Good Harbor Client Notification

Your portfolio has incorporated a strategy managed by Good Harbor, which invests with a time horizon of 20-40 days, using a combination of Exchange traded Funds (ETFs).

During late 2012 Good Harbor maintained a 50% Treasury/50% stock allocation. On January 7th of this year, the strategy moved to 100% stocks. Good Harbor actually leveraged their holdings to more than 100% exposure to stocks.

Since January, the strategy has incorporated an all-stocks approach. On May 1, the strategy made trades and has returned to a 50% treasury/50% stock position, reflecting a moderating view of market upside potential. One tenet of Good Harbor's philosophy is that there is value in sidestepping "bad days" in the market, and this latest re-allocation reflects that philosophy.

The underlying premise of **The Good Harbor U.S. Tactical Core Strategy** is that equity prices are driven by changes in investor equity risk premiums and that these premiums vary with time and the business cycle. Good Harbor believes that during periods of market stress and exuberance stock price variation is due almost exclusively to changing risk premiums rather than changing expected cash flows.

Achieving real returns, regardless of the market conditions, has always been our investment goal. **The U.S. Tactical Core Strategy** attempts to capture most of the market's good times and miss most of the bad times. The **U.S. Tactical Core Strategy** aligns with the stock market during sustained market rallies and moves defensively during sustained market declines.

As always, please feel free to contact me with questions or concerns.

Regards,

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