Portfolio Shift Commentary: June 11, 2015

Within the equity side of our portfolio, we added a new position in the banking sector using proceeds from our energy infrastructure/utility position. We feel that today's banks are structured very differently than they were ten years ago before we entered the 2008 financial crisis. Evidence of these positive trends are clear in the Fed's annual Comprehensive Capital Analysis and Review, commonly known as the "stress test." This year, 31 of the 31 banks were awarded a passing grade, and we see banks are exiting the stress test with more capital than when they entered the 2008 financial crisis.

Today banks have lowered their risk profiles and are more transparent. We believe this sector is positioned to benefit from improving loan growth and will see expanding Net Interest Margins as interest rates lift off higher later this year. In addition we feel the banking sector is attractively valued relative to other US sectors and have resumed paying healthy and growing dividends.

As always, we thank you all for your continued support and look forward to discussing any or all of our thoughts at your convenience.

Best Regards,

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