Portfolio Action Update

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IPMG
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

Rating Table and Technical Analysis Process Explanation at End of Report

As of 12/29/17

U. S. Styles	Large Cap Blend	Large Cap Growth	Large Cap Value	Mid Cap Blend	Mid Cap Growth	Mid Cap Value	Small Cap Blend	Small Cap Growth	Small Cap Value
	LCB	LCG	LCV	MCB	MCG	MCV	SCB	SCG	SCV
S-T	12/15/17 (20)	12/28/17 (40)	12/7/17 (5)	12/4/17 (35)	12/28/17 (35)	12/7/17 (30)	12/21/17 (70)	12/26/17 (65)	12/7/17 (30)
L-T	7/11/17 (85)	7/30/17 (90)	11/21/17 (85)	9/19/17 (90)	9/15/17 (75)	9/21/17 (85)	9/19/17 (55)	11/21/17 (70)	12/18/17 (35)

Industrial Sectors	Banking	Biotech	Oil & N-Gas Exp. & Pro.	Energy Infrastructure	Energy Services	Financial Services	Gold & PM Mining	Healthcare	Internet
	BNK	BIO	ENG	ENI	ENS	FIN	GLD	HRC	NET
S-T	12/26/17 (25)	11/20/17 (65)	12/18/17 (85)	12/19/17 (15)	12/4/17 (88)	11/15/17 (70)	12/15/17 (90)	12/22/17 (20)	12/26/17 (45)
L-T	12/4//17 (75)	12/18/17 (60)	12/28/17 (60)	12/18/17 (60)	12/22/17 (56)	12/4/17 (70)	12/26/17 (65)	12/28//17 (60)	12/15/17 (75)

0ndustrial Sectors	Commodity Materials	Nat. Resource Equities	Real Estate	Retailing	Technology	Telecom	Transportation	Utilities
	NRC	NRE	REA	RTL	TEK	TEL	TRN	UTL
S-T	12/19/17 (95)	12/28/17 (85)	12/28/17 (70)	12/7/17 (30)	12/28/17 (20)	12/21/17 (25)	11/24/17 (75)	12/18/17 (40)
L-T	12/21/17 (65)	12/18/17 (60)	12/21/17 (35)	9/15/17 (90)	7/10/17 (65)	12/4/17 (95)	12/4/17 (65)	12/13/17 (15)

Foreign Equity	Foreign Developed	Emerging Markets	China Equity	India Equity	Europe Equity	Russia Equity	Japan Equity	Latin America	S E Asia x Japan
	IEQ	EMM	CHI	IND	EUR	RUS	JPN	LAT	PAC
S-T	12/4/17 (45)	11/13/17 (80)	12/15/17 (95)	12/28/17 (40)	12/18/17 (45)	12/28/17 (80)	12/4/17 (15)	12/13/17 (60)	12/28/17 (75)
L-T	12/5/17 (50)	11/20/17 (35)	12/4/17 (45)	10/13/17 (85)	9/11/17 (60)	12/4/16 (35)	1/23/17 (65)	10/9/17 (50)	12/29/17 (60)

Fixed Income	International Non-$Hedged	Emerging Market	Inv. Grade Corporate	High Yield Corporate	Intermediate U.S. Gov.	Long Term U.S. Gov.	Long Term Municipal
	FGN	FEM	FIC	FHY	FIM	FLT	FMU
S-T	12/28/17 (81)	12/18/17 (70)	12/21/17 (50)	12/26/17 (80)	12/22/17 (50)	12/15/17 (81)	12/28/17 (55)
L-T	12/7/17 (31)	12/5/17 (65)	10/2/17 (55)	11/8/17 (45)	11/27/17 (55)	12/26/17 (38)	12/28/17 (60)

US Dollar Index	Euro Index	Yen Index
12/21/17	12/26/17	12/7/17

Signal Date	Going from Green to Neutral since Signal Date	Signal Date	Going from Red to Neutral since Signal Date

PORTFOLIO ACTION COMMENTS AS OF 12/31/17

2018 will be starting off with the new Income Tax law which is pretty much in line with Trump's Campaign Agenda. It includes a modest tax on the repatriation of Corporate profits held abroad. It also eliminates the Affordable Care Act's penalty mandate if you don't have health insurance. That was a key feature for the viability of the ACA. Congress compromises eliminated several Trump campaign issues. In particular, the "Carried Interest" provision of the previous Tax Code that he pledged to eliminate. The holding period for qualifying for "Carried Interest" treatment was increased from 1 year to 3 years. The K-Street lobbyist influence over many congressional Representatives and Senators obviously won the day. I have opposed the "Carried Interest" provisions as totally indefensible for many years. Maybe next year this issue will be raised again as the campaign for the Mid-Term elections heats up.

On balance, the strength of the stock market during 2017 has surprised a lot of market observers. The new administrations' economic policy has been bullish for the economy and the stock market, but continued Bullish persistence even in the face of political setbacks and anti-Trump rhetoric has been the surprise, in my opinion. What comes next? The November-to-May period is often thought of as being the strongest seasonal period of the stock market. However, these historical patterns have had a mixed track record since the Credit Crash, now approaching 10 years ago (2008/2009). In fact the Bull market rally out of the 2000 to 2002/2003 Bear market low peaked in the Fall of 2007, a decade ago. Yes, a Decade ago.

The end of the trading year TAA table (12/29/17) shows a mixture of Red and Green lights. There are Short Term Red lights in the Capitalization Styles for Large Cap and Mid Cap; but, the Small Cap shows Green for Blend and Growth as this Style lagged for most of 2017. This Small Cap improvement is a trend that I expected for the beginning of 2018 as a result of the new Tax law. The Industrial Sectors are still a mixed color palette, but there has been evidence of rotation towards the Biotech, Commodity, Energy, and Transportation sectors from the Technology, Telecom and Utility sectors. I expected profit taking from Technology in early 2018, but it has gotten an early start. The International Markets have also moved to a mixture of Red and Green lights. The Fixed Income sector is turning Bearish with more Red lights as interest rates have started a modest upward movement. There is more discussion of these sectors in the remainder of this Update.

One of the often cited bullish commentaries on the stock market is that bullish markets always clime a "Wall of Worry". I have traded the stock market actively since 1965 and have seen Bear and Bull markets quite often come and go over the past half century. I can testify that Bull markets can also continue to fall on a "Wall of Worry or a Wall of Good News". I have also noted in my experience that when the CEO of a company states that business is great and "couldn't be better"; the CEO is often right, business starts getting worse. Bottom line, I do my best to stay in tune with what is happening through technical analysis of price action. You can find a confirming opinion to verify almost anything you want to believe about the future. I believe that "if you can take good care of the present, the future will take care of itself, since the future is a time series of the present" from a previous publication of Truax and Miller prior to joining Raymond James from Morgan Keegan in 2012.

It is 'outside-the-box' thinking that seems to be the action that comes to the rescue in turning the tide at crucial times. It was Paul Volker, appointed in 1979 the Federal Reserve Chairman that broke the back of runaway inflation by raising the Federal Funds rate to around 20% in 1981. It is currently about 1.4%. In March of 2009, it was the Secretary of the Treasury (Hank Paulson), the Chairman of the Federal Reserve (Ben Bernanke) and the Fed Governor from the New York Federal Reserve Bank (Tim Geithner), and other outside-the-box thinkers in the room, that decided that they had to get the Financial Accounting Standards Board (FASB) to rescind aspects of Rule 115 that was made effective in

November of 2007 requiring Banks to 'mark-to-market' the value of the bank's mortgage holdings that were declining in price, even those not in default, reducing their capital reserves that were in a cascading fall as the continued selling of mortgages to meet capital reserve requirements, exasperated the crash, even more. In laymen terms, Rule 115 was modified in March 2009 so that in chaotic markets, the Mark-to-Market is not enforced. That was the main action that generated a bottom for the stock market crash, in my judgment. Definitely, Out-of-the-Box action came to the rescue at a very critical time.

Another helpful action during the credit crash of 2008/2009 was efforts by the US Treasury to brake the run on Money Markets from the fear that the $1 dollar price would not hold. It was the Treasuries announcement in September of 2008 that the $1 price would be guaranteed by the Treasury for Money Market Funds that applied for and payed for that protection. It lasted until September of 2009 after some extensions. This was definitely, an 'outside-the-box' action in my opinion since the Treasury did not have the funds readily available to back up that guarantee for the entire vast Money Market industry. It was a confidence builder for the financial system at a crucial time that worked.

Again, in November, 2016, I believe it was 'outside-the-box' thinking by key middle America voters that came to the rescue of a national economy stuck with a low annual GDP growth of 1% to 2% and stifling government regulations on capitalism. Since the Trump election, the stock market and the economy have not stoped rising. I expect pauses from time to time, but a new economic agenda promoting greater economic growth through lower Corporate and Individual income taxes and substantially reduced business hampering regulations appears to be in force. President Trump's signing on 12/24/17 of the new Income TAX plan is now the Law of the Land. The Republican Congress and the President also now seem to be on the same political policy pages entering 2018. Unfortunately, the battle between conservative and progressive governing viewpoints is likely to remain through the mid-term Congressional elections. I would be surprised if the stock markets' negative volatility in 2018 remains as low as it was in 2017. That is, a few deeper corrections in the stock market are likely.

CRYPTOCURRENCIES: This Portfolio Action Update would not be complete without mentioning the Bitcoin (BC) and the cryptocurrencies market fad. First, I must mention that I know almost nothing about the Cryptocurrency craze. Warren Buffett claims that they have no intrinsic value and are simply going up in price as a result of FOMO, Fear Of Missing Out. He is staying out of the craze. Warren is even older than I am, so I respect his opinions.

Nevertheless, the BC has FOMO value because it will possibly have a limited supply of 21 million virtual coins, not real gold looking BCs shown in pictures. I know that things that are rare can have investment value. The recent sale of the Da Vinci painting of Jesus Christ for $450 Million is proof of that. However, I have also read that there are now hundreds of Cryptocurrencies in existence. The Block Chain technology invented by Satoshi Nakamoto in 2008 is interesting apparently for many uses. However, hundreds of Cryptocurrencies doesn't sound like a viable concept for a New World Order that I have heard mentioned. I am not a fan of a New World Order, I like the Sovern Nation concept we have now with individual freedoms.

Gold, silver, and other real things can also be peer-to-peer transaction facilitators with no intermediator present. They also don't require the internet which can be hacked or destroyed in a global chaos. Meanwhile, I have a dilemma to consider. Should I sell my ***'alleged'*** purchase of 10,000 Bitcoins on December 24, 2009 at a dime apiece ($1000 investment) for about $150 Million today or hold out for a recovery? It was about $190 Million just a few days ago. I lean towards holding out for a price of $100,000 per BC. That would net me a $Billion. ***Or, am I just dreaming like millions around the world who are having this same dream?***

CAPITICALIZATION STYLES

As of 12/29/17

U. S. Styles	Large Cap Blend	Large Cap Growth	Large Cap Value	Mid Cap Blend	Mid Cap Growth	Mid Cap Value	Small Cap Blend	Small Cap Growth	Small Cap Value
	LCB	LCG	LCV	MCB	MCG	MCV	SCB	SCG	SCV
S-T	12/15/17 (20)	12/28/17 (40)	12/7/17 (5)	12/4/17 (35)	12/28/17 (35)	12/7/17 (30)	12/21/17 (70)	12/26/17 (65)	12/7/17 (30)
L-T	7/11/17 (85)	7/30/17 (90)	11/21/17 (85)	9/19/17 (90)	9/15/17 (75)	9/21/17 (85)	9/19/17 (55)	11/21/17 (70)	12/18/17 (35)

As of 12/1/17

U. S. Styles	Large Cap Blend	Large Cap Growth	Large Cap Value	Mid Cap Blend	Mid Cap Growth	Mid Cap Value	Small Cap Blend	Small Cap Growth	Small Cap Value
	LCB	LCG	LCV	MCB	MCG	MCV	SCB	SCG	SCV
S-T	11/24/17 (75)	11/28/17 (50)	11/28/17 (75)	11/27/17 (65)	9/5/17 (70)	11/21/17 (70)	11/20/17 (90)	11/17/17 (60)	11/15/17 (90)
L-T	7/11/17 (85)	7/30/17 (100)	11/21/17 (60)	9/19/17 (60)	9/15/17 (95)	9/21/17 (60)	9/19/17 (80)	11/21/17 (70)	9/13/17 (50)

For most of 2017, the Capitalization Styles have been on Green Lights with a sprinkle of Red along the way. At the beginning of December, the Capitalization Styles were essentially all Green again as shown for the 12/1/17 table above. However, as of the end of the year (12/29/17) the renewed Red lights show that some weakness began starting during the middle of December. especially for the Short-Term daily data. However, unlike historical times, none of the Red lights in the Large Cap Style have generated a Bear trend of more than a 3% loss since the Presidential election. That is the first time in my memory of the stock market that goes back to 1965 that there have not been corrections of greater than 3% several times during the year. In fact, several 10% or more corrections during the year are often the norm.

I expect that January could see this period of weakness continuing as profit taking of 2017 gains were likely postponed into the new tax year, while losses were harvested in 2017. Nevertheless, with corporate earnings benefiting from the lower Tax rates, 2018 could still have a positive movement during the 1st half of 2018. With mid-term congressional elections in the cards for the Fall of 2018, uncertainty could increase during the summer. The Mid Cap and Small Cap styles have had some losses of greater than 3%, but none greater than 8%. The Chart below shows the price trends Year-to-Date (YTD) for the S&P 500Large Cap (SPX), S&P 400Mid Cap (MID), and Russell 2000 Small Cap (RUT) indices for the Blended indexes of Growth and Value. The late July to mid August period generated a Small Cap loss of about 8%. During the early October to Mid November, the RUT had a decline of about 4 1/2%.

The Black line of the Large Cap index has had modest wiggles of 3% or less. The Large Caps, thought of as Blue Chips, are perceived as less risky and hence attractive to domestic and foreign investors alike during geopolitical turmoil and maybe potential military action. Individual securities are a different story. The volatility, up and down, on individual stocks has often been 10 to 20% or more, even over just a few days based on current news. The rotation among sectors has kept the broad indices volatility much smoother. Growth indices have substantially outperformed Value. This reminds me of 1998 to 2000 when Growth (the Dot-Com Era) skyrocketed and Value lagged. With the Tax reforms and rate cuts legislation finally passed, I expect that Small businesses will benefit relative best and the gap between Mid and Small Cap indices will catch up to and likely outperform Large Caps in 2018. Let's see.

INDUSTRIAL SECTORS

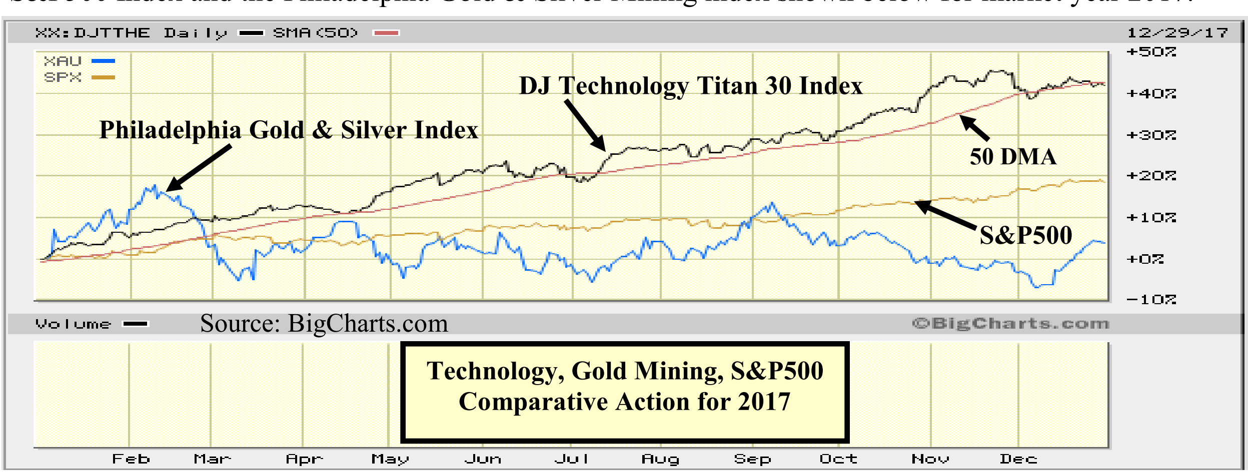
The table below is extracted from the all inclusive Table presented on Page 1.

Industrial Sectors	Banking	Biotech	Oil & N-Gas Exp. & Pro.	Energy Infrastructure	Energy Services	Financial Services	Gold & PM Mining	Healthcare	Internet
	BNK	BIO	ENG	ENI	ENS	FIN	GLD	HRC	NET
S-T	12/26/17 (25)	11/20/17 (65)	12/18/17 (85)	12/19/17 (15)	12/4/17 (88)	11/15/17 (70)	12/15/17 (90)	12/22/17 (20)	12/26/17 (45)
L-T	12/4//17 (75)	12/18/17 (60)	12/28/17 (60)	12/18/17 (60)	12/22/17 (56)	12/4/17 (70)	12/26/17 (65)	12/28//17 (60)	12/15/17 (75)

0ndustrial Sectors	Commodity Materials	Nat. Resource Equities	Real Estate	Retailing	Technology	Telecom	Transportation	Utilities
	NRC	NRE	REA	RTL	TEK	TEL	TRN	UTL
S-T	12/19/17 (95)	12/28/17 (85)	12/28/17 (70)	12/7/17 (30)	12/28/17 (20)	12/21/17 (25)	11/24/17 (75)	12/18/17 (40)
L-T	12/21/17 (65)	12/18/17 (60)	12/21/17 (35)	9/15/17 (90)	7/10/17 (65)	12/4/17 (95)	12/4/17 (65)	12/13/17 (15)

Industrial Sectors have had a more mixed palate of Red and Green lights throughout the year. There are currently 24 Green leaning lights and 10 Red leaning lights. Double Greens (both S -T Daily Data and L - T Weekly Data) including Neutral leaning colors include Biotech, Energy Exploration & Producing, Energy Services, Financial Services, Gold Mining, Commodity Materials, Natural Resources Equities, and Transportation. Utilities is the only Double Red at this time.

This years' rally has been led by several technology sectors. In particular, any technology sector that has a big component of growing revenues and hopefully growing positive earnings. Let's take a look at the current technical analysis picture of the Dow Jones Technology Titan 30 Index compared to the S&P500 Index and the Philadelphia Gold & Silver Mining index shown below for market year 2017.

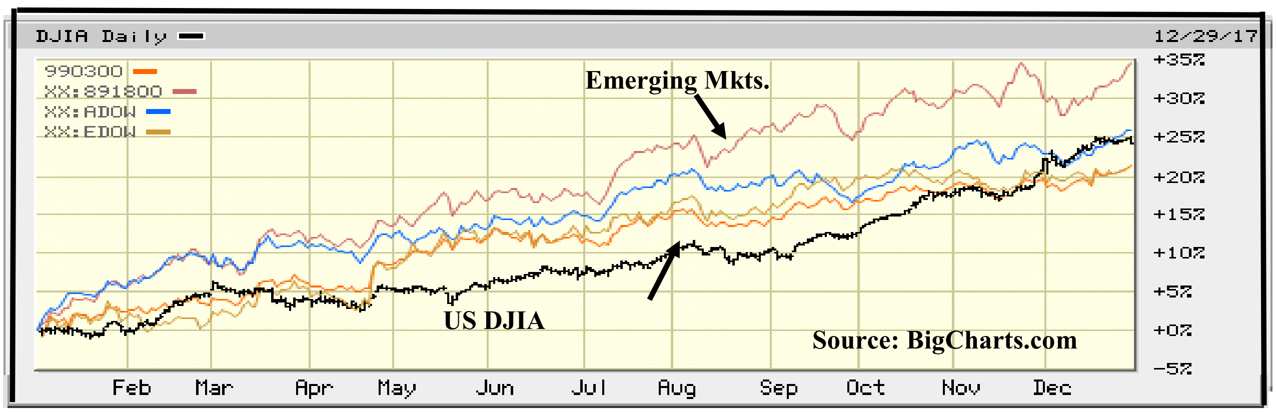


INTERNATIONAL MARKETS

The International Markets have a mixture of Red and Green lights on our TAA Table on page 1, are shown below:

Foreign Equity	Foreign Developed	Emerging Markets	China Equity	India Equity	Europe Equity	Russia Equity	Japan Equity	Latin America	S E Asia x Japan
	IEQ	EMM	CHI	IND	EUR	RUS	JPN	LAT	PAC
S-T	12/4/17 (45)	11/13/17 (80)	12/15/17 (95)	12/28/17 (40)	12/18/17 (45)	12/28/17 (80)	12/4/17 (15)	12/13/17 (60)	12/28/17 (75)
L-T	12/5/17 (50)	11/20/17 (35)	12/4/17 (45)	10/13/17 (85)	9/11/17 (60)	12/4/16 (35)	1/23/17 (65)	10/9/17 (50)	12/29/17 (60)

There are double Pink lights for Foreign Developed, that was an improvement from Double Red since early December to Neutral. S.E Asia is Double Green and Europe is Neutral Green for Daily data and has been Green for weekly data since 9/11/17. Emerging Markets, China, Russia, and Latin America have improved to Short Term green since the middle of December. A number of commentaries I hear from CNBC guests is that International Markets are more undervalued than the US Equity markets and therefore that is where they believe the investment opportunities lie as we move into 2018. It is true that international markets have been slower in their recovery from the Credit Crisis of 2008/2009, but 2017 has seen substantial international equity market recovery. Consequently, their relative action in 2018 will likely depend somewhat on how fast US interest rates rise. The chart below shows the price action for calendar year 2017 for some key Global Markets.



Included are the Developed Market MSCI Index -EAFE (Orange - 990300), Emerging Market MSCI Index - EM (Red - xx:891800), Dow Jones Asia 30 - ADOW (Blue) Index , Dow Jones Europe 30 Index - (Gold - EDOW index), and the Dow Jones Industrial Index (Black - DJIA (Black) for comparison. The ADOW and the EDOW are composed of 30 Blue Chips in their respective Regions with the same procedure as the Dow Jones Industrial index is constructed for the U.S. market.

Emerging Markets began a consistent rally at mid January a year ago that peaked in third week of November, 2017. A correction ensued that bottomed at the end of the first week in December. The Emerging Markets ended the year at the high it had in November. The Europe equity rally was in a modest positive slope at the election, but jumped up sharply after the first week in December, 2016. Bottom line. International markets have been positive in 2017. At this point, 2018 looks like a another up market for the International Markets. Nevertheless, we are watching closely for technical action that would change the International outlook.

BOND MARKETS

Fixed Income	International Non-$Hedged	Emerging Market	Inv. Grade Corporate	High Yield Corporate	Intermediate U.S. Gov.	Long Term U.S. Gov.	Long Term Municipal
	FGN	FEM	FIC	FHY	FIM	FLT	FMU
S-T	12/28/17 (81)	12/18/17 (70)	12/21/17 (50)	12/26/17 (80)	12/22/17 (50)	12/15/17 (81)	12/28/17 (55)
L-T	12/7/17 (31)	12/5/17 (65)	10/2/17 (55)	11/8/17 (45)	11/27/17 (55)	12/26/17 (38)	12/28/17 (60)

For the Fixed Income sectors we monitor, we track the price trends of bond securities. Therefore, Green lights mean bond prices are rising and consequently interest rates are declining for that sector for the time period of interest. Currently Double Green leaning lights are showing for Emerging Markets and Long Term Municipal bonds. Note that there are 7 Green leaning lights and 7 Red leaning lights. Sort of a neutral picture. In general, interest rate trends are not as volatile as equity trends. I normally put more emphasis on weekly trends (L - T) where there are 4 Red leaning and three Green leaning. I expect that the long awaited trend towards more normal level of Treasury rates relative to inflation is closer at hand.

The bond markets, in general, have performed better in 2017 than I expected. The FED raised the Fed Funds rate again in December, as in 2016 and in December 2015, and there is expectation of a rise again in March. The FED plan is currently for 2 to 3 additional raises in 2018. Of course, it is data dependent as the FED likes to say. If the economic growth trend continues in 2018, there will be more pressure on the Federal Reserve to continue to normalize the Fed Funds rate towards a 1.0% over inflation levels. If inflation stays in the 2% range, then the Fed Funds could move towards the 3% level during 2018 or even into 2019.

The chart below shows the 36 year yield trend of the 10 year Treasury Note rate. It has risen to the 2.5% level after forming a double bottom in July, 2012 and June of 2016. A move above the 3% level would be a strong indication that the 36 year plus Bull market in the Treasury bond market is over. However, I don't expect a rise in interest rate to the double digit levels existing in the early 1980s. Prior to the Credit Crash (2008/2009) the 10 year typically traded around 2% over the inflation rate. So 4% over the next couple of years is probable.

I have read where wages make up about 70% of the inflation rate because wages are involved in the production of most all goods and services. They have been somewhat static over the last generation or so in developed countries. Mainly a result of globalization, technology advancements and over production of goods from large emerging economies of the world with cheaper labor cost. As the emerging economies mature, domestic wages will benefit in my judgment.

SUMMARY AS OF 12/31/17

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	LCB	LCG	LCV	MCB	MCG	MCV	SCB	SCG	SCV
S-T	12/15/17 (20)	12/28/17 (40)	12/7/17 (5)	12/4/17 (35)	12/28/17 (35)	12/7/17 (30)	12/21/17 (70)	12/26/17 (65)	12/7/17 (30)
L-T	7/11/17 (85)	7/30/17 (90)	11/21/17 (85)	9/19/17 (90)	9/15/17 (75)	9/21/17 (85)	9/19/17 (55)	11/21/17 (70)	12/18/17 (35)

Industrial Sectors	Banking	Biotech	Oil & N-Gas Exp. & Pro.	Energy Infrastructure	Energy Services	Financial Services	Gold & PM Mining	Healthcare	Internet
	BNK	BIO	ENG	ENI	ENS	FIN	GLD	HRC	NET
S-T	12/26/17 (25)	11/20/17 (65)	12/18/17 (85)	12/19/17 (15)	12/4/17 (88)	11/15/17 (70)	12/15/17 (90)	12/22/17 (20)	12/26/17 (45)
L-T	12/4//17 (75)	12/18/17 (60)	12/28/17 (60)	12/18/17 (60)	12/22/17 (56)	12/4/17 (70)	12/26/17 (65)	12/28//17 (60)	12/15/17 (75)

0ndustrial Sectors	Commodity Materials	Nat. Resource Equities	Real Estate	Retailing	Technology	Telecom	Transportation	Utilities
	NRC	NRE	REA	RTL	TEK	TEL	TRN	UTL
S-T	12/19/17 (95)	12/28/17 (85)	12/28/17 (70)	12/7/17 (30)	12/28/17 (20)	12/21/17 (25)	11/24/17 (75)	12/18/17 (40)
L-T	12/21/17 (65)	12/18/17 (60)	12/21/17 (35)	9/15/17 (90)	7/10/17 (65)	12/4/17 (95)	12/4/17 (65)	12/13/17 (15)

Bottom line, the weekly data (L - T) has only 3 out of 26 Red leaning lights, while the Daily (S - T) data has 15 Red leaning lights. The Market Capitalization Styles flatten a little during the last week of the year giving a short term Red bias. However, the Weekly data remained Green leaning. Sector rotation towards manufacturing type sectors like Commodity Materials, Natural Resource Equity, Transportation, Energy related and Financial Services are bullish signs of economic growth.

The first week of January is often bullish, so let's see if the Red leaning picks up more followers or the market continues with the Bullish thrust of 2017. Passing the Trump Tax plan on Christmas eve did help keep the Small Cap Style leaning Green and should help the economic growth to move the market higher in 2018, at least until the campaign rhetoric heats up in the summer as the midterm elections in November come into focus. I believe the Bulls will win the 1st half of 2018, but negative volatility will be greater in 2018 than it was in 2017. That is, a 10% or greater correction along the way would not be a surprise.

The current approximate net market exposure for our investment strategies, at progressive dates, are shown in the table below (6/30/17 - 12/31/17). In general, the market has had a strong positive move for 2017. Consequently, the variations in net market exposure have been modest for most of this period with a ramp up at the beginning of November as a year-end rally emerged. The changes for the most part are a result of changes in Swing positions of our Flexible Portfolio Method of investment management.

	6/30	7/31	8/31	10/31	11/30	12/31
	%	%	%	%	%	%
Growth Portfolio Plus (GPP)	69	70	76	79	93	97
Focus List Plus (FLP)	85	86	91	89	91	89
Asset Allocation Portfolio Plus (AAPP)	92	89	87	87	87	91
Global Opportunity Plus (GOP)	83	86	90	87	90	93
Equity Income Portfolio Plus (EIPP)	85	81	84	85	85	88
Portfolio Income Plus (PIP)	83	84	83	87	91	90
MLP Energy Infrastructure Plus (MLPP)	88	87	49	62	61	74
Energy/Defense/Resources (EDRP)	86	92	89	90	89	97
Precious Metals Plus (PMP)	75	73	67	71	71	80
Global InDe-flation Plus (GIP)	85	87	91	92	92	92
Diversified Income Taxable Plus (DITP)	42	70	89	92	92	91

Note: The net market exposure values indicated are approximate since individual account exposure can very somewhat from these values. Also, accounts opened during the calendar year may

differ since we normally phase in exposure. These reported allocations are a snapshot at the dates indicated and do not necessarily represent the average allocation during the reporting period. 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 any 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.

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***Past performance is not a guarantee of future results*.**

NOT FDIC INSURED ~ NOT BANK GUARANTEED ~ MAY LOSE VALUE

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 from 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. No investment strategy can guarantee success.

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 any specific sector are subject to fierce competition and their products and services may be subject to rapid obsolescence.

High-yield bonds are not suitable for all investors. Dollar cost averaging does not assure a profit and does not protect against loss. It involves continuous investment regardless of fluctuating price levels of such securities. Investors should consider their financial ability to continue purchases through periods of low price levels. U.S. Treasury securities are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and guaranteed principal value.

The prominent underlying risk of using bitcoin as a medium of exchange is that it is not authorized or regulated by any central bank. Bitcoin issuers are not registered with the SEC, and the bitcoin market place is currently unregulated. Bitcoin and other cryptocurrencies are a very speculative investment and involves a high degree of risk. Investors must have the financial ability, sophistication/experience and willingness to bear the risk of an investment, and a potential total loss of their investment. Securities that have been classified as Bitcoin-related cannot be purchased or deposited in Raymond James client accounts.

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 500 conventual and exchange traded 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, 45 styles and sectors are analyzed and 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 shows 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 number (i.e., the % 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 view-point 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.

Index Definitions

U.S. Market Index Information:

The Dow Jones Industrial Average (DJIA) is an unmanaged index of 30 widely held securities.

The Dow Jones Transportation Average is the most widely recognized gauge of the American transportation sector.

The Dow Jones Utility Average keeps track of the performance of 15 prominent utility companies.

The S&P500 is an unmanaged index of 500 widely held stocks.

The S&P Mid Cap 400 index is a capitalization-weighted index that measures the performance of the mid-range sector of the U.S stock market.

The S&P Small Cap 600 Index is an unmanaged index of 600 small-cap stocks.

The NASDAQ Composite Index is an unmanaged index of all stocks traded on the NASDAQ over-the-counter market.

The Russell 2000 index is an unmanaged index of small cap securities which generally involve greater risk.

The BW Bank Sector (BKX) is a capitalization weighted index composed of 24 geographically diverse stocks representing national money center banks and leading regional institutions.

The NYSE Arca Biotechnology index (BTK) is an equal dollar weighted index designed to measure the performance of a cross section of companies in the biotechnology industry that are primarily involved in the use of biological processes to develop products or provide services.

The NYSE Arca Oil index (XOP) is a price-weighted index of the leading companies involved in the exploration, production, and development of petroleum.

The PHLX Semiconductor Sector Index (SOXX) measures the performance of U.S. traded securities of companies engaged in the semiconductor business, which includes companies engaged in the design, distribution, manufacture, and sales of semiconductors.

The Philadelphia Gold and Silver index (XAU) is an index of 16 precious metal mining companies that are traded on the Philadelphia stock Exchange.

The Value Line Geometric index is a broad based index of equally weighted approximately 1675 stocks selected by the Value Line company from the NYSE, American Stock Exchange and the NASDAQ Over-the-counter stock market.

Dow Jones Technology Titans 30 Index - Represents leading companies in the global Technology sector. The index includes 30 stocks selected based on rankings by float-adjusted market capitalization , revenue and net profit.

AMZ - Alerian MLP Index - is an index that is a composite of 50 energy infrastructure MLP constituents that represent approximately 75% of total market capitalization.

Foreign Markets Index Information:

The MSCI EAFE Index is recognized as the pre-eminent benchmark in the United States to measure international equity performance. It comprises the MSCI country indexes that represent developed markets outside of North America: Europe, Australasia and the Far East.

The MSCI Emerging Market Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of over 800 securities in 23 markets representing approximately 13% of world market cap; Brazil, Russia, India, China, Colombia, Mexico, Peru, Czech Republic, Greece, Egypt, Hungary, Poland, Qatar, South Africa, Turkey, United Arab Emirates, Indonesia, Korea, Malaysia, Philippines, Taiwan, and Thailand.

The Hang Seng is a free-float capitalization-weighted index of a selection of companies from the Stock Exchange of Hong Kong. The components of the index are divided into four sub indices: Commerce and Industry, Finance, Utilities, and Properties. The index was developed with a base level of 100 as July 31, 1964.

The Shanghai Stock Exchange 180 A-Share Index is a free float-weighted index. The index tracks the daily price performance of the 180 most representative A-Share stocks listed on the Shanghai Stock Exchange.

The Dow Asia index (ADOW) and the Dow Europe index (EDOW) are 30 Blue Chip companies in these respected regions that is developed by the same organization and process as the Dow Jones Industrial Average is composed.

The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index and is a subset of the STOXX Global 1800 Index. The Global 1800 Index provides a broad yet liquid representation of the world's most developed markets with a fixed number of 1800 components.

Dow Jones Asian Titans Index is a market capitalization-weighted index of Asia-Pacific stocks designed to capture the blue-chip leaders of the region. The stock universe is the Dow Jones Asia-Pacific Index, from which the 50 largest Japan-based and 50 largest non-Japan based stocks are selected. The two lists of 50 stocks are given final rankings based 60% on market cap, 20% on current revenues and 20% on current net income levels. The top 25 members are then chosen from each list for the Asian Titans Index, half of which will be made up of Japan-based companies.

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