Portfolio Action Update

Ron Miller, Managing Director, Investments

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

Rating Table and Technical Analysis Process Explanation at End of Report

As of 5/20/16

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	MCV	SCB	SCG	SCV
S-T	5/10/16 (70)	4/25/16 (40)	5/10/16 (50)	5/20/16 (60)	4/5/16 (30)	5/20/16 (60)	3/8/16 (0)	4/5/16 (30)	5/3/16 (30)
L-T	4/29/16 (50)	5/9/16 (30)	5/3/15 (50)	2/22/15 (75)	5/20/16 (60)	5/9/16 (50)	5/9/16 (30)	5/4/16 (20)	2/29/16 (50)

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	5/20/16 (60)	5/9/16 (90)	5/3/16 (10)	5/17/16 (70)	4/25/16 (0)	5/18/15 (70)	5/4/16 (20)	5/20/16 (70)	4/5/16 (20)
L-T	5/9/15 (40)	4/29/16 (10)	5/9/16 (30)	4/11/16 (60)	5/13/16 (40)	4/15/16 (60)	4/15/16 (90)	5/9/16 (20)	5/3/15 (40)

Industrial Sectors	Commodity Materials	Nat. Resource Equities	Real Estate	Retailing	Technology	Telecom	Transportation	Utilities
	NRC	NRE	REA	RTL	TEK	TEL	TRN	UTL
S-T	5/5/16 (40)	5/3/16 (20)	5/11/16 (10)	4/22/16 (20)	4/5/16 (50)	5/3/16 (30)	4/29/16 (50)	5/18/16 (55)
L-T	5/20/16 (40)	5/6/16 (40)	5/12/16 (35)	5/13/16 (38)	5/2/16 (30)	5/9/16 (40)	5/18/16 (50)	5/4/16 (50)

Foreign Equity	Foreign 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	4/28/16 (40)	4/25/16 (20)	4/28/16 (10)	4/21/16 (0)	5/3/16 (40)	4/21/16 (38)	5/10/16 (60)	5/3/16 (20)	4/28/16 (40)
L-T	5/20/16 (60)	5/2/16 (0)	5/2/16 (0)	5/9/16 (15)	5/4/16 (30)	5/3/16 (0)	5/17/16 (50)	5/6/16 (30)	4/29/16 (10)

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	2/29/16 (60)	5/9/16 (30)	5/19/16 (10)	2/19/16 (50)	5/5/16 (30)	5/17/16 (15)	5/18/16 (40)	5/18/16 (20)
L-T	5/3/16 (100)	2/5/16 (60)	2/17/16 (50)	2/17/16 (70)	5/5/16 (30)	4/25/16 (35)	4/17/16 (45)	4/4/16 (55)

US Dollar Index	Australia Dollar	Emerging Market Currency Basket	Canadian Dollar	Europe Euro	Japanese Yen
5/12/16	4/29/16	5/6/16	5/4/16	5/12/16	5/11/16

Signal Date	Going from Green to Neutral since Signal Date	Signal Date	Going from Red to Neutral since Signal Date

Management Style and Sector potential price direction signals are based on technical analysis of approximately 600 mutual funds selected by Ron Miller to represent the forty nine styles and sectors shown in the table. These styles and sectors signals are not those of Raymond James Associates, Inc. Signals are subject to change at any time and obviously their accuracy is not guaranteed. Individual securities may perform differently from these signals. These direction signals are a useful tool in the portfolio management process but are not the sole determinate of actual portfolio style or sector weightings. This table is not intended to be a solicitation to buy or sell of any financial security. Market data used in this analysis is believed to be from reliable sources but its accuracy can not be guaranteed.

Past performance is not indicative of future results.

NOT FDIC INSURED ~ NOT BANK GUARANTEED ~ MAY LOSE VALUE

PORTFOLIO ACTION COMMENTS AS OF 5/20/16

The Chart below is for the S&P 500 Large Cap Index over the last 2 years. It looks pretty ragged with some sharp declines and almost as sharp rallies. However, as of 5/20/16 the net change is very little since the beginning of 2015. The declines in the Fall of 2015 and the beginning of this year have been especially sharp. What has been even more surprising has been the relative quick recoveries back into the resistance levels in place since the first quarter of 2015.

The TAA table shown on page 1 indicates that some Short –Term Green lights are once again beginning to populate the Capitalization Styles of Large-Cap, Mid-Cap and Small-Cap. You may recall that the TAA table on the 2/12/16 Portfolio Update, was essentially Double Red. However, shortly thereafter, the Capitalization Styles moved to Short Term Green as shown on the 2/19/16 TAA table at the bottom of this page.

Consequently, we turned more bullish in mid-February and removed Bear hedges and put Cash on the sidelines back to work in the market. This worked out very well as the ensuing rally was even stronger than I anticipated it could be. The point is that with systematic technical analysis, it is possible to reduce and increase market exposure in tune with the market more often than not. We rarely advocate all-in or all- out allocation changes. It is a matter of the degree of allocation changes.

As of 2/19/16

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	2/16/16 (90)	2/16/16 (90)	2/17/16 (70)	2/17/16 (80)	2/17/16 (100)	2/17/16 (50)	2/17/16 (90)	2/17/16 (90)	2/17/16 (50)
L-T	11/30/15 (45)	12/10/15 (20)	12/31/15 (15)	12/8/15 (40)	11/13/15 (0)	11/12/15 (10)	11/12/15 (20)	11/12/15 (0)	12/7/15 (30)

After reaching near the top of the Resistance range, the market has corrected during late April and first half of May. The Capitalization Styles Year-To-Date (YTD) performances are shown in the Chart below:

The S&P 500 Large Cap index total return (SPX Black) = + 0.41%, the S&P400 Mid Cap index (MID - Mustard) =,+ 3.68%, and Russell 2000 Small Cap Index (RUT - Blue) = - 2.08%). After a dramatic down swoon during the first 6 weeks of the year, the rally phase through 5/20/16 has produced an average YTD total return for these three Capitalization Styles of + 0.67%. Not bad considering that the average of these Capitalization Styles was minus -12.66 % on 2/11/16.

The question is what happens now? The renewed Green lights in some styles and sectors indicated in the TAA table on Page 1 hint at some upside potential during the summer. From a political viewpoint, I believe the Federal Reserve and the Treasury are bent on trying to keep the stock market on a positive note as we march towards the Presidential election and the essential completion of the current administration's reign. As the minutes of the Fed Meeting in April hinted, an additional rise in the Federal Funds rate in June or July seems possible. Interestingly, the stock market did not tank like it did in January and February after the Fed raised the Fed Funds rate in December. At least so far, the key averages seem to be supported, although many individual stocks didn't fair as well. Hmmmmmmm.

Secular or Cyclical Battle? There are two strong opinions among investment pundits. Is the rally out of the 2008/2009 financial crisis the beginning of a new Secular (measured in decades) Bull market with many more years to run, in particular, since it has eclipsed the previous peak in the Fall of 2007? Or, the other viewpoint, is this is a Cyclical Bull market rally (measured in years) and that the Bear phase is yet to appear to complete its up and down cycle. The jury is out on this debate in my judgement. That is, I think these technical semantics are not important in terms of risk management action. If the market has been going up over several months or so, it has been a Bull market phase. If it has been going down over several months or so, it has been a Bear market phase. The key is to stay in tune with the Intermediate Term phases (measured in months), and you won't have to be concerned with whether or not it is a cyclical or secular trend. You will only know what it really is, for sure, in hindsight.

INDUSTRIAL SECTORS

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	5/20/16 (60)	5/9/16 (90)	5/3/16 (10)	5/17/16 (70)	4/25/16 (0)	5/18/15 (70)	5/4/16 (20)	5/20/16 (70)	4/5/16 (20)
L-T	5/9/15 (40)	4/29/16 (10)	5/9/16 (30)	4/11/16 (60)	5/13/16 (40)	4/15/16 (60)	4/15/16 (90)	5/9/16 (20)	5/3/15 (40)

Industrial Sectors	Commodity Materials	Nat. Resource Equities	Real Estate	Retailing	Technology	Telecom	Transportation	Utilities
	NRC	NRE	REA	RTL	TEK	TEL	TRN	UTL
S-T	5/5/16 (40)	5/3/16 (20)	5/11/16 (10)	4/22/16 (20)	4/5/16 (50)	5/3/16 (30)	4/29/16 (50)	5/18/16 (55)
L-T	5/20/16 (40)	5/6/16 (40)	5/12/16 (35)	5/13/16 (38)	5/2/16 (30)	5/9/16 (40)	5/18/16 (50)	5/4/16 (50)

There are Double Green lights for the Energy Infrastructure, This sector had a major decline since the Fall of 2014. The Alerian Midstream Energy index (AMZ) of companies and MLPs involved with the Energy pipeline systems renewed its Intermediate Term Green light 4/11/16. In fact, the Intermediated -Term light for this sector turned Red on 5/6/15, Green on 3/11/16, Red on 4/5/16 and now Green again on 4/11/16. The chart below continues to show a Bullish reversal trend from the 2015 bearish trend. The price is above the 200 dma and also above the high in early January. The 50 dma is rising but has not crossed over the 200 dma. If that occurs, it would be further confirmation of the reversal trend. We have been Bullish on this sector for a very long time as a core equity income holding. However, we did reduce exposure during the Spring of 2015. We began increasing exposure again in March of this year.

Although the Mid-Stream sector is showing recovery action, the Up-Stream Oil and Gas producers are still under pressure with Double Red lights. The price of Oil per barrel has almost doubled from its low. However, the average price of major petroleum producers, reflected by the NYSE Energy index, is only up 9.1%. That is good relative to the general market which is essentially flat YTD, Of course, the absolute return is reflective of the fact that prices are still below profitability for many producers..

The other Double Green light is the Financial Services sector. This includes banking, insurance, broker/dealers and other financial services type companies. In general, these companies have cash type reserves as part of their balance sheet requirements. They make more money with these cash type holdings if short term interest rates are higher. The Fed has started the Fed Funds rate increase process. This is Bullish for the Financial Services industry, as well as savers in general, unless the rates go too high and start to hurt business activity. Rates are still very artificially low, in my judgment.

The Internet sector is also on Double Red lights. This was a hot area last year with the Dow Jones Internet index up 22%. This year it is down 5.7%. This is reflective of the case where the best performance in the past year often becomes an underperformer in the new year. The decline in January and the first half of February was very strong for some big name stocks in key 2015 positive performing sectors.. There are also recent Double Red lights for Commodity Materials, Natural Resource Equities, REITs, Retailing, Technology and Telecom. Transportation has improved to Double Pink (Neutral) as well as Double Neutral for Utilities (Pink and Light Green). Finally, the Biotech sector which has had a big bull market run since 2011 started to run out of steam in the late Summer of 2015 but was still up 11.2% at the end of 2015. It is now down 23% YTD and back to the level it was at in June of 2014.

INTERNATIONAL MARKETS

Foreign Equity	Foreign 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	4/28/16 (40)	4/25/16 (20)	4/28/16 (10)	4/21/16 (0)	5/3/16 (40)	4/21/16 (38)	5/10/16 (60)	5/3/16 (20)	4/28/16 (40)
L-T	5/20/16 (60)	5/2/16 (0)	5/2/16 (0)	5/9/16 (15)	5/4/16 (30)	5/3/16 (0)	5/17/16 (50)	5/6/16 (30)	4/29/16 (10)

A lot of Red lights.. Japan generated a Short Term Green light on 5/10/16. The Intermediate–Term is currently Light Green (Neutral) that initially turned Green on 5/17/16, but moved to neutral by the end of the week. Japan has a lot of economic malaise. It has been trying to energize its economy for nearly 25 years. Their debt to GDP ratio is about double that of the USA. They have an older population and a lot of competition with other Asian producers of commercial products. The last major Bull market in Japan was from the low in early 2003 to the peak in the Fall of 2007. Consequently, I don't have a lot of faith in Japan's stock market except for occasional short term trades.

US S&P500 and Key International Market Indices are shown in the Chart Since the beginning of 2015.

The S&P 500 (Black) is essentially flat since the beginning of 2015. All of the major International market regions are negative with China (Shanghai 180 Index - Blue) and the MSCI Emerging Markets index (Mustard) down close to 20%. What is the global problem? TOO MUCH DEBT. It seems that the answer to global economic problems is to just generate more debt to paper over the current problems. I believe there are only two viable solutions: Restructure and/or default on the bad debt at the expense of the holders of the debt; Inflate the currencies of the debt to pay it off with cheaper currency at the expense of the holders of that currency. I would vote for the first alternative. The US is the best position because its debt is denominated in the US Dollar. In theory, we can just print the dollars to pay interest or pay off debt, until we can't!! Globalization has changed the historic economic/financial game plan of central banks, so the future is more uncertain in my opinion.

Bottom line for International investing. Focus on short to intermediate term time horizons for allocation exposure. Technical analysis is paramount in my judgment. There are trading opportunities from time-to-time. China reports that it is growing around 6% to 7% in its economy, after many years of double digit growth. Some China watchers (e.g. Bert Dohmen's — Wellington Letter we subscribe to) say the current growth rate is much lower. The market Action of the Shanghai 180 index on the previous chart would indicate that the China watchers are closer to the truth. Europe is reeling from the fallout from the Middle East turmoil. Its projected economic recovery from the 2008/2009 financial crisis has not met expectations. Britain is shortly going to vote on staying or leaving the Euro Economic Union.

Yes, it is possible to have strong global economic growth that produces government tax revenues that allow countries to pay down debt. However, with abundant global production capabilities and persistent real unemployment wide spread, coupled with global oppressive levels of debt, that is a really big longshot.

BOND MARKETS

The TAA table for the Fixed Income sectors and global currencies we follow is shown below for 5/20/16.

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	2/29/16 (60)	5/9/16 (30)	5/19/16 (10)	2/19/16 (50)	5/5/16 (30)	5/17/16 (15)	5/18/16 (40)	5/18/16 (20)
L-T	5/3/16 (100)	2/5/16 (60)	2/17/16 (50)	2/17/16 (70)	5/5/16 (30)	4/25/16 (35)	4/17/16 (45)	4/4/16 (55)

USDollar Index	Australia Dollar	Emerging Market Currency Basket	Canadian Dollar	Europe Euro	Japanese Yen
5/12/16	4/29/16	5/6/16	5/4/16	5/12/16	5/11/16

The bond sectors with the Red lights are responding to the recent very modest potential rise in interest rate expectations as a result of the Federal Reserve's discussion in their April minutes. The bond data for our analysis is the price action, not the yield action trend. The bond market interest rate levels are total fantasy in my experience over 50 years of following interest rate trends. I remember buying for clients the 10 year Treasury note around 1980 with a yield of about 15%. That Treasury Note today is around 1.75%. Even more unbelievable is that foreign countries in Europe and Asia with perceived less credit quality ratings are even at lower interest rates than the US, some even at negative rates. In fact, the amount of global debt levels are at historical highs relative to most country's GDPs and interest rates are at historical low levels normally only seen during economic depressions.

Generally, our interest rate exposure is kept to short term durations. If rates go even lower, there is still a lot of money that can be made in longer term bonds, but the risk factor rises sharply. With a 10 year bond duration, a 1% rise in interest rates can produce nearly a 10% decline in the value of the bond. Of course, in 10 years you will still recover your invested capital. Although the muni bond sector has a recent Short-Term Red light, I believe this sector is attractive for high income investors with often less volatility more pretax yield than Treasures.

The US Dollar Vs. a basket of foreign currencies generated a renewed Green light recently after declining, on balance, since the beginning of the year following a sharp rally from June, 2014 to the peak in December, 2015.

SUMMARY AS OF 5/20/16

May started off with a modest downward movement after a strong recovery from the low on 2/11/16. However, since the middle of May, the equity markets have started to move higher again and key indices are near the beginning of May values as indicated by renewed Green lights on our TAA table below:

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	MCV	SCB	SCG	SCV
S-T	5/10/16 (70)	4/25/16 (40)	5/10/16 (50)	5/20/16 (60)	4/5/16 (30)	5/20/16 (60)	3/8/16 (0)	4/5/16 (30)	5/3/16 (30)
L-T	4/29/16 (50)	5/9/16 (30)	5/3/15 (50)	2/22/15 (75)	5/20/16 (60)	5/9/16 (50)	5/9/16 (30)	5/4/16 (20)	2/29/16 (50)

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	5/20/16 (60)	5/9/16 (90)	5/3/16 (10)	5/17/16 (70)	4/25/16 (0)	5/18/15 (70)	5/4/16 (20)	5/20/16 (70)	4/5/16 (20)
L-T	5/9/15 (40)	4/29/16 (10)	5/9/16 (30)	4/11/16 (60)	5/13/16 (40)	4/15/16 (60)	4/15/16 (90)	5/9/16 (20)	5/3/15 (40)

Industrial Sectors	Commodity Materials	Nat. Resource Equities	Real Estate	Retailing	Technology	Telecom	Transportation	Utilities
	NRC	NRE	REA	RTL	TEK	TEL	TRN	UTL
S-T	5/5/16 (40)	5/3/16 (20)	5/11/16 (10)	4/22/16 (20)	4/5/16 (50)	5/3/16 (30)	4/29/16 (50)	5/18/16 (55)
L-T	5/20/16 (40)	5/6/16 (40)	5/12/16 (35)	5/13/16 (38)	5/2/16 (30)	5/9/16 (40)	5/18/16 (50)	5/4/16 (50)

So far, the YTD total return for the S&P500 is up about 0.4%, the S&P400 Mid-Cap index is up 3.7% and the Russell 2000 Small Cap index is down 2.1%.

The current approximate net market exposure for our investment strategies, at progressive dates, are shown in the table below:

DATE	2/12	2/23	3/30	4/19	5/6	5/20
	%	%	%	%	%	%
Growth Portfolio Plus (GPP)	38	43	77	54	68	38
Focus List Plus (FLP)	58	58	92	79	71	81
Asset Allocation Portfolio Plus (AAPP)	64	66	81	81	71	86
Global Opportunity Plus (GOP)	59	70	88	86	68	79
Equity Income Portfolio Plus (EIPP)	55	62	89	79	76	84
Equity Income Plus - ERISA (EIPE)	47	53	83	73	70	78
Portfolio Income Plus (PIP)	47	53	79	82	66	78
MLP Energy Infrastructure Plus (MLPP)	56	61	85	82	80	80
Energy/Defense/Resources (EDRP)	85	94	75	82	74	86
Precious Metals Plus (PMP)	84	88	70	78	75	75
International Equity Growth (IEG)	28	36	81	79	51	52
Global InDe-flation Plus (GIP)	78	87	84	80	68	82
Diversified Income Taxable Plus (DITP)	55	55	80	70	70	70

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 dates indicated 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.

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Past performance is not a guarantee of future results.

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 from 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 Index 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.

The Hang Seng is a free-float capitalization-weighted index of a selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four subindices: Commerce and Industry, Finance, Utilities, and Properties. The index was developed with a base level of 100 as July 31, 1964.

The Shanghai Stock Exchange 180 A-Share Index is a free float-weighted index. The index tracks the daily price performance of the 180 most representative A-Share stocks listed on the Shanghai Stock Exchange.

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