

May 18, 2011

Dear Valued Investor:

With spring comes change. As the weather changes across the country, revealing new colors and textures to the landscape, new patterns have also emerged in the markets and economy. Concerns over the health of the economy have led to the increase in financial market volatility we have all experienced in recent weeks. Though this volatility is unpleasant and compels us to double check our data and conviction, I believe that this is just a pothole in the road of the ongoing economic expansion. While most data continues to point to ongoing, modest growth, a number of negatives have emerged and contributed to nervousness about the sustainability of economic growth. Labor market improvements have decelerated, home prices have deteriorated, European debt concerns have reemerged, and the budgetary battles in Washington have continued. These issues have prompted investors to once again question whether the green shoots of growth in our economy that emerged two years ago are now deeply rooted or at risk of being uprooted.

A driver in the market turbulence was the action by the commodity exchanges (presumably pressured by the regulators) to dramatically raise the minimum deposit amount required to hold a position or place a trade on margin. This forced many investors to either deposit more cash to support their positions or dramatically reduce their positions. The ensuing selling of commodities contributed to a broad-based 9% pullback in the Commodity Research Bureau Commodity Index in early May.

High commodity prices have also created concerns that companies will begin to see declining profits due to soaring commodity input prices and consumers reining in spending to deal with rising costs, both at the gas pump and the grocery store. But the plunge in prices did not relieve these fears. Unfortunately, these recent fears have served to overshadow the impressive rebound in the economy. Most notably, approximately 200,000 new jobs have been created each month this year, consumer spending has been solid, and business investment has been robust. These are just a few of many measures of economic activity and output that remain well above levels from a year ago.

I remain convinced that the economy remains poised for growth and that financial markets have become overly pessimistic about the prospects for growth. As the economy transitions from recovery to sustainable, moderate growth, it normally exhibits some volatility and the recent deceleration — much like the alternating cool and warm days of spring leading to summer — are part of the natural ebb-and-flow of an economic expansion. Supply disruptions from the aftermath of the Japan earthquake and tornado

disasters in the South have likely contributed to the deceleration. However, I believe these impacts will likely prove transitory. In coming weeks and months, inflation and growth are likely to be greater concerns than deceleration and a return to recession. As always, if you have questions, I encourage you to contact your financial professional.

Best regards,



Burt White
Chief Investment Officer
LPL Financial

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

The Commodity Research Bureau (CRB) Index is an index that measures the overall direction of commodity sectors. The CRB was designed to isolate and reveal the directional movement of prices in overall commodity trades.

The fast price swings in commodities and currencies will result in significant volatility in an investor's holdings.

Stock investing may involve risk including loss of principal.

Past performance is no guarantee of future results.

This research material has been prepared by LPL Financial.

The LPL Financial family of affiliated companies includes LPL Financial and UVEST Financial Services Group, Inc., each of which is a member of FINRA/SIPC.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of and makes no representation with respect to such entity.

Not FDIC/NCUA Insured | Not Bank/Credit Union Guaranteed | May Lose Value
Not Guaranteed by any Government Agency | Not a Bank/Credit Union Deposit