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

Styles	Large Cap Growth	Large Cap Value	Mid Cap Growth	Mid Cap Value	Small Cap Growth	Small Cap Value
S - T	6/6/12 (90)	6/12/12 (80)	6/6/12 (99)	6/6/12 (50)	6/6/12 (99)	6/6/12 (90)
I - T	6/15/12 (90)	5/7/12 (40)	6/8/12 (80)	6/26/12 (55)	5/15/12 (80)	6/12/12 (90)
Sectors	Banking	Biotech	Energy Oil & Gas	Financial Services	Gold Mining	Healthcare
S - T	6/6/12 (99)	6/15/12 (80)	6/3/12 (99)	6/22/12 (80)	6/21/12 (30)	6/6/12 (70)
I - T	6/25/12 (85)	5/9/12 (50)	6/8/12 (90)	6/22/12 (70)	6/22/12 (20)	6/25/12 (70)
Sectors	Internet	Natural Resource Equities	Real Estate	Technology	Transportation	Utility
S - T	5/6/12 (88)	5/21/12 (99)	5/23/12 (90)	6/6/12 (93)	6/21/12 (50)	5/29/12 (60)
I - T	6/25/12 (69)	5/9/12 (45)	6/11/12 (60)	6/18/12 (73)	6/18/12 (75)	6/15/12 (70)
Foreign	Emerging Markets	China	Europe	Japan	Latin America	S.E Asia
S - T	6/6//12 (80)	6/6/12 (90)	3/22/12 (40)	6/12/12 (90)	6/6/12 (80)	6/6/12 (99)
I - T	6/15/12 (90)	6/29/12 (60)	6/8/12 (80)	6/6/12 (80)	6/27/12 (55)	6/26/12 (90)
Bonds	Foreign Hedged to $	Foreign Non-$hedged	Emerging Markets	Invest. Grade Corporate	High Yield Corporate	Long Term Treasury
I –T	6/22/12 (60)	6/15/12 (60)	6/6/12 (70)	6/18/12 (70)	6/7/12 (70)	6/25/12 (40)
S - T	5/29/12 (90)	6/15/12 (75)	6/11/12 (70)	5/31/12 (80)	3/22/12 (50)	4/10/12 (90)

MARKET COMMENTS FOR WEEK ENDING 7/1/12

As indicated by the Rating Table, the stock market turned on many Short Term Green lights on 6/6/12 and thereafter. The sell off in May generated an oversold condition that helped to turn the Short Term direction more bullish. Consequently, we increased our allocation exposure in several of our investment strategies as indicated later in this report. We still

have a modest defensive posture of cash reserves as the global Geopolitical environment remained very uncertain for most of June and for that matter much of the last couple of years.

A Summit of the Euro Zone countries announced on late Thursday that they planned to give the European Central Bank (ECB) more funding and latitude in dealing directly with private country banks rather than working through the related sovereign governments. Sort of a Federal Reserve like function, details are unclear, for the ECB like that in the U.S. and our banking system. If the ECB plan is actually funded and implemented (not a certainty) it may allow the ECB to buy the distressed debt that these banks are holding and hopefully bring about some financial stability to the Euro Zone. For now, this might help the global economies to avoid (delay?) a serious global recession that was beginning to unfold.

However, the problem, as I see it, is that this means more European debt created by the ECB to buy the bad sovereign debt of the weak European countries. This was characterized as a blink by Germany's Merkel in her resistance to "federalizing" the European sovereign debt problem. This bad debt is held by private European and global banks as well as speculators. Without the restructuring and writing down or defaulting on a lot of this debt, I doubt that the debt problem ever gets resolved.

In essence, the recent policy shift coming out of last week's European Summit meeting may push the financial crisis downstream but would likely involve printing Euros which ultimately will likely lead to higher inflation in Europe over the long term. The hope of this type of monetary policy is that growth can be stimulated and that the consequences of the debt crisis can be mitigated over time. The US has been able to do that for a very long time, with the ability to print Dollars that are the reserve currency of the global financial system, something that the Euro is not.

Nevertheless, the global financial markets responded with a large gap opening on Friday which helped to boost the stock market gain in June. Interestingly, the June rally from the May decline has produced a recovery of 62% of the May decline for the Dow Jones Industrial Average. This happens to be essentially the Fibonacci natural number of 61.8 often noted in technical analysis work. However, other key stock market index recoveries in June from the May decline are in the 25% to 75% range. For example, the Russell 2000 Small Cap index recovered 75%, the S&P500 Large Cap index recovered 59%, the NASDAQ 100 recovered 48%, and the S&P400 Mid Cap index recovered only 25%. Obviously, any bounce is welcome.

Bottom line, the Green lights on the Rating Table indicate that increased exposure to the stock market has been appropriate since early June based on our Technical analysis. However, the global geopolitical environment keeps us from being fully invested and raving bullish. Moving into the US intense election campaign mode along with last weeks political action in the Euro Zone, can lead to a labored but bullish trend over the new few months. The corporate earnings reporting for the 2nd quarter will also occur over the next couple of weeks. A surprise in my mind would be for earning to be as strong as anticipated earlier in the 2nd quarter. We will continue to be nimble in our market exposure with a defensive bias to our thinking.

When you think about the current investment environment and the potential risk to capital, that the global financial environment entails, I believe you have three basic philosophical viewpoints to choose from:

(A) Assume that the various global and US governments will always find a way to make everything ok in the long term. So, just focus on finding good investments, stay essentially fully invested and don't worry about what may be happening in the short to intermediated term. If you have a steady stream of cash flow to invest, like in an IRA or 401k, take advantage of declines to invest any accumulated cash flow. You may vary investments somewhat depending on the individual investment attractiveness, but not as a result of general market trends. However, if you just have a nest egg to hold and live on without continuous new cash flow input, just hope for the best and live the best you can with the ultimate consequences which may be very good or bad over the long term, defined by your remaining lifetime.

(B) Use a Bar-Bell approach of holding cash (T-Bills) and Gold Bullion coins. This approach works best if you have enough assets to live on from either side of the Bar-Bell without requiring income from your investment for the rest of your life. The idea is that the Gold holding will respond to any inflation loss of purchasing power and that the Cash will keep you whole in a deflationary collapse. You draw down a little from each side for living expenses. Of course, the shortfall of this approach is knowing what is your remaining lifetime and will gold value keep up timely with high inflation. Recall that Gold peaked in early 1980 after responding to the inflation of the 1970s. But when that inflation bubble was broken, gold went into a 20 year decline even though inflation remained, albeit at much lower rates than that of the '70s. Consequently, Cash purchasing power declined along with the price of gold. The lesson learned in approach (B) is that the Bar-Bell approach can be effective as an intermediate term solution, but can't be relied on for the long term.

(C) Diversify across asset classes with a variable Strategic Asset Allocation that can respond to prevailing economic, social and geopolitical environments. This requires some form of a tactical asset allocation approach that pays attention to financial and economic metrics to guide Cash, Bond, Equity, Natural Resource and Gold strategic allocations. Our InDe-flation link on the home page of our web site is designed to give guidance for this philosophical investment approach over longer term economic cycles of inflation and deflation. In this process, we prefer the technical analysis of price trends of various investment asset types to make both short, intermediate and long term asset allocations.

The (C) viewpoint is the portfolio management style that we advocate for our clients. Of course, no approach is flawless. The shortfall of (C) is that it does requires more attention and discipline to be effective. It can also underperform in sharp rally phases as a result of any defensive bias. However, over full bull-bear market cycles, our experience is that this approach can produce better portfolio results and help to avoid irrational decisions at both bull or bear emotional panic points.

Capitalization Styles

A lot of Green lights with only the Intermediate Term Large Cap Value still on a Red light from 5/7/12. Generally speaking, the Large Cap Styles have benefited from the global flight-to-

safety that every negative global headline elicits. I don't see an end to this this influence anytime soon. For the 1st half of 2012, the Dow Jones TSM indices report on the WSJ.com Data bank have the following YTD returns: Large Cap Growth + 10%, Large Cap Value + 6.8%; Mid Cap Growth + 6.5%, Mid Cap Value + 6.5%; Small Cap Growth + 8.7%, Small Cap Value + 7.6%. Nearly half of that performance occurred just on Friday's gap opening and continuing run up during the day that resulting from the Euro Zone Summit announcement regarding the potential expansion of the ECB involvement, that is a European Quantitative Easing attempt.

Industrial Sectors

The Gold Mining sector is the only remaining Double Red light, even though it had a very big pop on Friday's bullish market action. Actually, the Gold Mining sector had been mostly on the defensive since early last September with brief counter trend rallies along the way. For example, there was a Short Term Green light from May 21 to June 21 (Intermediate Term Green from 6/8 to 6/22). Friday's action was insufficient to generate renewed Green lights just yet, but let's see what next week brings. Overall, we remain with a long term bullish bias towards the Precious Metals Bullion and Mining sectors.

I took a look at which sectors on our Rating table have a positive slope to their respective 50 day moving average (dma). Biotech and Utilities were the only sectors with strong positive slopes to their 50 dma. Gold Mining, Healthcare, Real Estate, Technology and Transportation were flat to barely positive. Based on Friday's closing prices of ETFs representing these sectors all closed above their respective 50 dma with the exception of Gold Mining, Energy and Natural Resources. Even these three lagging sectors were very close or at their respective 50 dma. This indicates to me that the technical odds are pointing towards more bullish action over the near term. Of course, the caveat is that technical action doesn't always track true to form and the current strength could dissipate rapidly with further negative headlines, such as disappointing earning announcements for US companies in coming weeks or more negative comments from the Euro Zone.

International Markets

We see a lot of Double Green lights for the International Markets on our technical Rating Table. Consequently, we have increased our International market exposure a little bit. However, negative headlines about a global recession have kept us cautious in our commitment to the Green lights. Remember, the Green lights tell us what is presently happening, not necessarily what is going to happen in the future. Nevertheless, let's take a broader look at the technical action and see if maybe the market action sentiment is starting to improve, or if it is just a head fake.

I note that the International Markets have been in the dog house for the past year after a nice bounce following the November 2007 peak to the March 2009 Bear market bottom. That is, a cyclical bull market from March 2009 to May 2011 occurred, followed by a cyclical Bear market that began in May of 2011 which brings us to the present. The International markets are showing some improving signs in spite of the Euro Zone financial crisis news and the slow down in China and other global economies in general. It may be that at least an intermediate international rally phase is forming. For instance, the MSCI EAFE index of Developed countries bottomed on

June 1 of this year, rallied up to a declining 50 dma, then declined sharply for a week, but held above the June 1 low and now has rallied sharply again up to the declining 50 dma. If it can close above the 50 dma for several days, this could be interpreted as a technical reversal pattern. It is too early to confirm this outlook, but it bares watching over this coming week.

Bond Markets

Both International and domestic corporate bond sectors have Double Green lights with the exception of a Neutral for the domestic High Yield sector and a Short Term technical Red light rating for the Long Term Treasury sector. Both the 10 Yr. and the Long Term treasury bonds are at yields less than even the crisis levels of 2009. Of course, Federal Reserve policy has been behind the extended period of very low Treasury rates as they are continuing to fight the prolonged economic weakness of what is called the "Great Recession". I believe the domestic and international corporate bond sectors are benefiting from the desire to get a yield that is better than Treasuries but is not perceived to be as risky as a lot of international sovereign debt. However, if a Global recession gains momentum, this current bullish perception could turn the other direction for corporate bonds.

U.S. Dollar Index & Foreign Exchange Trends

	US $ Index	Australia Dollar	Brazil Real	Emerging. Mkt. Currency Basket	Canadian Dollar	Europe Euro	Japan Yen
I - T	6/22/12	6/6/12	3/2/12	6/22/12	6/27/12	6/22/12	6/7/12

The US Dollar has been in a labored bullish bias since forming a bottom during the summer of 2011. Some prognosticators had been predicting the continued decline of the US Dollar. Of course it depends on what you are referencing the US Dollar against. Against the purchasing power for many domestic consumer goods it has continued a slow decline and not so slow against food products. However, against other currencies, it has been held up better than most.

Let's look at the currency of the two commodity driven economies of Canada and Australia. The Canadian Dollar rose, on balance, against the US Dollar from March of 2009 to July of 2011. A move from about 0.78 Vs. the US Dollar to about 1.05. Since then it has been declining on balance with some counter trend rallies to the current level of about 0.98. Although, it generated a short term Red light on 6/27/12, it bounced Friday up to the top of the sideways trading range in June. From near the low of the range on Thursday to near the top of the range on Friday on a gap up move of about 1.44%, even though the US Dollar also rallied.

The Australian Dollar also rallied against the US Dollar over the same time frame as the Canadian Dollar until late July of last year at a value of 1.10 Vs. the US Dollar. However, since peaking in July of last year it has had a volatile but modest decline to about 1.01 Vs. the US Dollar. The point I am making is that these two currencies which are often mentioned as alternatives to the US dollar are also subject to periods of underperformance to the US Dollar.

Portfolio Action Update For the Market Week Ending June 29, 2012

As indicated by the Rating Table, the stock market turned on many Short Term Green lights on 6/6/12 and thereafter. The sell off in May generated an oversold condition that helped to turn the Short Term direction more bullish. Consequently, we increased our allocation exposure in several of our investment strategies. We still have a modest defensive posture of cash reserves as the global Geopolitical environment remained very uncertain for most of June and for that matter much of the last couple of years.

However, moving into the US election campaign mode along with last weeks political action in the Euro Zone, could lead to a labored but bullish trend over the new few months. However, corporate earnings reporting for the 2nd quarter will occur over the next couple of weeks. This could provide some headwinds as I would be surprised if earnings are as strong as anticipated earlier in the 2nd quarter. Nevertheless, we will continue to be nimble in our market exposure with a defensive bias to our thinking but with some increased market participation when Green lights are flashing.

The current approximate net market exposure is shown below for each strategy:

Growth Portfolio Plus - GPP = 48%

Equity Growth Plus - EGP = 78%

Focus List Plus - FLP = 86%

Equity Income Portfolio Plus - EIPP = 82%

Equity Income Plus ERISA - EIPE = 75%

Portfolio Income Plus - PIP = 73%

Energy/Defense/Resources - EDRP = 72%

Natural Resource Plus - NRP = 62%

Precious Metals Plus - PMP = 79%

International Equity Growth - IEG = 45%

Global Opportunity Plus - GOP = 80%

Currency Trading Portfolio - CTP = 7% US / 39% Foreign / 9% Gold.

Diversified Income Taxable Plus - DITP = 65% Long Multi-Sector / 7% 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

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Investment Planning and Management Group in Atlanta

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.

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 reflect the position of **RAYMOND JAMES.**

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