GOING SEBASTIEN FISHER LE BOUEF LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED INVESTMENT ADVISORS • CONSULTANTS

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Dear Client,

This letter contains news and views that I feel will be of interest to you. As always, please call me at your convenience to set up your quarterly meeting.

Contents:

Going, Sebastien, Fisher & Le Bouef, LLP (GSF&L) News:

- Craig and Darren attended the AICPA Investment Personal Financial Planning Conference January 21 – 23 in Las Vegas, Nevada. Sessions attended included Investing in the Age of Debt: A Guide to the Markets, Mining the Fixed Income Markets for Alternative Sources of Return, Investment Related Tax Strategies, Global Outlook, and Designing Portfolios for Retirement.

Investment Views:

- ***Morningstar Data - Through March 31, 2013 - Year-to-date returns--*** S&P 500 10.61%, NASDAQ Composite (dollars) 8.21%, MSCI EAFE (dollars) 5.13%, and the Barclays U.S. Aggregate Bond Index -0.12%.

- ***The Northern Trust Company – Economic Update – January 2, 2013 –*** Total housing starts rose 25% from a year ago in February. Of the two categories of housing starts, construction of multi-family units has taken the lead by posting larger gains compared with single-family starts. Increased home building activity has ramifications in other related markets in the economy. To this point, higher prices of lumber, plywood, and gypsum suggest that contractors will need to watch their margins as home building activity gathers additional momentum.

- ***Bureau of Economic Analysis* –** Real Gross Domestic Product (GDP) grew 0.4% in Quarter 4 2012 compared to 3.1% in Quarter 3, Personal Income increased 1.1% in February compared to -3.7% in January.

- ***Insight –A. Gary Shilling – April 2013 –*** It does appear, however, the QE is having only temporary and limited impacts. Each round by the Fed has been accompanied by a jump in stocks that only lasted until a crisis is Europe or the U.S. swamped it. The Fed, as of its December 11, 2012 policy meeting, will continue to keep the short-term interest rate it controls close to zero until the unemployment rate, 7.7% in February, drops to 6.5%, as long as the Fed sees long-run inflation close to 2%. The central bank doesn't expect these conditions to be met until 2015.

Craig's Thoughts and Views:

Equity and Credit Markets

I remain concerned on the likely direction of the stock market intermediate term. On the one hand, my heart tells me that the stock market is overbought and remains vulnerable to sell-offs like the one that occurred on February 25. On the other hand, my head tells me that the likely direction of stocks is still upward. David Rosenberg, Chief Economist and Strategist at Gluskin Sheff, points out that since the end of the financial crisis, there has been an 85% correlation between the rise in the S&P 500 and the growth in the Federal Reserve's balance sheet. Since we know that the Federal Reserve is planning on growing its balance sheet by another 25-30% in 2013, the odds of the S&P 500 continuing to rise are pretty good. In addition, Lowry Research Corporation trends continue to show a healthy balance of Supply and Demand. In essence, Buying Power is in an uptrend dating back to November 2012, while Selling Pressure is in a downtrend dating to December 2011.

The problem with this scenario is that the stock market appears to be fairly valued today and is pricing in solutions to long-term fiscal problems that are nowhere in sight. Moreover, we know that the Fed's policy actions are continuing and are likely to continue for a while longer. Betting against the Federal Reserve has proven to be a poor investment posture since 2009.

The credit markets remain stable as one would expect when the world's largest central bank is buying $85 billion of bonds every month. There are certainly signs of excess in the high yield new issue market as investors park their brains at the door when they come to work in the morning and buy covenant lite bank loans, bonds with abbreviated non-call periods, PIK bonds, dividend recapitalization deals and every other piece of trash that underwriters throw at them. It is clear that the next generation of distressed paper is being created today. Nonetheless, it is easy enough for experienced investors who are not trapped in vehicles (or jobs) that force them to put money to work to avoid these pitfalls and maintain the discipline to invest only in those pockets of the market that make sense.

Corporate credit quality remains strong (away from the low quality new issuance described above) and the default rate should remain low enough not to spook investors for the foreseeable future. High yield bond and loan spreads remain above historical norms as well, although that is being distorted by years of zero interest rate policy and should be taken with a grain of salt. Overall, credit remains sufficiently attractive in the hands of a seasoned manager.

Nonetheless, in an environment where systemic fragility remains high, credit portfolios should maintain relatively short durations. Virtually every bond manager is saying that he or she is keeping durations short, but that is not possible. Investors holding long duration fixed rate portfolios may experience disappointing long-term returns for two reasons. First, those bonds are paying insufficient yields for the risks associated with them (a lousy long-term return is worse than a lousy short-term return); and second, those bonds are going to experience large losses when interest rates rise. Just because an interest rate rise isn't imminent doesn't mean it won't happen.

Gold

After spiking to a high in September 2011, gold entered a long, drawn out correction. More recently, negative new articles from Societe General, Credit Suisse,Goldman Sachs, along with the Bank of Japan surprising the markets with its massively sized QE plan – to double its money supply in 18 months have caused gold to slide. As of Friday, April 12, gold futures were down 5.03% to $1485.60. In addition, gold mining stocks were hit even harder because of their supposed leverage relative to the price of gold.

Looking back at history, in 1976, gold bashers were out in full force, as we see today. In 1976, Time Magazine wrote "The Great Gold Bust." The price of gold had fallen more than 40% from its peak of $198 an ounce. At the time of the writing, it was the exact bottom of the 1975-1976 bear market. From that point forward, gold skyrocketed to $850 an ounce four years later. We may continue to see more weakness in the days and weeks to come. Anyone who listened to them then missed out on a nearly 751% up move in less than four years. Back in 1976 the New York Times wrote: "There is simply nothing in the economic picture today to cause a rush into gold. The technical damage caused by the decline is enormous and it cannot be erased quickly." The Wall Street Journal wrote on April 13, 2013, about the technical breakdown of gold through the $1,520 level, and they quoted a fund manager: "At this point, it looks like gold has gone over a cliff."

Stepping back and looking at gold from several fundamental points of view, gold still adds diversification to a portfolio. Historically, academic research has shown that gold adds portfolio stability during volatile times because it moves independent of other asset classes. The World Central Banks continue to debase their currencies (including our Fed) destroying their currency value. Currently, the Fed is buying $85 billion per month of bonds (a form of printing money) and Japan, as stated above, plans to double its money supply in 18 months. Therefore, negative real interest rates are most probably here to stay for the short term. Gold is viewed by many as an alternative to currency because of the historical significance of having maintained its value for thousands of years. On top of that, it appears the U.S. will continue down the path of undisciplined fiscal spending and budget deficits.

GSF&L, LLP Registered Investment Advisors:

We can never know what the future holds, but we can make informed decisions regarding investment strategies and portfolio allocations. We (GSF&L) make changes based on our perception of opportunities in the capital markets. We assimilate fundamental, technical, and economic information to make informed decisions. Of course it is important to have long-term focus on portfolio management, but with a critical analysis of intermediate strategies.

Managing risks and opportunities are important to portfolios and reaching one's financial needs and goals. Having a complimentary understanding of investment horizon and attitude toward risk are equally important. Markets and economies do not always behave as we expect them to. That is the problem with investing! There is no luck to professional investing. You can no more have a successful, disciplined approach by luck or accident than you can win a chess tournament by luck or accident.

If you know of someone who may fit our financial and investment planning philosophy, please mention our name. We are a small organization and intend to remain so. A solid organization makes it possible for us to spend our time managing our business rather than each other. Because everyone has so much to do, much gets done. We will forego any growth opportunity that may detract from our ability to serve our clients as they have become accustomed to. We never expect to be among the biggest, but our attention to be among the best is not subject to compromise.

Regards,

Craig

Craig C. Le Bouef, MBA, CPA/PFS, CFP®

NASDAQ composite measures the performance of all issues listed in the NASDAQ Stock Market, except for rights, warrants, units, and convertible debentures. The S&P 500 is made up of 500 common stocks representing major U.S. industry sectors. The Dow Jones Industrial Average contains 30 stocks that trade on the New York Stock Exchange (NYSE) which reflect the performance of 30 large American companies. The Morgan Stanley Capital International Europe, Australia, and Far East Index (MSCI EAFE) is a market-weighted aggregate of 20 individual country indexes that collectively represent many of the major markets of the world, excluding Canada and the U.S. The Lehman Brothers U.S. Aggregate Bond Index tracks performance of debt instruments issued by corporations and the U.S. Government and its agencies. The returns for this index are total returns, which includes reinvestment of dividends. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

All indices are unmanaged. It is not possible to invest in an index.

Past performance is no guarantee of future results.

Diversification does not assure against market loss.

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