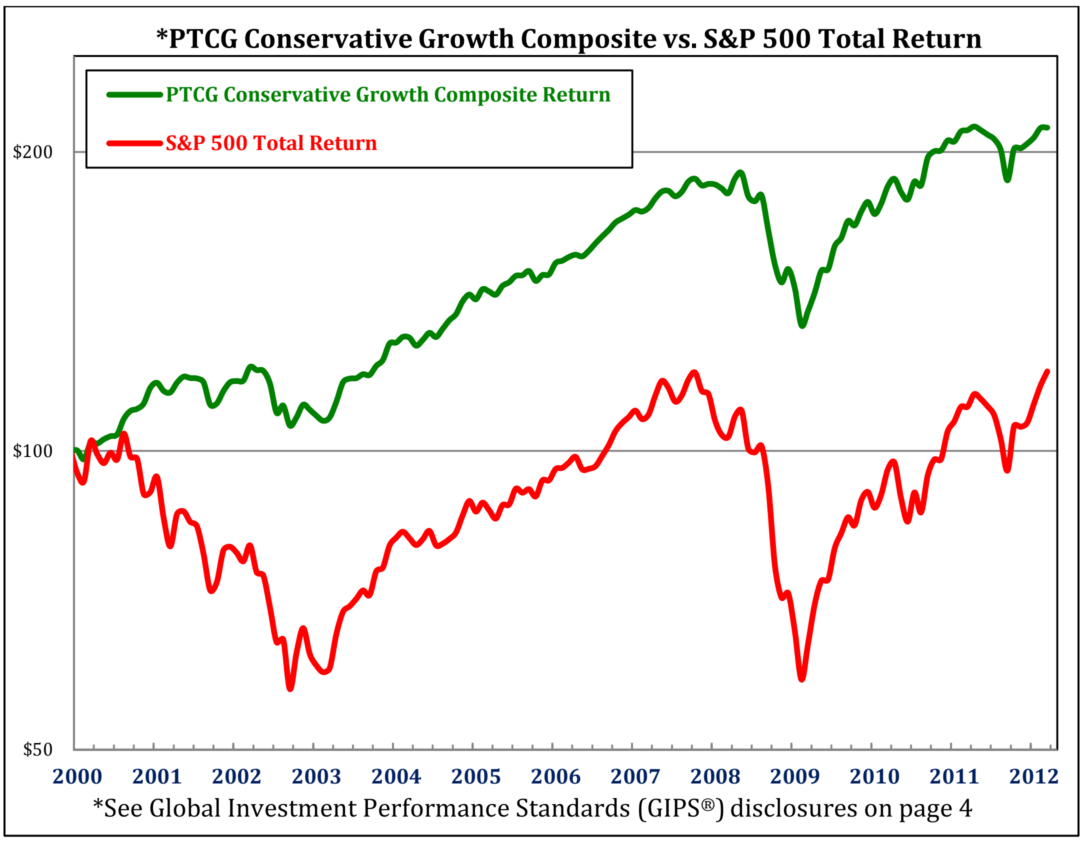
Another All-Time High

Delivering on our commitment to protect and grow your valuable assets.

The long-standing promise Pring Turner Capital Group makes to clients is our commitment to protect and grow your valuable assets. This past quarter once again demonstrates how we have delivered on that commitment. The typical long-term Pring Turner client, adjusting for withdrawals, achieved another all-time high in portfolio value. This new high achievement marks the 11th year of the past 13 years clients can make this claim. It is especially notable considering this treacherous timeframe represented one of worst periods for stocks in the last century.

As we pointed out in our January Newsletter "entering 2012, investors will be buffeted by both positive and negative crosscurrents." This past quarter benefited handsomely from the positive crosscurrents, even more than we anticipated as stock market performance was strong. As the chart illustrates we are pleased to report the typical portfolio reached new high levels, an accomplishment few individual investors or even professionals can assert.

Outperforming the S&P 500 since 2000, while taking less risk.



Our goal looking forward is to perform even better in the challenging years ahead.

To say the past 13 years has been challenging may be a slight understatement because the total return (dividends included) for the stock market has disappointed investors with one of the worst performances in American financial history. This extended dismal period includes two devastating 50%+ stock market declines and raised havoc for most investors and especially retirees dependent on a stable portfolio and income to supplement living expenses. We are pleased to report clients who have been with us during this timeframe have indeed seen their wealth protected and steadily earned positive returns while taking less risk. We are committed to do even better for you in the next decade. **(Continued on backside)**

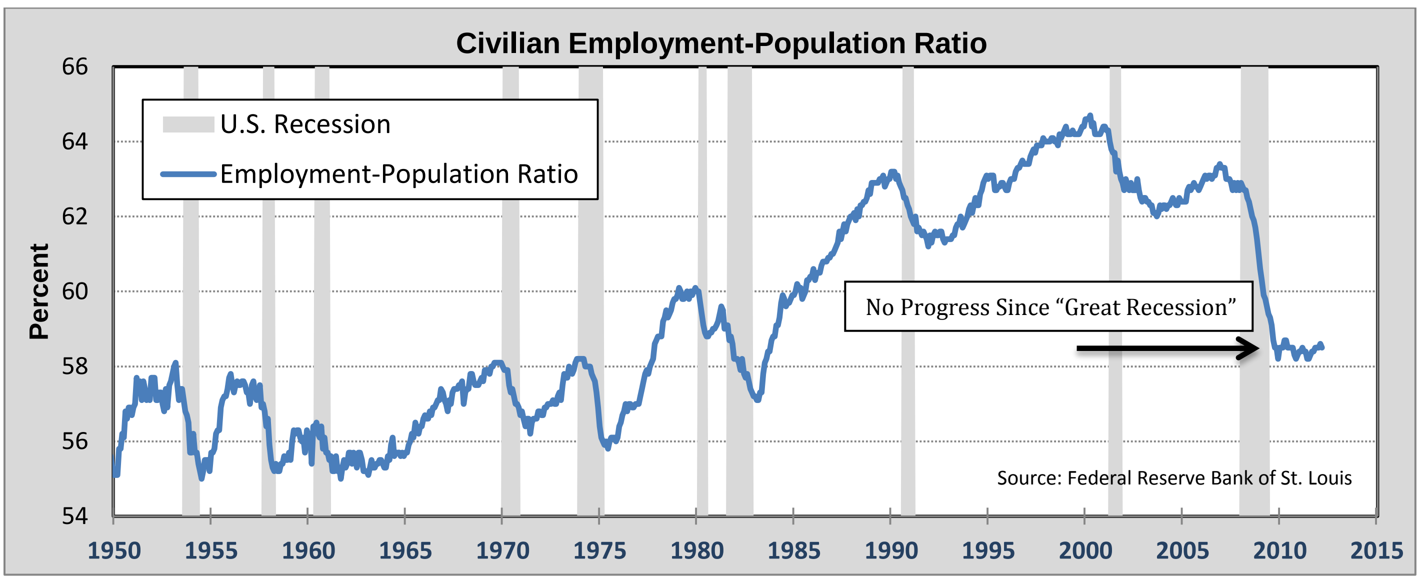
Business Cycle Outlook

This business cycle continues to make slow progress. This slow recovery is typical of economic expansions that develop after experiencing deep financial crises such as the painful 2008-2009 melt-down. Decision-makers everywhere are understandably cautious which supports both good and bad scenarios. Good in that no unhealthy excesses have developed, yet bad in that cautiousness restrains spending and new investments. The outcome is a labored economic recovery.

Longer term one big reason we have low expectations for this and future business cycle expansions relates to the link between employment and consumer spending. This link is important because consumer spending drives nearly 70% of the nation's business activity. The American consumer still has concerns for their job security, and rightly so, resulting in cautious spending for goods and services. The secular bear market theme we outlined in our "Lost Decade" article, published in late 2009, can in part be explained by the continuing U.S. struggle to reverse the long-term structure of American job losses.

Recent monthly employment statistics reflect historically weak job growth for this nearly three year old economic expansion. Relatively weak job growth is only part of the bigger problem. Millions of jobs were lost during the 2007-2009 'Great Recession' that have not been recovered and will take years to mend. The Civilian Employment to Population Ratio (number of working Americans/ total eligible workforce) demonstrates the extent of the bigger problem.

The Big Problem: Millions of Jobs Lost in the "Great Recession"…



…means it will take many years for employment and the economy to fully recover.

Since the end of the last recession it is clear no net new jobs have been created relative to our growing population. Jobs are simply not being created fast enough to meaningfully lower the unemployment rate and bring those idle workers back into the labor force. The result is a continued sub-par recovery that teeters between modest growth and slowdown. Eventually, a stronger employment environment will lead to higher consumer spending and a stronger economy—the virtuous cycle we would like to see take hold. But this more favorable environment is not yet evident.

Government powers would do well to fully concentrate on building a more favorable business environment for job creation. It is all about jobs, jobs, and jobs.

Financial Market Outlook

U.S. financial markets are benefiting from 1) a slow and steady improvement in a still fragile economy, 2) a strong Federal Reserve easing of monetary conditions, and 3) the perception of being a safe haven from the European debt crisis. These conditions should continue to support U.S. markets for the duration of this business cycle and contrasts with less promising performance in overseas financial exchanges.

We believe the three year cyclical bull market for stocks is not finished, but perhaps getting tired. After a five month rally the stock market is entitled to take a short breather. Expect stocks to consolidate some of the recent gains and pull back in price over the next few weeks. However, our business cycle research shows evidence of continued modest, yet positive, economic momentum. This allows the stock market more upside potential as the year progresses. We will be searching and evaluating additional conservative growth and income ideas to purchase on weakness. Our goal is to see your portfolio achieve further new all-time high levels later this year.

As mentioned earlier, our longer term view remains that the U.S. stock market is still in a secular bear market and faces strong headwinds for a number of years to come. In fact, the Pring Turner team has completed a new investment book to be published by McGraw Hill next month entitled ***Investing in the Second Lost Decade***. Our forthcoming book not only lays out the detailed case why investors should prepare for *another lost decade* but also how investors can protect and even grow their assets during this continued difficult time. The investment principles, disciplines and course of action we explain in the book are the same ones that brought you safely and profitably through the last 13 very difficult investment years. We are working hard to develop even better tools to navigate the second lost decade and look forward with confidence to both the challenges and opportunities in the years ahead.

Thank you for your trust and the opportunity to help you. As always, please feel free to contact us should you have any questions.

Pring Turner Takes Performance Reporting to a Higher Standard!

G·I·P·S
Global Investment Performance Standards

We are pleased to announce Pring Turner Capital Group has recently adopted the Global Investment Performance Standards (GIPS®) performance reporting standards. This set of industry-wide ethical principles and procedures provide investment firms with guidance on how to accurately calculate and report their investment results to clients and prospective clients. Performance is calculated by an independent third party following these global standard guidelines. Armed with this information, better informed investors have the ability to confidently make *risk-adjusted comparisons* between competing investment management firms.

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PRING TURNER CAPITAL GROUP
CONSERVATIVE GROWTH COMPOSITE

Year End	Total Assets (millions)		Number of Accounts	Composite Performance Net	S&P 500 Total Return	Annualized 3-Year Standard Deviation		Internal Composite Dispersion
	Firm	Composite				Composite	S&P 500	
2011	139	93	194	(0.72%)	2.12%	11.9%	18.7%	3.7%
2010	137	90	171	15.31%	15.06%	13.1%	21.9%	3.5%
2009	114	74	153	16.84%	26.45%	11.9%	19.6%	4.3%
2008	85	58	143	(17.91%)	(37.00%)	8.9%	15.1%	5.8%
2007	104	69	141	7.40%	5.50%	4.0%	7.7%	3.0%
2006	86	54	133	14.87%	15.79%	4.2%	6.8%	4.2%
2005	74	49	132	4.77%	4.89%	5.4%	9.0%	3.5%
2004	66	43	116	12.03%	10.87%	7.8%	14.9%	3.8%
2003	58	37	109	16.63%	28.69%	8.4%	18.1%	5.7%
2002	50	31	99	(6.19%)	(22.11%)	8.2%	18.6%	4.8%
2001	23	14	27	1.26%	(11.88%)	--	--	3.3%
2000	21	12	24	15.79%	(9.09%)	--	--	3.6%

Pring Turner Capital Group claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. GIPS® is a registered trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report. Pring Turner has not been independently verified.

Pring Turner Capital Group is an independent registered investment adviser. The firm maintains a list of composite descriptions, which is available upon request.

The Conservative Growth Composite contains portfolios following our conservative investment style that stresses preservation of capital, income, and growth to attain superior returns with low risk through both good and bad market cycles. For comparison purposes the composite is measured against the S&P 500 Total Return Index. The Conservative Growth Composite was created in November 2011. The U.S. Dollar is the currency used to express performance. The minimum account size for this composite is $50,000.

Performance shown represents total returns that include income, realized and unrealized gains and losses. Past performance is not indicative of future results. Net of fee performance was calculated using actual fees. The investment management fee schedule for the composite is 1.25% on the first $1 million, and 1.00% on amounts over $1 million. Actual investment advisory fees incurred by clients may vary. Further information regarding investment advisory fees is described in Part II of the firm's Form ADV. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The annual composite dispersion presented is an asset-weighted standard deviation calculated using accounts in the composite the entire year. The 3-Year Standard Deviation represents the annualized standard deviation of actual composite and benchmark returns, using the rolling 36-months ended each year-end.

Pursuant to the provisions Rule 206(4)-1 of the Investment Advisers Act of 1940, we advise all readers that they should not assume that all recommendations made in the future will equal that referred to in this material. Investing in securities involves risks, including the possibility of loss.

Investment decisions formulated by Pring Turner Capital Group, Inc. are based on proprietary research and methods developed since 1977 by the owner/managers of the firm. None of the material contained herein is intended as a solicitation to purchase or sell a specific investment. Readers should not assume that all recommendations will be profitable or that future performance will equal that referred to in this material.

PRING TURNER CAPITAL GROUP
MODERATE INCOME & GROWTH COMPOSITE

Year End	Total Assets (millions) Firm	Total Assets (millions) Composite	Number of Accounts	Composite Performance Net	S&P 500	Annualized 3-Year Standard Deviation Composite	Annualized 3-Year Standard Deviation S&P 500	Internal Composite Dispersion
2011	139	11	18	(2.69%)	2.12%	12.7%	18.7%	2.1%
2010	137	11	17	15.86%	15.06%	13.9%	21.9%	1.0%
2009	114	8	14	18.82%	26.45%	12.6%	19.6%	2.6%
2008	85	6	12	(18.52%)	(37.00%)	9.1%	15.1%	3.4%
2007	104	6	8	5.13%	5.50%	4.1%	7.7%	2.2%
2006	86	5	7	13.96%	15.79%	4.8%	6.8%	3.3%
2005	74	5	7	3.48%	4.89%	6.4%	9.0%	N.A.
2004	66	4	5	13.39%	10.87%	9.2%	14.9%	N.A.
2003	58	4	5	19.04%	28.69%	10.3%	18.1%	N.A.
2002	50	3	5	(6.76%)	(22.11%)	9.9%	18.6%	N.A.
2001	23	3	5	(1.55%)	(11.88%)	--	--	N.A.
2000	21	3	5	9.52%	(9.09%)	--	--	N.A.

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Pring Turner Capital Group is an independent registered investment adviser. The firm maintains a list of composite descriptions, which is available upon request.

The Moderate Income & Growth Composite contains portfolios following our moderate income and growth investment style that stresses preservation of capital, income, and growth to attain superior returns with low risk through both good and bad market cycles. This composite includes a higher allocation to equity, which is more suitable to investors with a higher risk tolerance. For comparison purposes the composite is measured against the S&P 500 Total Return Index. The Moderate Income & Growth Composite was created in November 2011. The U.S. Dollar is the currency used to express performance. The minimum account size for this composite is $50,000.

Performance shown represents total returns that include income, realized and unrealized gains and losses. Past performance is not indicative of future results. Gross performance is presented net of transaction costs as well as custodial fees. Net of fee performance was calculated using actual fees. The investment management fee schedule for the composite is 1.25% on the first $1 million, and 1.00% on amounts over $1 million. Actual investment advisory fees incurred by clients may vary. Further information regarding investment advisory fees is described in Part II of the firm's Form ADV. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

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