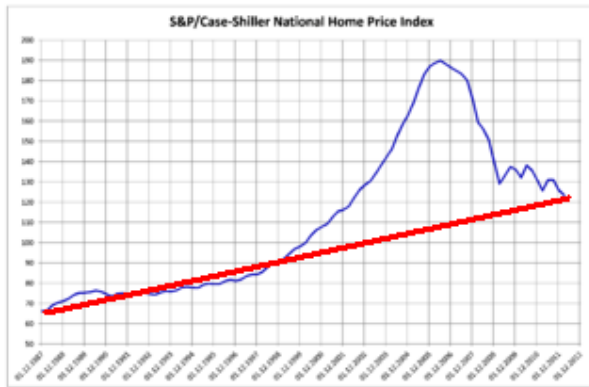


Recovery?

Short term recovery is favorable, but with regards to a sustained recovery, many pundits (David Stockman, Robert Shiller) are painting a darker picture. As Egypt is in the midst of social unrest, negative news is being pushed in the media and concerns over Europe is now regaining headlines, in spite of the stronger employment figures and respectable company earnings.

This is very stressful times, especially for homeowners who are waiting to sell their properties, by getting out of the negative waters and up to the end of 2012, this seemed to be the case. The Case-Shiller Index reported 4.5% and 5.5% growth for the 10-city and 20-city composite. Yet, the critics cite a weakness in existing property sales.



The Case-Shiller Index reveals the exponential jump in home prices in 1999 to 2006. If we just grew at a steady state from 1987 to 2012, then we are very near the intersection at this juncture. We believe the home prices are now at a justifiable level, and purchasing S&P Case-Shiller Index securities, would provide exposure to the upcoming real estate recovery.

Metropolitan Area	November 2012 Level	November/October Change (%)	October/September Change (%)	1-Year Change (%)
Atlanta	95.68	0.1%	-0.5%	7.6%
Boston	153.74	-0.9%	-1.4%	2.3%
Charlotte	115.41	-0.3%	-0.4%	5.1%
Chicago	113.35	-1.3%	-1.6%	0.8%
Cleveland	100.88	-0.8%	-0.6%	1.8%
Dallas	120.55	-0.1%	-0.7%	5.7%
Denver	134.50	0.4%	0.0%	7.8%
Detroit	80.33	-0.3%	0.9%	11.9%
Las Vegas	100.56	0.4%	2.8%	10.0%
Los Angeles	176.58	0.4%	0.6%	7.7%
Miami	151.13	0.8%	-0.2%	9.9%
Minneapolis	126.41	1.0%	-0.5%	11.1%
New York	162.86	-1.1%	-0.8%	-1.2%
Phoenix	124.16	1.4%	1.4%	22.8%
Portland	142.13	-0.2%	0.9%	6.7%
San Diego	163.58	0.9%	1.3%	8.0%
San Francisco	146.23	1.4%	0.7%	12.7%
Seattle	142.53	0.5%	-0.2%	7.4%
Tampa	133.77	-0.2%	-0.5%	6.8%
Washington	189.11	-0.6%	-0.8%	4.4%
Composite-10	158.28	-0.2%	-0.2%	4.5%
Composite-20	145.82	-0.1%	-0.2%	5.5%

Source: S&P Dow Jones Indices and Fiserv
 Data through November 2012