



March 15, 2011

Locust Capital Management
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RE: Global Markets & Japan

Dear Friends:

With a considerable amount of uncertainty regarding Japan and the recent global market volatility, we wanted to touch base with you and provide our perspective. These events have already created volatility and may continue to do so until the situation is under control. The S&P is down today approximately 1.0% as continued fears of a nuclear crisis remain in question. The Nikkei also fell approximately 10% which caused declines in other Asian and European Markets.

Though severe damage has occurred in Japan, it should be noted that Japan has extensive financial resources. The consensus is that the country will recover for the following reasons:

1. Japan's ability to borrow at low interest rates will allow them to finance reconstruction. After the initial expected decline, this reconstruction will stimulate their economy.
2. Bank of Japan will likely ease monetary policy thus easing credit and liquidity.
3. Lastly, Japan will receive financial assistance from abroad and through the repatriation of funds held outside the country by Japanese residents.

Therefore, Locust Capital believes that our client's portfolios are well positioned and no action is warranted at this time. As your Trusted Advisor, we will continue to monitor the global markets and will keep you informed if our position changes. Please feel free to contact us should you have any questions or require any additional information.

Warm regards,

Locust Capital Management, LLC