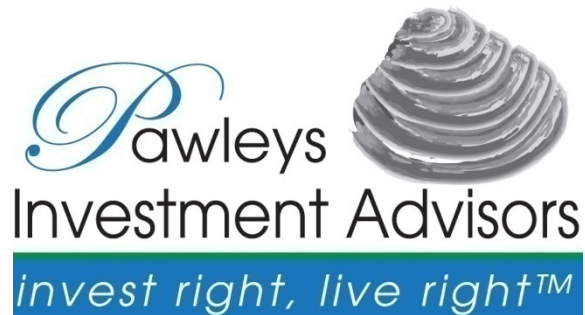


First Quarter 2012 Insights

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Pawleys Investment Advisors, LLC

invest right, live right™

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March 30, 2012

First Quarter 2012 Insights

- Caution and Optimism
- The U.S. and Global Economy
- Jobs and Housing
- Mutual Fund Flows
- Overvalued Stock Market?
- Performance Update
- *invest right, live rightTM*

A Balanced View of the Economy and Markets

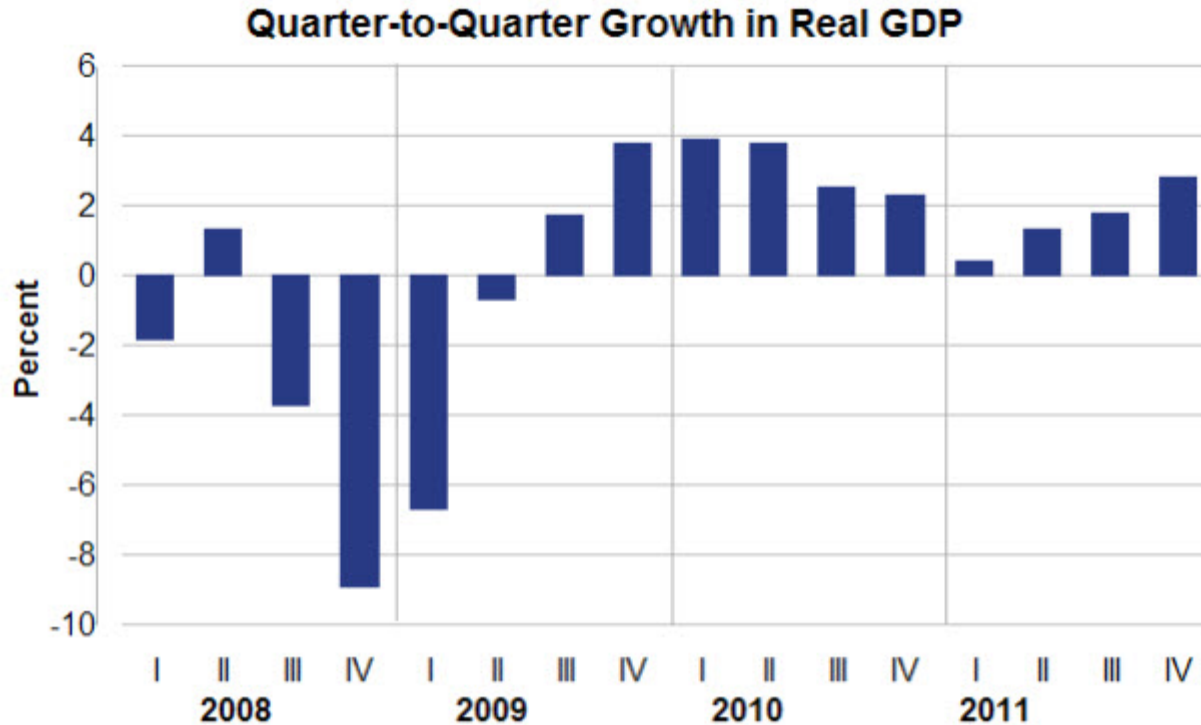
Caution:

- Rising oil prices
- Greek default and slowing growth in Eurozone and China
- Global debt overhang
- Skepticism and lack of investor confidence
- Election year uncertainty

Optimism:

- Solid corporate earnings and still over \$2 trillion cash on U.S. corporate balance sheets
- Improving jobs and housing picture
- Credit markets healthier, banks are lending
- Leading Economic Indicators continue to rise

The U.S. Economy has Grown for 2 ½ Years



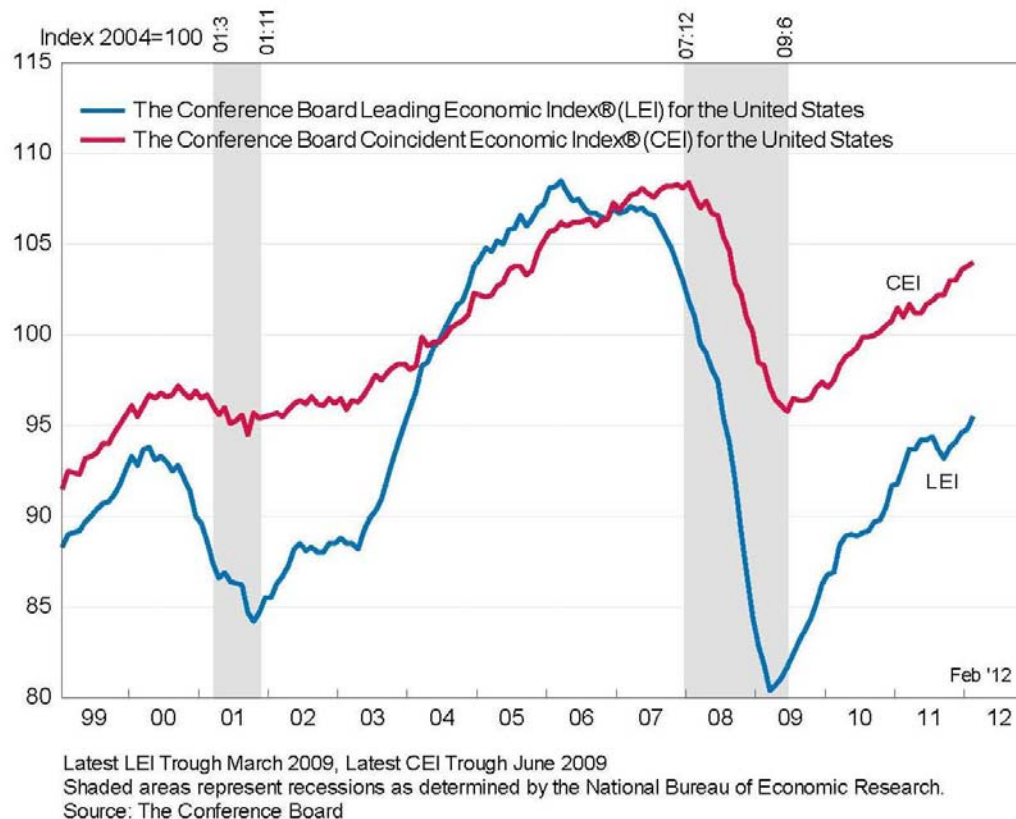
Real GDP growth is measured at seasonally adjusted annual rates.

U.S. Bureau of Economic Analysis

The quality of our research relies on the accuracy of data and information provided by companies and third parties.
PIA does not guarantee completeness or accuracy. Future results cannot be guaranteed.

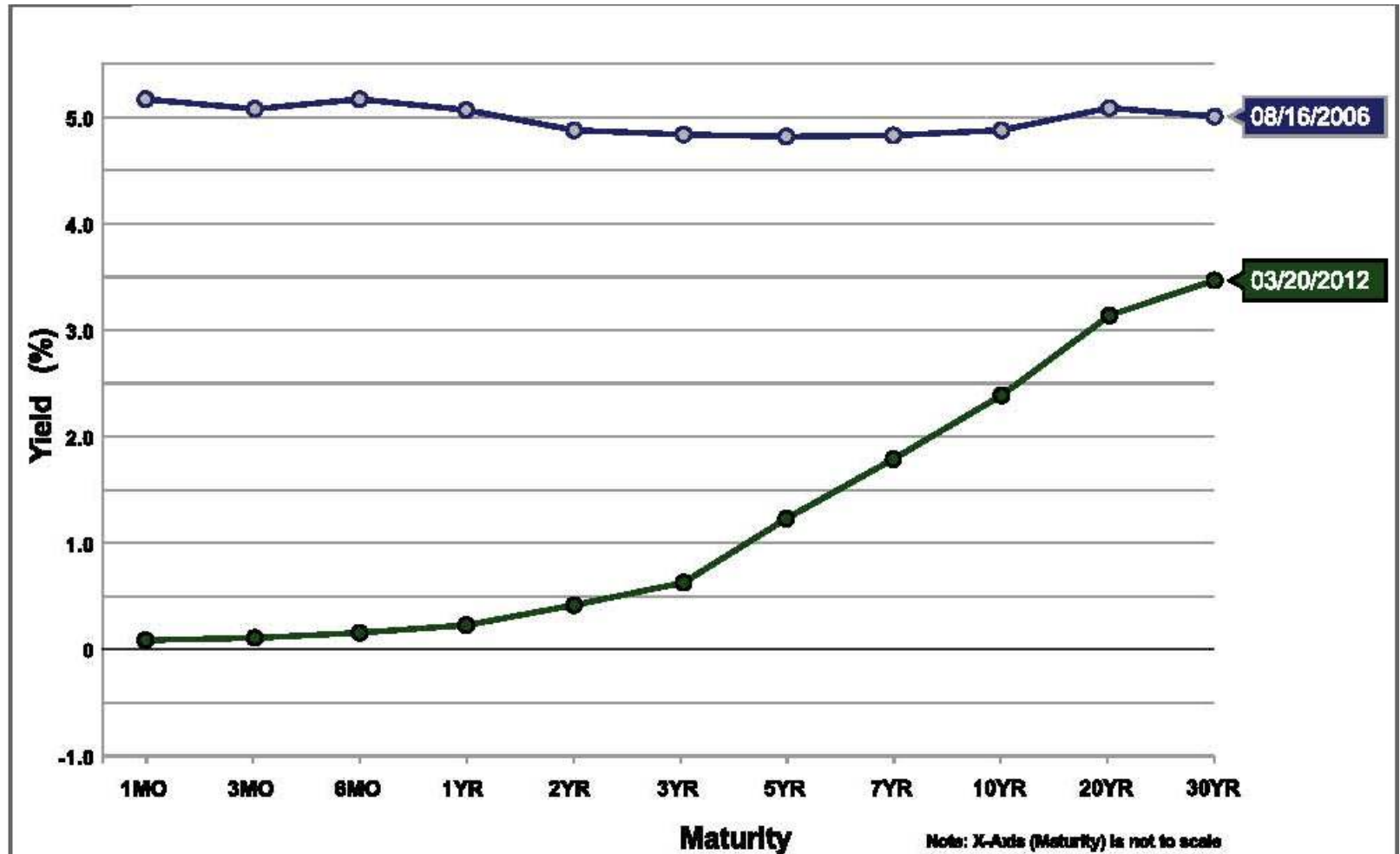
Leading Economic Indicators Remain Up

The Conference Board Leading Economic Index® (LEI) for the U.S. Increases in February



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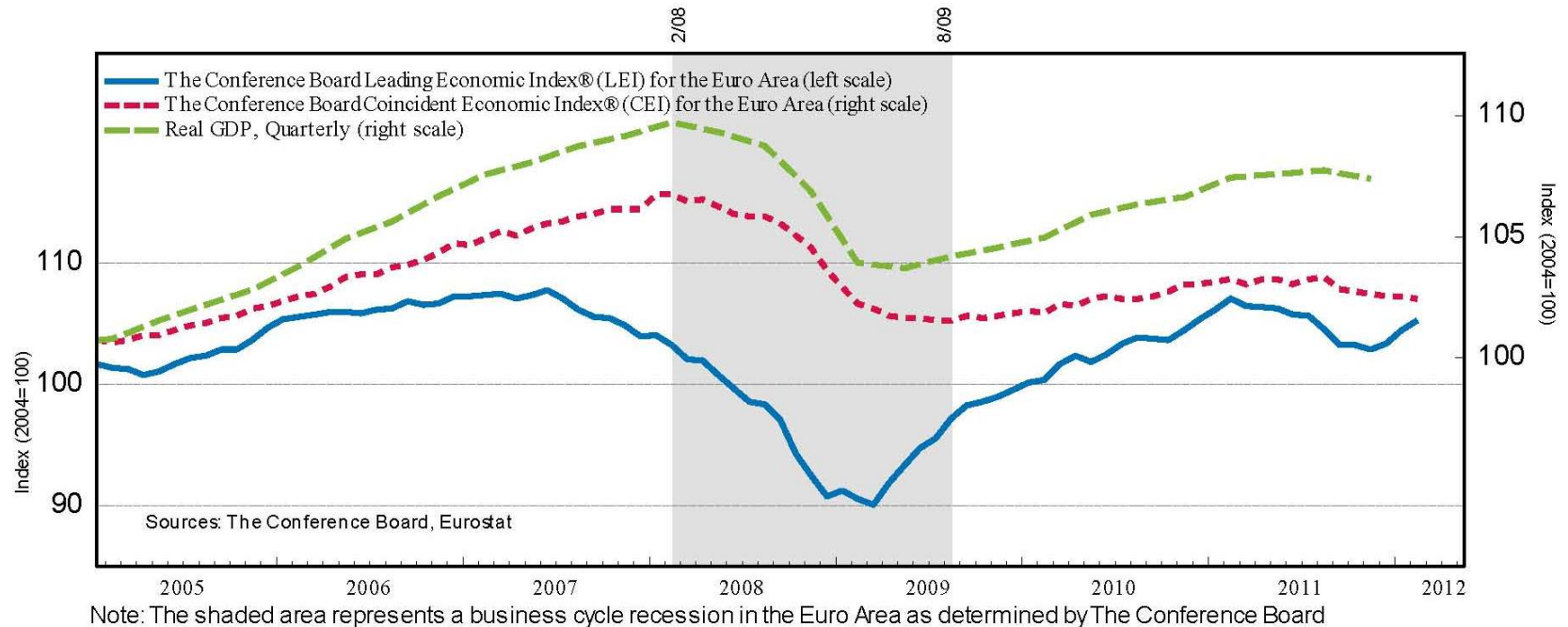
Shape of U.S. Treasury Yield Curve



Source: U.S. Treasury. The quality of our research relies on the accuracy of data and information provided by companies and third parties. PIA does not guarantee completeness or accuracy. Future results cannot be guaranteed.

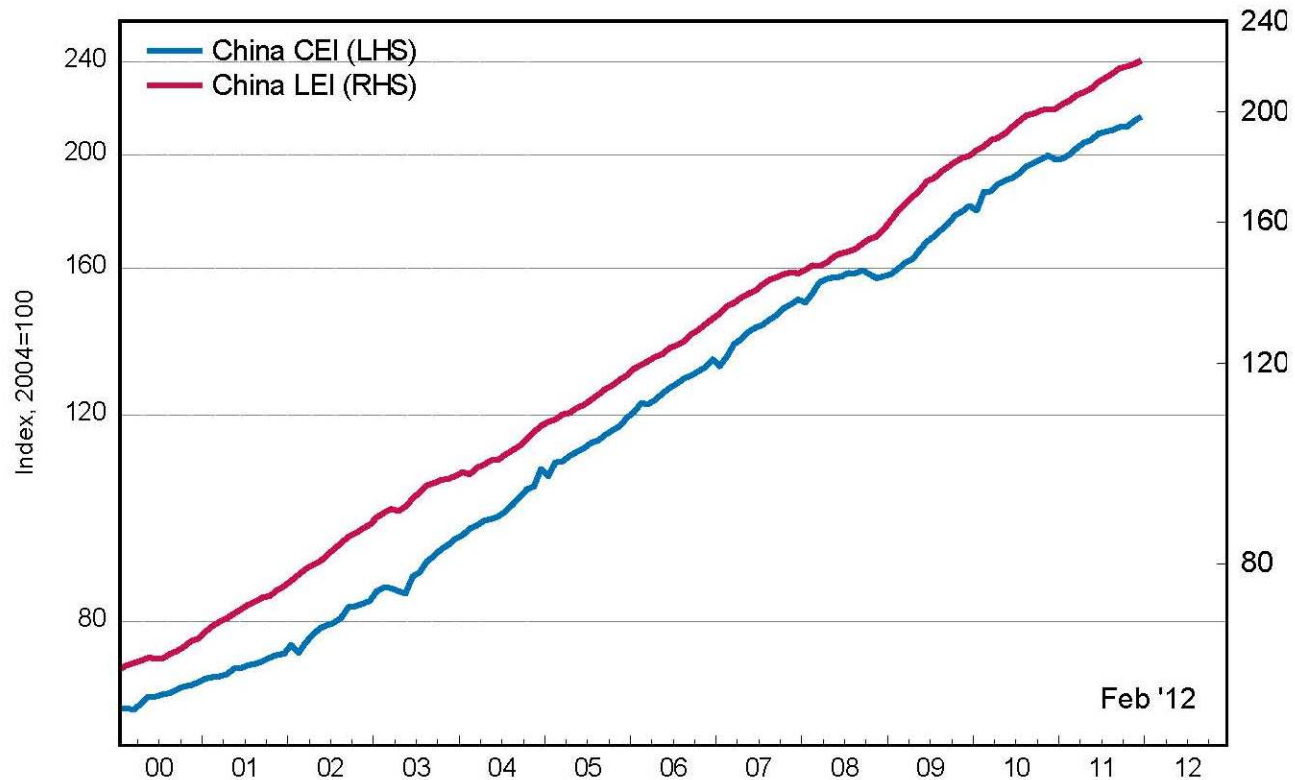
Eurozone LEI's

The Leading Economic Index Increases Again in February



China LEI's

The Conference Board Leading Economic Index[®] (LEI) for China Increased again in February



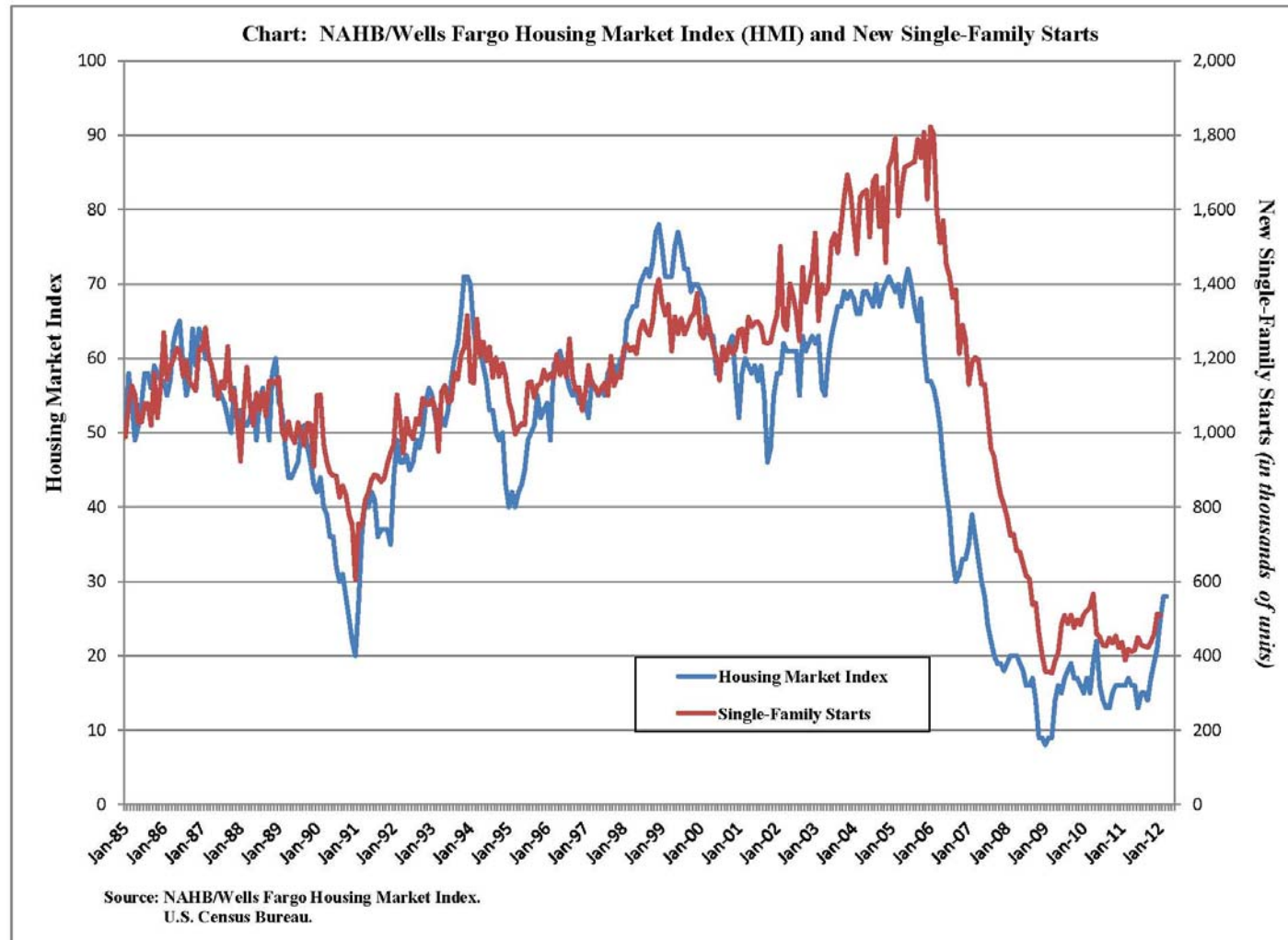
Source: The Conference Board. The quality of our research relies on the accuracy of data and information provided by companies and third parties. PIA does not guarantee completeness or accuracy. Future results cannot be guaranteed.

Unemployment Falls to 8.3%: An Example of True Job Growth

- Caterpillar announced it will invest \$20 million to expand its Sumter, SC location, resulting in new jobs. Caterpillar will relocate hydraulic cylinder production currently done in Joliet, IL, freeing up capacity and enabling that facility to meet rising demand of mining and construction equipment.

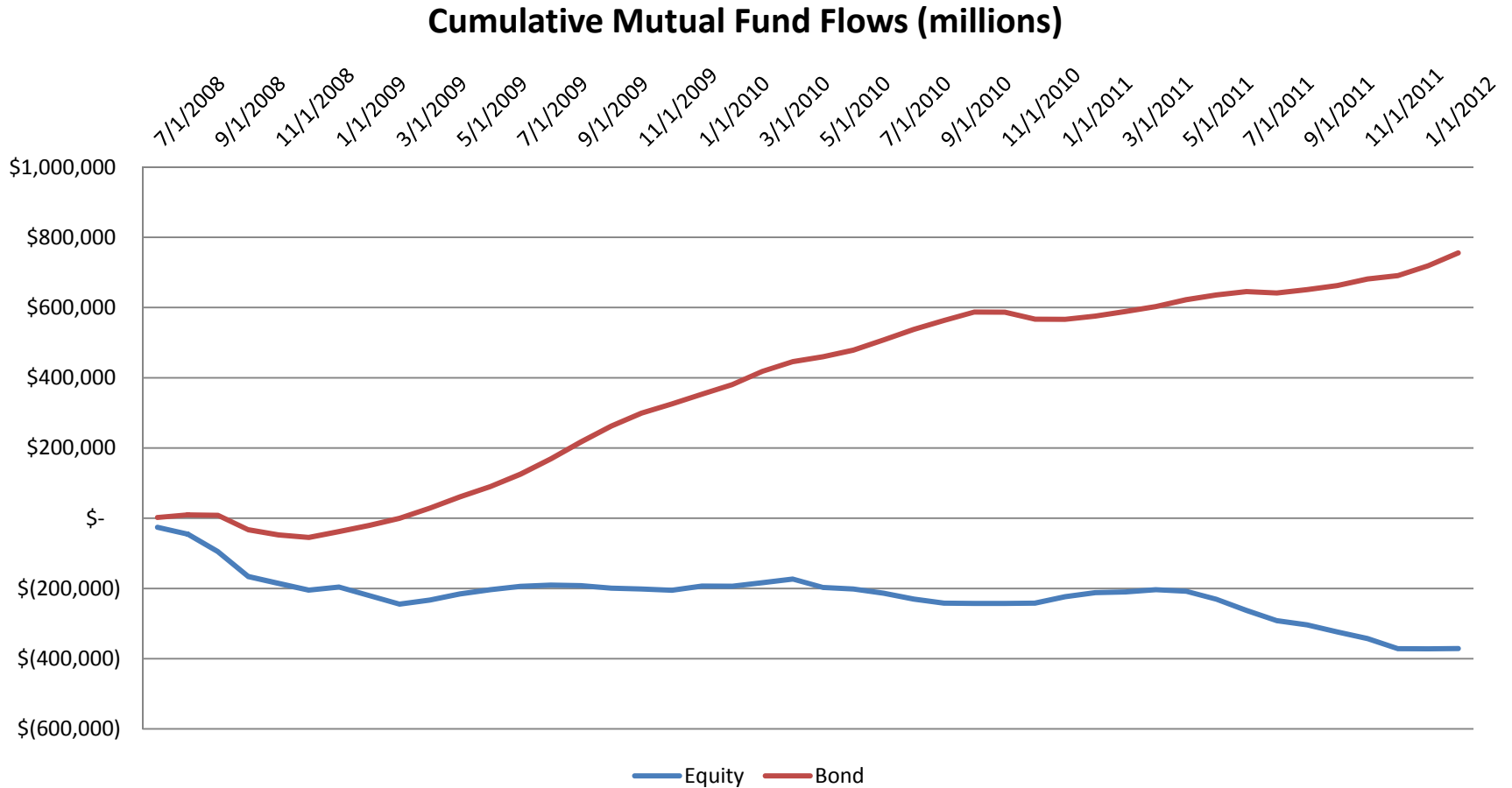


Housing Uptick Could be Significant Driver of Growth



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Investors are Still Avoiding Stock Mutual Funds



Source: ICI. The quality of our research relies on the accuracy of data and information provided by companies and third parties. PIA does not guarantee completeness or accuracy. Future results cannot be guaranteed.

Overvalued Stock Market?

- Investors still moving out of equity mutual funds, over \$400 billion liquidated since 2007...
- ...Yet this month S&P hits 4 year highs
- Dividend yields on stock of most large companies still surpass the 10 year US Treasury of 2.35% (see PIA Dividend Portfolio)
- Remaining skepticism is actually very healthy for the stock market, excessive optimism is cause for concern...stay tuned, we will get there in time as the economic cycle continues to expand

Sources: ICI, Interactive Data. The quality of our research relies on the accuracy of data and information provided by companies and third parties. PIA does not guarantee completeness or accuracy. Future results cannot be guaranteed.

S&P 500 has Passed the Peak of 2011



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PIA Dividend Portfolio

Portfolio Weight	Sector	Symbol	Dividend Yield	Company	Year to-date price change
9.23%	Consumer Discretionary	HD	2.36%	Home Depot Inc	14.8%
9.52%	Consumer Staples	KO	2.91%	Coca-Cola Co	0.3%
11.68%	Energy	XOM	2.17%	Exxon Mobil Corp	1.0%
19.82%	Financials	JPM	2.69%	JPMorgan Chase and Co	32.2%
		CS	4.99%	Credit Suisse Group AG	22.8%
11.64%	Health Care	PFE	4.01%	Pfizer Inc	0.3%
11.51%	Industrials	UTX	2.25%	United Technologies	13.5%
16.18%	Information Technology	IBM	1.46%	International Business Machines Corp	10.2%
		INTC	3.03%	Intel Corp	12.4%
3.23%	Materials	DD	3.07%	E I Dupont De Nemours	14.5%
3.75%	Telecommunication	VZ	5.05%	Verizon Communications Inc	-1.3%
3.44%	Utilities	PCG	4.20%	PG&E Corp	5.1%
			3.18%	average (not weighted)	

Data as of 3/18/2012. Please check with PIA to see if these ideas fit within your existing portfolio

Past performance does not indicate future results.

Datasource: Interactive Data

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Market Benchmark and PIA All-Equity Performance: 2012 Total Returns YTD

Benchmark Indices to Measure Against

Pawleys Investment Advisors All-Equity Portfolios

- S&P 500 Index: +11.76%
- Russell 2000 Index: +12.32%
- PIA Dividend Equity Portfolio: +11.11%
- PIA Growth Equity Portfolio: +12.47%

As of 3.27.2012. The performance calculations shown above are for informational purposes only and are not meant to take the place of your monthly statements. No adjustments have been made for fees or taxes. Future results cannot be guaranteed.

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