

From: Bob Kargenian [mailto:bkargenian@tabr.net]
 Sent: Wednesday, June 29, 2011 3:48 PM
 To: Bob Kargenian
 Subject: TABR Interim Update

TO: All clients and interested parties
 FROM: Bob Kargenian

There have been some notable changes in portfolios since our last regular update, which was emailed Monday, June 13.

First, on June 15, our tactical stock market exposure was reduced to 55%, the lowest it has been this year. Three of the six stock market risk models are currently in either a negative or neutral mode. Second, our risk model for corporate high yield bonds turned negative, and positions in these funds were substantially reduced on June 17, with the proceeds moving to short term bond funds. Based on the Lipper High Yield Fund Index, this trade which began on January 10 netted an approximate 3% gain in just over 5 months. Finally, there's been significant improvement in the valuations of precious metals shares, and one of the models we use has just generated only its 14th BUY signal since 1976. The results of the prior trades, using the Barron's Gold Mining Index as a proxy, are shown below.

K Ratio Long Term Signals Only

| Date | Ratio | Barron's GMI | Percentage Gain/Loss | | | |
|------------|-------|--------------|----------------------|----------|----------|---------------|
| | | | 3 months | 6 months | 9 months | 1 year |
| 9/3/1976 | 1.94 | 208.82 | 40.20% | 45.30% | 24% | 42% |
| 3/3/1978 | 1.61 | 295.24 | 1.56 | 24.8 | 1.57 | 20.67 |
| 1/12/1979 | 1.48 | 323.31 | 3.68 | 16.13 | 31.49 | 87.5 |
| 10/26/1979 | 1.08 | 404.59 | 66.2 | 49.2 | 111.1 | 185.3 |
| 9/20/1985 | 1.68 | 537.41 | -6.73 | 0.36 | -14.5 | 1.79 |
| 7/25/1986 | 1.19 | 416.96 | 20.5 | 36.7 | 131.5 | 115.09 |
| 4/24/1992 | 1.73 | 583.51 | 3.52 | -10.75 | -17.6 | 9.54 |
| 11/3/1995 | 1.74 | 665.51 | 35.4 | 25.54 | 8.04 | -1.44 |
| 12/26/1997 | 1.34 | 390.76 | 6.66 | -8.32 | -1.75 | -12.22 |
| 5/7/2004 | 1.4 | 531.61 | 3.18 | 27.02 | 15.84 | 10.55 |
| 5/6/2005 | 1.38 | 587.73 | 13 | 31.56 | 77.69 | 96.08 |
| 11/14/2008 | 0.75 | 562.92 | 45.8 | 61.01 | 85.6 | 120.04 |
| 5/28/2010 | 0.98 | 1184.33 | 2.31 | 28.41 | 25.02 | 23.4 |
| 6/27/2010 | 0.91 | | | | | |

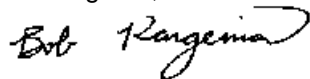
Though three of the trades produced nothing (including a -12% loss), five of the trades had gains after 12 months of at least 87%. We'll know down the road if this is important, but on a ratio basis relative to the price of gold, gold stocks are at their second cheapest level in 35 years. As a result, we've increased exposure using the Van Eck International Investors Fund to 3.3% of the portfolio in Conservative accounts, 5.6% in Moderate accounts and 8.1% in Aggressive accounts. In addition, there is some internal exposure within our long-term positions in the Hussman Strategic Total Return Fund.

There is no guarantee this trade will be successful, but the risk/reward is quite favorable. You may see more volatility in month-to-month returns, since this is the largest exposure we've had in this area in quite some time. Overall, though, portfolios are currently positioned quite defensively---Moderate allocations have just 31% total in stocks, which includes 5.6% in gold shares and 2.5% in real estate, while Conservative accounts are just over 14% total, including 1.55% in real estate and 3.3% in gold stocks. Aggressive allocations have more exposure, but are not in any way Aggressive by most people's definition.

Two weeks ago I wrote that stocks appeared to be bottoming, after a six-week decline. That seems to be what is happening, with a closing low on the S&P 500 at 1265 on June 15, followed by a test of that low on June 24 at 1268. Currently at 1291, this bounce should last a few weeks into July, but risk tends to be higher when our corporate bond high yield models are in a negative mode.

Here's wishing all of you a Happy Fourth of July. Our monthly recap should follow around July 7 or so.

Best regards,



Bob Kargenian, CMT
President

TABR Capital Management
Phone 714-704-9180
website: www.tabr.net

TABR Capital Management, LLC("TABR") is an SEC registered investment advisor with its principal place of business in the state of California. TABR and its representatives are in compliance with the current registration and notice filing requirements imposed upon registered investment advisors by those states in which TABR maintains clients. TABR may only transact business in those states in which it is notice filed, or qualifies for an exemption or exclusion from notice filing requirements.

This newsletter is limited to the dissemination of general information pertaining to our investment advisory/management services. Any subsequent, direct communication by TABR with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For information pertaining to the registration status of TABR, please contact TABR or refer to the Investment Advisor Disclosure web site(www.adviserinfo.sec.gov).

For additional information about TABR, including fees and services, send for our disclosure brochure as set forth on Form ADV from us using the contact information herein. Please read the disclosure brochure carefully before you invest or send money.

The results of TABR's Model Portfolios are net of actual fees deducted from client accounts and include the reinvestment of dividends and other earnings. Comparison of the TABR Model Portfolios to other indices is for illustrative purposes only and the volatility of the indices used for comparison may be materially different from the volatility of the TABR Model Portfolios due to varying degrees of diversification and/or other factors. The returns noted of various market indices include reinvested dividends unless otherwise noted.

Past performance of the TABR Model Portfolios may not be indicative of future results and the performance of a specific individual client account may vary substantially from the model results above in part because client accounts may be allocated among several portfolios. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be

profitable. A list of all recommendations made by TABR within the immediately preceding one year is available upon request.

This newsletter contains general information that is not suitable for everyone. The information contained herein should not be construed as personalized investment advice. There is no guarantee that the views and opinions expressed in this newsletter will come to pass. Investing in the stock market involves gains and losses and may not be suitable for all investors. Information presented herein is subject to change without notice and should not be considered as a solicitation to buy or sell any security.