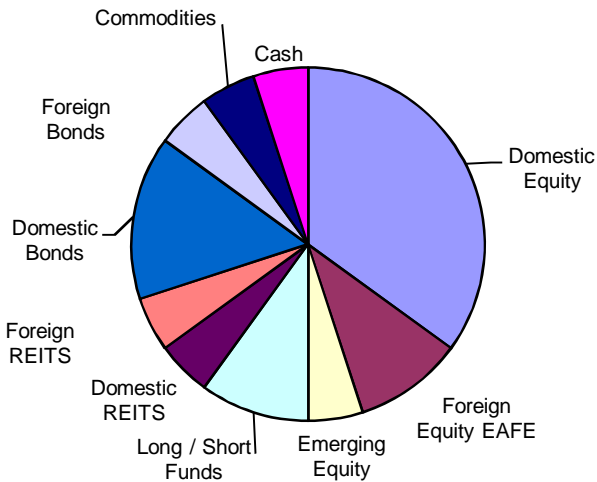


Cojo Bay Advisors
Strategic vs. Tactical Asset Allocation
January 2012

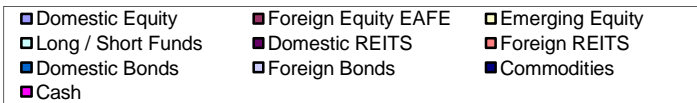
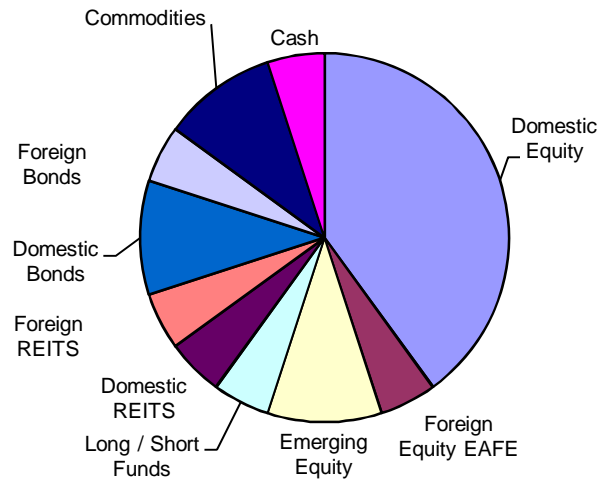
Cojo Bay Advisors Market Review

<u>Asset Class</u>	Long Term	Short Term	<u>Overweight</u> <u>Underweight</u>
	<u>Strategic</u> <u>Allocation</u>	<u>Tactical</u> <u>Allocation</u>	
1 Domestic Equity	35%	40%	5.0%
2 Foreign Equity EAFE	10%	5%	-5.0%
3 Emerging Equity	5%	10%	5.0%
4 Long / Short Funds	10%	5%	-5.0%
5 Domestic REITS	5%	5%	0.0%
6 Foreign REITS	5%	5%	0.0%
7 Domestic Bonds	15%	10%	-5.0%
8 Foreign Bonds	5%	5%	0.0%
9 Commodities	5%	10%	5.0%
10 Cash	5%	5%	0.0%
	100%	100%	

Strategic Portfolio Allocation
Long Term



Tactical Portfolio Allocation
Short Term



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Portfolio Discussion

1 Domestic Equity - OVERWEIGHT

There is an old Wall Street saying that "As January Goes, So Goes The Year." Looking at the strong performance in January, I wish and hope that it is true. But with all the headwinds facing the developed world, there is no way that the next 11 months will be as beneficial to investors as the last 31 days were. Still after a 2011 that most investors would rather forget, we believe that 2012 will be better and expect equity returns that are much closer to the long-term average. With that assumption in mind, we are overweighting domestic equities.

2 Foreign Equity - UNDERWEIGHT

We all know about Europe's current situation and most of us believe that it will eventually fix itself. The question is when? It is hard to believe that an actual SOLUTION to the debt crisis will be realized in 2012. We feel comfortable avoiding Europe for the rest of the year. As for Japan, Japan is still Japan. There may be a trade there but nothing to really invest in. The strong Yen is killing their exports. Australia is a very different situation. We still like the Aussies and their abundance of natural resources. We have been invested in Australia for some time and continue to believe in the thesis.

3 Emerging Markets Equity - OVERWEIGHT

We continue our overweight stance on Emerging Markets based on their growth potential and their ample supply of natural resources. We still believe in the growth stories taking place in the BRIC countries. Their domestic consumption potential is powerful as they develop a Middle Class. In particular, we like Brazil's increased consumer power and exposure to natural resources. Brazil is politically stable, it has a growing and educated population, and it is energy self-sufficient.

4 Long / Short Funds - UNDERWEIGHT

With our bullish view of the U.S. Equity market expressed above, we are reducing our weighting in the Long/Short sector. We still believe in the Hussman Strategic Growth Fund as a way to hedge portfolio risk but we do not feel a full weighting is necessary at this time.

5 Domestic Real Estate - Neutral

Commercial Real Estate has finally started to show signs that the worst may be behind it. The continued rebound in US economic growth should supply the demand in real estate assets that will support REIT valuations. Our allocation provides us with diversification and a hedge against future inflation as rents can theoretically rise with the cost of living.

6 Foreign Real Estate - Neutral

Attractive valuations versus possible currency defaults equals a neutral stance on Foreign Real Estate. We'd like to be more positive here but the chance of the crisis getting worse before it gets better is REAL!

7 Domestic Bonds - UNDERWEIGHT

Nothing new here! We still fear U.S. Treasury securities due to the massive supply of government paper hitting the market although TIPS may be a viable option considering our inflation expectations. High Yield bonds continue to perform well although the risk is still high!

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8 Foreign Bonds - Neutral

We are still not comfortable with the health of the European debt markets with their governments and banks in such a position. We continue to believe in the debt of Emerging Markets as they benefit from an abundance of raw materials and a solid domestic banking system.

9 Commodities - OVERWEIGHT

Lets face it, the US recovery needs lower unemployment and lower unemployment will generate wage inflation! The developed countries of the world have pumped an amazing amount of currency in the system. Labor will demand wages based on expected inflation. And when you are talking about inflation, expectations become reality. Commodities provide us with a necessary hedge against inflation.

10 Cash - Neutral

Cash is still yielding almost nothing and the equity market looks healthier. We believe it is time to remove the over-weight allocation and go to a neutral stance.