Portfolio Action Update

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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

Rating Table and Technical Analysis Process Explanation at End of Report

Rating Table Data At April 2, 2015

U. S. Styles	Large Cap Blend	Large Cap Growth	Large Cap Value	Mid Cap Blend	Mid Cap Growth	Mid Cap Value	Small Cap Blend	Small Cap Growth	Small Cap Value
	LCB	LGG	LCV	MCB	MCG	MGV	SCB	SCG	SCV
S-T	3/6/15 (20)	2/27/15 (30)	3/16/15 (50)	3/6/15 (20)	3/25/15 (30)	3/25/15 (40)	3/25/15 (10)	3/6/15 (10)	3/25/15 (45)
L-T	3/9/15 (35)	3/9/15 (15)	3/20/15 (45)	3/17/15 (50)	4/2/15 (60)	3/25/15 (35)	3/30/15 (40)	3/13/15 (55)	3/2/15 (45)

Industrial Sectors	Banking	Biotech	Oil & N-Gas Exp. & Pro.	Energy Infrastructure	Energy Services	Financial Services	Gold & PM Mining	Healthcare	Internet
	BNK	BIO	ENG	ENI	ENS	FIN	GLD	HRC	NET
S-T	3/25/15 (20)	3/30/15 (60)	3/5/15 (20)	3/18/15 (80)	3/24/15 (80)	3/13/15 (50)	3/20/15 (50)	3/25/15 (40)	3/26/15 (50)
L-T	3/25/15 (50)	8/8/14 (70)	4/2/15 (60)	4/2/15 (100)	3/20/15 (100)	2/9/15 (50)	3/20/15 (70)	10/24/14 (60)	3/9/15 (50)

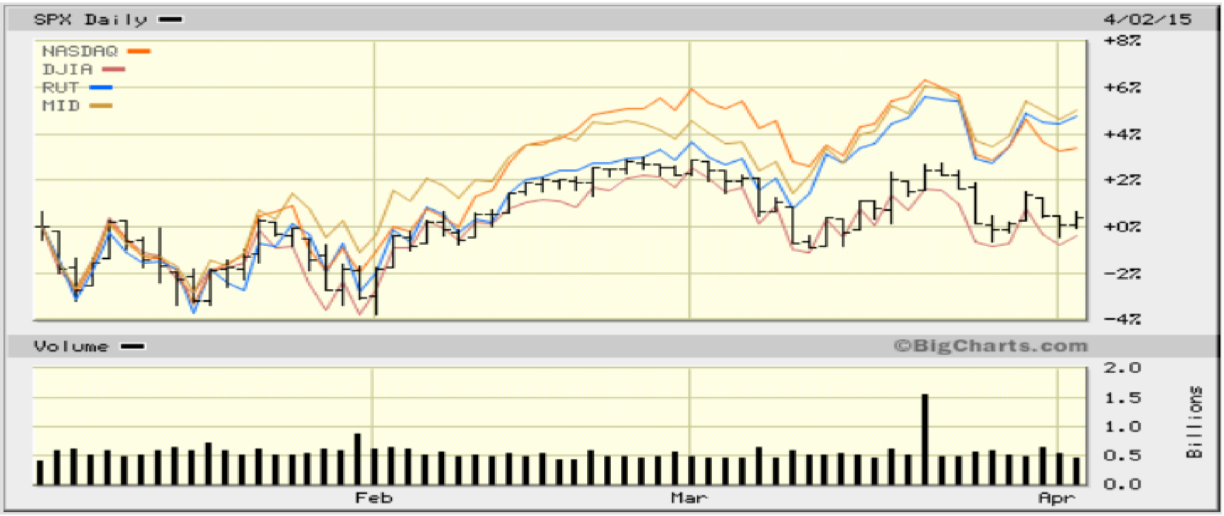
Industrial Sectors	Commodity Materials	Nat. Resource Equities	Real Estate	Retailing	Technology	Telecom	Transportation	Utilities
	NRC	NRE	REA	RTL	TEK	TEL	TRN	UTL
S-T	3/25/15 (70)	3/5/15 (50)	3/26/15 (40)	3/16/15 (75)	3/6/15 (10)	3/26/15 (50)	3/19/15 (50)	4/2/15 (60)
L-T	3/5/15 (40)	3/5/15 (50)	3/27/15 (50)	10/31/14 (81)	3/27/15 (20)	3/10/15 (45)	3/9/15 (0)	1/30/15 (40)

Foreign Equity	International Developed	Emerging Markets	China Equity	India Equity	Europe Equity	Russia Equity	Japan Equity	Latin America	S E Asia x Japan
	IEQ	EMM	CHI	IND	EUR	RUS	JPN	LAT	PAC
S-T	3/26/15 (40)	4/1/15 (70)	3/18/15 (70)	4/2/15 (70)	3/18/15 (70)	3/18/15 (67)	1/3/15 (80)	3/23/15	3/18/15 (70)
L-T	2/18/15 (90)	1/30/15 (45)	3/30/15 (90)	1/12/15 (70)	4/2/15 (70)	1/22/15 (89)	1/30/15 (90)	3/9/15	3/23/15 (80)

Fixed Income	International $Hedged	International Non-$Hedged	Emerging Market	Inv. Grade Corporate	High Yield Corporate	Intermediate U.S. Gov.	Long Term U.S. Gov.	Long Term Municipal
	FGI	FGN	FEM	FIC	FHY	FIM	FLT	FMU
S-T	3/11/15 (75)	3/18/15 (100)	3/24/15 (100)	3/20/15 (70)	3/10/15 (55)	3/24/15 (65)	2/24/15 (100)	3/26/15 (10)
L-T	2/26/15 (63)	3/18/15 (85)	2/23/15 (90)	3/6/15 (45)	4/1/15 (65)	3/27/15 (60)	2/25/15 (85)	3/19/15 (70)

US Dollar Index	Australia Dollar	Emerging Market Currency Basket	Canadian Dollar	Europe Euro	Japanese Yen
3/30/15	3/30/15	3/20/15	3/30/15	3/31/15	4/01/15

So far, 2015 is unfolding a lot like the general expectations voiced at the beginning of the year. An increase in volatility and modest upside equity expectations. The chart below shows the trends as of April 2, 2015 for the Dow Jones Industrial Average - 0.34% (DJIA - RED), S&P500 Large Cap index + 0.40% (SPX - Black), the S&P 400 Mid Cap Index + 4.9% (MID - Mustard), the NASDAQ Composite Index + 3.2% (NASDAQ - Orange), and the Russell 2000 Small Cap Index + 4.2% (RUT - Blue). Basically, looking at the S&P500 trend on the chart (Black data), January was down a little, February was up strongly, and March was down again, with the S&P500 index up just slightly for the year.



Capitalization Styles

The Rating Table Capitalization Styles are currently mostly Red. They had turned mostly Green for February as shown on the February 6 Rating Table excerpt below:

As of 2/6/15

U. S. Styles	Large Cap Blend	Large Cap Growth	Large Cap Value	Mid Cap Blend	Mid Cap Growth	Mid Cap Value	Small Cap Blend	Small Cap Growth	Small Cap Value
	LCB	LGG	LCV	MCB	MCG	MGV	SCB	SCG	SCV
S-T	2/3/15	2/3/15	2/5/15	12/18/14	2/3/15	2/6/15	12/26/14	2/3/15	2/3/15
L-T	1/12/15	12/10/14	2/3/15	12/11/14	1/22/15	12/8/14	12/2/14	2/3/15	12/3/14

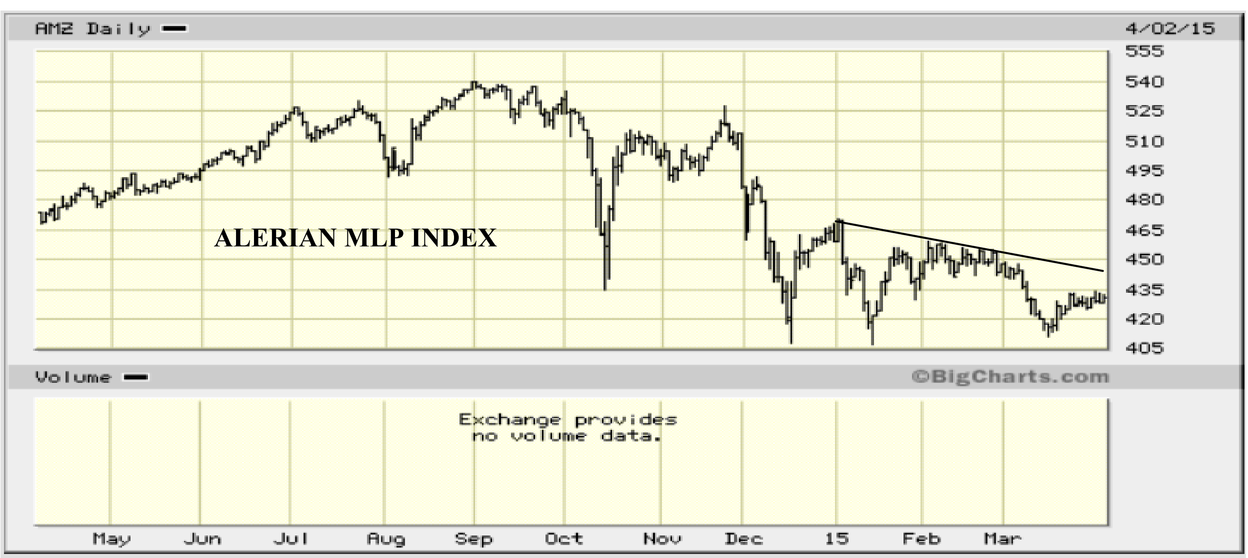
In reality, the up and down daily triple digit points in the Dow Jones Industrial Average have been like watching a tennis match where you can get a stiff neck trying to follow the ball. This is indicative of a battle between the bullish and bearish forces at play. We are moving into the 1st quarter earnings reporting season for equities. The strength of the US Dollar is expected to have had a negative impact on U.S. company earnings with a sizeable portion of their sales to international markets. Mid to small size companies that have mostly domestic sales are not as sensitive to the strong Dollars impact. In fact, they benefit from a strong dollar if they buy a lot of their manufacturing materials from foreign sources. This is shown in their better price performance relative to large cap stocks as illustrated in the chart above.
Nevertheless, the Red lights on the Rating Table Signals have caused us to reduce our Swing allocation and raise moderate cash levels. We are prepared to become more defensive if this current correction continues as we move through April.

As usual, there are a number of geopolitical cross currents that provide ample reasons to be concerned about the direction of the market for the rest of this year. As noted in the previous Portfolio Action Update (12/31/14). The third year of the presidential cycle is historically a positive year for the equity markets, as well as years ending in the number 5. In my mind, the key disconnect among market participants is whether you believe that we are in a Secular Bull market based on natural forces coming out of the Credit Crisis bottom in March of 2009, or a Bull market created from the Federal Reserve's and Treasury's aggressive and unprecedented monetary policies. Understandably, it is a debated issue. Nevertheless, what is important is paying attention to what is happening. I believe that this year equity markets will be dominated by the small and mid cap Styles and recommend that these Styles be emphasized in strategic asset allocations. A sharp decline in the $ Dollar would bring the Large Caps back.

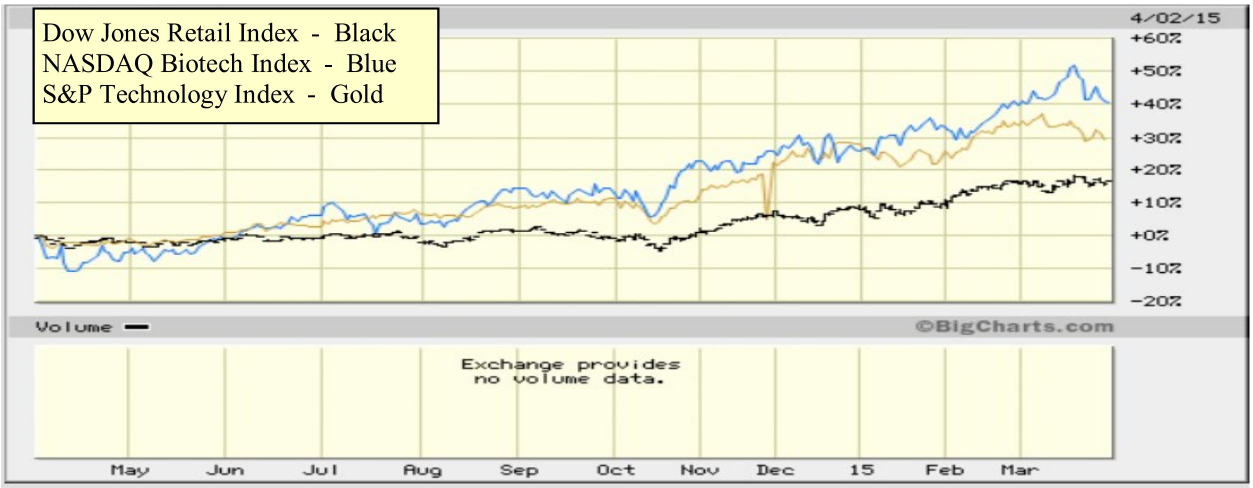
Industrial Sectors

In addition to a strong Dollar, the drop in crude oil prices has caused oil and natural gas corporate earnings and employment levels to be under pressure. However, the price of WTI Crude oil has remained above $40 per barrel, closing 4/2/2015 at about $49 per barrel. Some oil industry analysts (e.g., Goldman Sachs; www.Bloomberg.com, 1/26/15) say WTI crude oil may hit the $30 level. On the other hand, the Raymond James Energy analysts team are in the camp that believes that the price of oil has likely bottomed in the low 40s. I don't rule out lower prices occurring, but I note that our technical analysis Rating Table Energy Infrastructure and Energy Service sectors have generated double Green lights during the last couple of weeks. Of course, the actual balance between global demand and production will determine the price we see as we move towards the summer.

However, the Green lights for the Energy Infrastructure sector are especially interesting and encouraging since the pipeline companies that transport crude oil or Natural gas or refined petroleum products have been under pressure since early last fall, see chart below. I consider the renewed Green lights an early sign that this bottoming process is likely ending. A movement above the drawn down trend line would be further evidence. The Energy Infrastructure type of MLPs are an important allocation in our Equity Income strategies.
There are currently double Red lights for the Technology sector. This has been a strong sector



since the Bear market low in March of 2009. There are two double Green sectors, Retail and Biotech. The one year performance of these sectors is depicted in the chart below:
The weakness since the end of February for the Technology index, in particular, is evident. Although there has been a modest correction in Biotech, it has a renewed Short Term Green light.



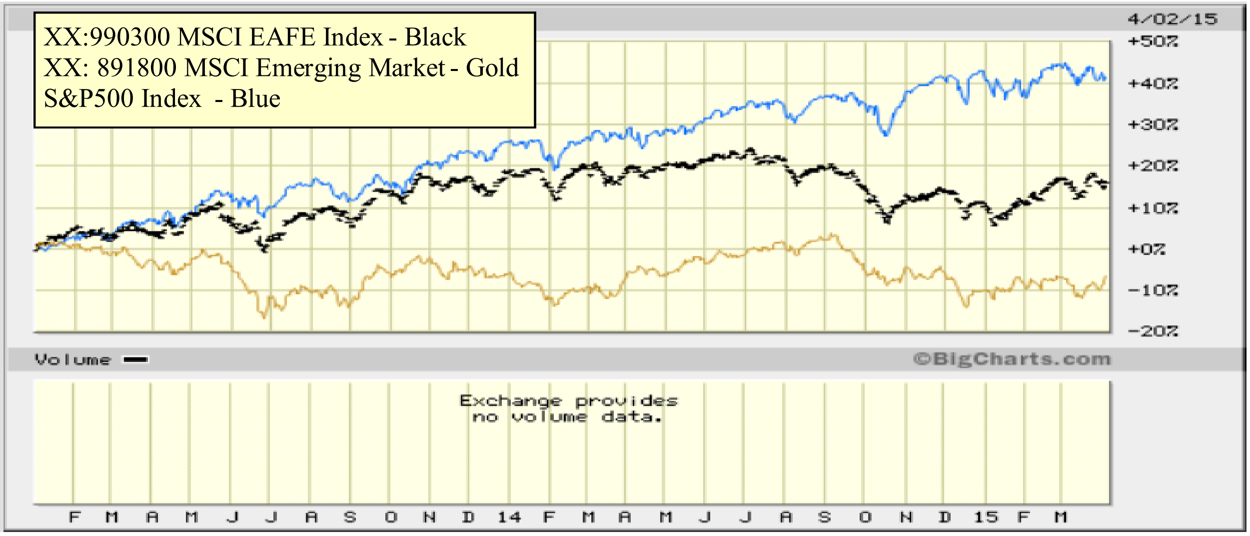
The Bottom line. The technical market action of the Domestic Styles and sectors are currently indicating the likelihood of further weakness as we move through April. However, the unexpected weak new jobs report on last Friday (4/3/15) may cause the Federal Reserve to hold back raising the Federal Funds rate somewhat longer than anticipated, maybe even into 2016. This could moderate the downside potential, since the equity markets like dancing to the ZIRP (Zero Interest Rate Policy) tune.

INTERNATIONAL MARKETS

As opposed to the U.S. Markets, the International Markets have mostly double Green lights. The European Central Bank is moving ahead with their version of Quantitative Easing and China has also announced stimulative policies to boost their economic activity by lowering Commercial bank reserve requirements on Feb 4. And, Japan continues its massive deficit spending of recent years. The U.S. government deficit spending continues with the total debt now approaching $18.2 Trillion ($18,200,000,000,000) and is expected to top $20 Trillion by the end of the current Presidential cycle.

According to Wikipedia, it was Milton Friedman, the late noted economist, that in the 12/31/1965 edition of Time Magazine coined the phrase “We are all Keynesians now.” In a 2/4/1966 issue, he clarified his statement to be “In one sense, we are all Keynesians now, in another, nobody is any longer a Keynesian.” I think what he was referring to is that global governments that can borrow money have bought into the idea that deficit spending during recessionary periods is important monetary policy to stabilize economic activity and to counter deflationary pressures. However, Keynes also advocated that deficit spending by governments during economic expansion periods should abate with a goal of balanced budgets and paying down the government debt created during recessions. This second aspect of Keynesians theory just never gained the necessary political discipline to become a reality. He underestimated the political trait to promise more than can be delivered in the election and reelection process.

There are currently double Green lights for China, India, Europe, Russia, Japan, and S.E. Asia x Japan. Most International countries or regions are advocating some form of monetary stimulation, especially since last Fall to fight global deflationary pressures and it is helping their equity markets. The chart below shows the performance since the beginning of 2013 for the S&P 500 Index, MSCI EAFE Index (Europe, Australia, Far East), and the MSCI Emerging Market Index. The S&P 500 has outperformed these International Indices since 2013. However, so far this year these International Market indies have out performed the S&P 500 index.



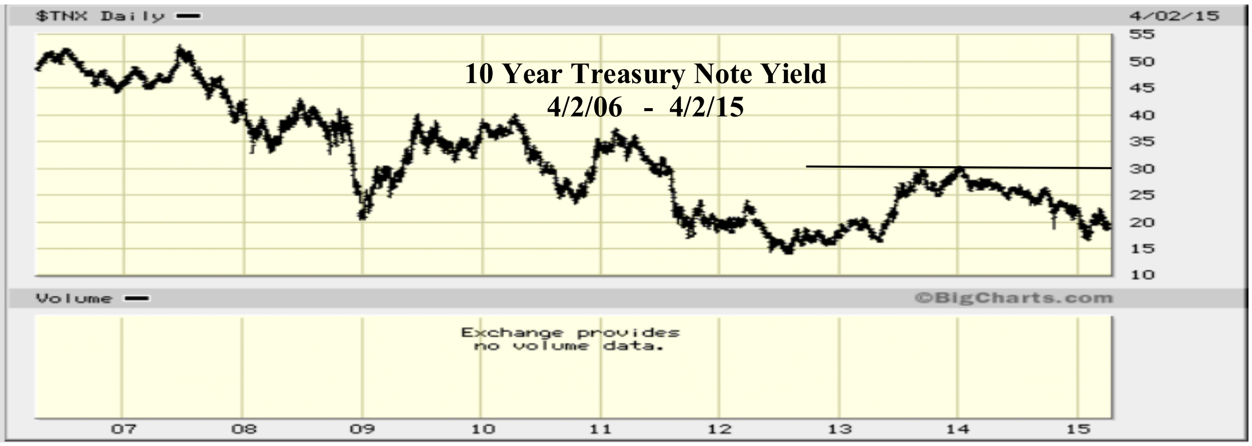
BOND MARKETS

The talk in the bond market is focused on when the Federal Reserve is going to raise the Fed funds rate from the zero rate policy. It could be this Summer, this Fall, next year, or maybe never. I think the desire is to normalize the total yield curve, but to not disrupt the economic progress that has been made since the Credit Crisis of 2008/2009. Janet Yellen, and Ben Bernanke current and former Federal Reserve heads have maintained that the decision is "Data Dependent", and consequently requires a lot of discretion on the timing of any change in interest rate policy.

A counter argument that is a topic of economic discussion by Federal Reserve Governors as well as the economic profession is based on something called the Taylor Rule. Go to Wikipedia.org/taylor_rule for a discussion of its development and the mathematical formula. The Taylor Rule stipulates how much the central bank should change the nominal interest rate in response to changes in inflation, output, or other economic conditions. It is intended to foster price stability and full employment by systematically reducing uncertainty and increasing the credibility of future actions by the central bank. That is, monetary policy should have a more rule based approach to decision making so that business leaders can make current and future business decisions with a more consistent knowledge about what the Federal Reserve monetary actions will be.

There is another issue that bond portfolio managers have expressed that visit our branch regularly, and that is one of bond market liquidity. The bond markets have experienced a 30 year plus bull market of declining interest rates and rising prices. Therefore, it was rational to hold inventories of bonds in the market making process with the long term trend in your favor. In addition, as a result of Dodd/Frank legislation, the firms with proprietary bond trading for their own accounts has shrunk. There are fewer investment banks willing to carry bond portfolios in the market. The concern is, whom are these bond portfolio managers going to sell their bonds to in a rising interest rate environment, except at potentially much lower bond prices. That brings to mind the 2008/2009 financial credit crisis. The Federal Reserve is likely very concerned about this lack of liquidity circumstance as well, and it could be another reason for their reluctance to start raising the Fed Funds rate.

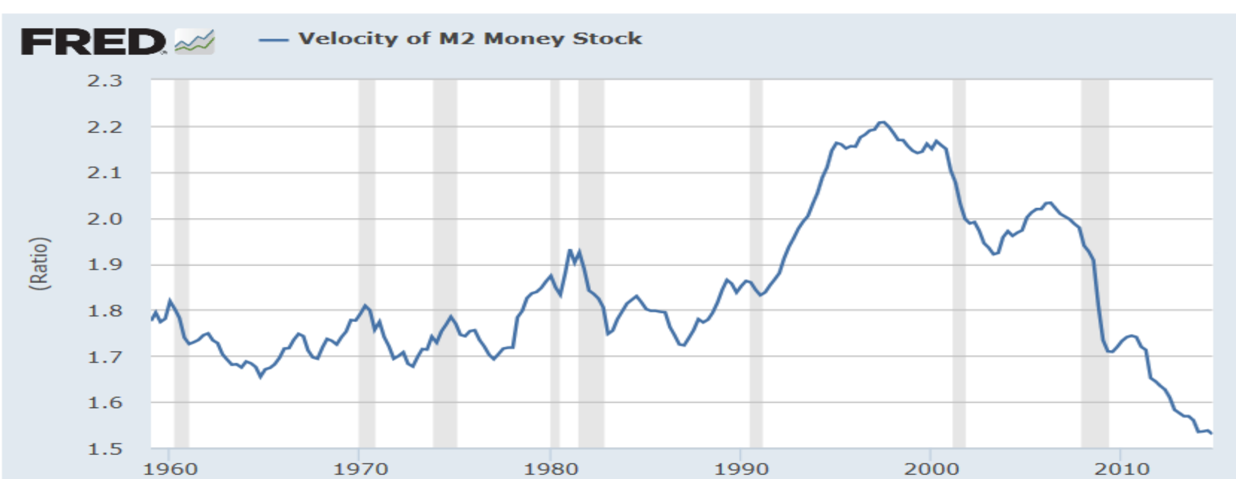
We have mostly double Green lights for the bond sectors shown on our Rating Table. The 10 year Treasury Note yield over the last 9 years is shown on the chart below:



Bottom line: We are watching interest rate trends very carefully. A move above the 3% level on the chart would complete this trend reversal process. There are inverse Treasury bond securities available to hedge a rising interest rate environment. That will help, along with raising cash in bond portfolios of intermediate to longer term maturities. Our bond strategy (DITP) holds several securities that also deploy defensive bond portfolio strategies, independently.

M2 VELOCITY WATCH

The previous FRED update (12/23/14) saw a very small up tic, but there was no follow through. As of 2/27/15, the M2V has had a slight downtick this year. Rising M2V is associated with increasing inflation and/or strong economic activity. Shaded areas are recessionary periods.



Portfolio Action Update as of 4/2/15

Recent Red lights have caused us to reduce Exposure somewhat as March unfolded. This is reflected in the Table below as of 4/2/15. It is too early to conclude whether this will be a larger correction or just a 3% to 5% type. Of course we are entering the Spring season after a February rally phase. Corrections often occur at this time of year. We do note that the Energy related and International markets that underperformed last year are doing better this year. The Gold market may have made an intermediate term double bottom (November and March). However, I don't expect a major bullish move this year for reasons I discussed in the previous Portfolio Action Update (12/31/2014). I think the $1100 to $1400 per ounce of gold is still the trading range.

The projections by some that the price of Oil may drop to the $30 dollar level as a result of the continued oversupply relative to demand has not occurred yet, and I have my doubts that it will go below $40 unless a global recession ensues. At the time of this update, the price of a barrel of WTI Crude was around 49 after going a little below $43 in early February and successfully retesting this level again in mid March. The Infrastructure related Energy sector has renewed double Green lights and I believe the Bear Market in this sector may have turned the corner after a disappointing 2014.

The current approximate net market exposure for our investment strategy portfolios is shown in the table below:

Growth Portfolio Plus (GPP) = 47%
Focus List Plus (FLP) = 78%
Global Opportunity Plus (GOP) = 80%
Power Pak Managers (PPM) = 78%
Equity Income Portfolio Plus (EIPP) = 76%
Equity Income Plus - ERISA (EIPE) = 84%
Portfolio Income Plus (PIP) = 84%
Energy/Defense/Resources (EDRP) = 80%
Natural Resources Plus (NRP) = 74%
Precious Metals Plus (PMP) = 77%
International Equity Growth (IEG) = 88%
Global InDe-flation Plus (GIP) = 80%
Diversified Income Taxable Plus (DITP) = 82% Various Multi-Sector net bond exposure

Note: The net market exposure values indicated are approximate since individual account exposure can very somewhat from these values. Note that these reported allocations are a snapshot at the time of this report and do not necessarily represent the average allocation during the reporting period. 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 any 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 fund or in a very short duration bond fund.

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. No investment strategy can guarantee success.

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 any specific sector are subject to fierce competition and their products and services may be subject to rapid obsolescence. High -yield bonds are not suitable for all investors. Dollar cost averaging does not assure a profit and does not protect against loss. It involves continuous investment regardless of fluctuating price levels of such securities. Investors should consider their financial ability to continue purchases through periods of low price levels.

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 49 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 shows 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 reflect the position of **RAYMOND JAMES.**

Index Definitions

U.S. Market Index Information: ***U.S. Treasury securities are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and guaranteed principal value.***
The Dow Jones Industrial Average is an unmanaged index of 30 widely held securities.
The Dow Jones Transportation Average is the most widely recognized gauge of the American transportation sector.
The Dow Jones Utility Average keeps track of the performance of 15 prominent utility companies.
The S&P500 is an unmanaged index of 500 widely held stocks.
The S&P Mid Cap 400 index is a capitalization-weighted index that measures the performance of the mid-range sector of the U.S stock market.
The S&P Small Cap 600 Index is an unmanaged index of 600 small-cap stocks.
The NASDAQ Composite Index is an unmanaged index of all stocks traded on the NASDAQ over-the-counter market.
The Russell 2000 index is an unmanaged index of small cap securities which generally involve greater risk.
The BW Bank Sector (BKX) is a capitalization weighted index composed of 24 geographically diverse stocks representing national money center banks and leading regional institutions.
The NYSE Arca Biotechnology index (BTK) is an equal dollar weighted index designed to measure the performance of a cross section of companies in the biotechnology industry that are primarily involved in the use of biological processes to develop products or provide services.
The NYSE Arca Oil index (XOP) is a price-weighted index of the leading companies involved in the exploration, production, and development of petroleum.
The PHLX Semiconductor Sector Index (SOXX) measures the performance of U.S. traded securities of companies engaged in the semiconductor business, which includes companies engaged in the design, distribution, manufacture, and sales of semiconductors.
The Philadelphia Gold and Silver index (XAU) is an index of 16 precious metal mining companies that are traded on the Philadelphia stock Exchange.
The Value Line Geometric index is a broad based index of equally weighted approximately 1675 stocks selected by the Value Line company from the NYSE, American Stock Exchange and the NASDAQ Over-the-counter stock market.

Foreign Markets Information: *The MSCI EAFE Index is recognized as the pre-eminent benchmark in the United States to measure international equity performance. It comprises the MSCI country indexes that represent developed markets outside of North America: Europe, Australasia and the Far East.*

The MSCI Emerging Market Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of over 800 securities in 23 markets representing approximately 13% of world market cap; Brazil, Russia, India, China, Colombia, Mexico, Peru, Czech Republic, Greece, Egypt, Hungary, Poland, Qatar, South Africa, Turkey, United Arab Emirates, Indonesia, Korea, Malaysia, Philippines, Taiwan, and Thailand.

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