and sectors that may not exactly match the long positions held in the strategy. Consequently, the hedging process is not a perfect defense, but can be an effective risk management tool. The residual cash position is held in a money market.

Past performance is not a guarantee of future results.

NOT FDIC INSURED ~ NOT BANK GUARANTEED ~ MAY LOSE VALUE

DISCLOSURES

There is no assurance that these movements or trends will be profitable or imply a successful investment strategy. The information has been prepared without regard to any particular investor's investment objectives or financial situation. Investors should not act on the information in this report without obtaining specific advice from their financial advisors.

Short Term (S-T) signals are based on daily price data and may be different and change more frequently than the intermediate Term (I-T) signals that are based on price action for a trailing 5 day period. These ratings are subject to change at any time and their accuracy is not guaranteed. Individual securities may perform differently form these signals. These directional signals are a useful tool in the portfolio management process but are not the sole determinate of actual portfolio style or sector weightings. Market data used in this analysis is believed to be from reliable sources but it is not guaranteed.

Asset allocation does not guarantee a profit nor protect against loss. Investing involves risk including the possible loss of capital . The performance noted does not include fees and charges which would reduce an investor's returns. The indexes mentioned are unmanaged and cannot be invested in directly. Mid-cap and small cap securities generally involve greater risks. International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risk are greater in emerging markets. The companies engaged in the technology industry are subject to fierce completion and their products and services may be subject to rapid obsolescence. High-yield bonds are not suitable for all investors.

Rating Table and Technical Analysis Process Explanation

Ron's Technical Analysis process utilizes the OMNI Trader software program developed by Nirvana Systems in Austin, Texas. This program is essentially a tool box that contains many technical systems, such as moving averages, trend lines, overbought/oversold oscillators, classical price patterns, etc. to determine the strength and direction of the current price direction of the security under review based on an analysis of historical price data.

This process analyzes the price action of approximately 600 mutual funds daily. The mutual funds are organized into specific styles and sectors typically with 10 funds representing each style and sector. For Example, there are 10 Biotech funds, 10 Banking funds, 10 Energy funds, and so on. Altogether, 54 styles and sectors are analyzed (only 30 are shown on the webs site table.).

If the technical analysis indicates that a fund is in an up trending mode, it is given a green arrow pointing up and if the analysis indicates a down trending mode, it is given a Red arrow pointing down. If the analysis is indeterminate, that is noted as a Neutral rating split between a Green and Red arrow. If 60% or more of the arrows are green for a style or sector, then the Table cell show a Green light. If 40% or less of the arrows are Green, then the Table shows a Red light. The date on which the signal direction changed is noted in each cell of the Table along with it current Rating % of Green arrows. This majority rule of the style or sector fund arrows is an essential part of determining the cell color. Please note that these signals do not represent actual trading.

Web Site Commentary

My Portfolio Action Update commentary is a periodic update of my technical analysis viewpoint of the financial market environment and the current portfolio management posture for our key portfolio strategies. In general, my portfolio management approach is to determine current market conditions through technical analysis and to position the various portfolio strategies to participate in the current environment. My belief is that the market price is the final arbiter of all available information as digested by all market participants regarding security values. Therefore, carefully analyzing price action over time is the key element in our portfolio management process. However, neither opinions, technical analysis or fundamental security analysis produce perfect results. There is always a degree of risk present.

A few days may transpire from when these comments are written and when they are posted on the web site. Obviously, the technical analysis data and portfolio positions could have changed in that timeframe. Therefore, these comments should be read in the context of what we have been doing, not necessarily what we may be doing when you actually read them. This information is not intended to be a solicitation of a buy or sell of any financial security. The opinions expressed herein are my own and do not necessarily reflect the positions of ***RAYMOND JAMES.***

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