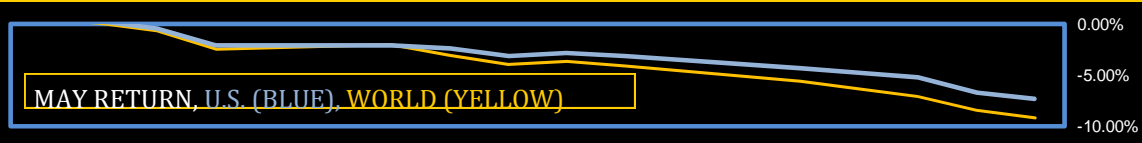


MARKET UPDATE AND OUTLOOK



EXECUTIVE SUMMARY

Markets were unkind to the equity investor in the recently completed month, with the S&P dropping 8% for the month, and the world equity markets dropping 10%. Overall, May's returns are hiccups in the current bull market trend that began mid-2009.

[More commentary]



ASSET CLASSES PERFORMANCE

The month of May pushed mid-cap growth stocks into the top performing asset style of the year, with a year to date growth rate of 12.1%. The other two double digit performers include the mid-cap core (11.1%) and the mid-cap value (10.0%) categories. On the other end, small cap equities have grown between 8% and 9% through the first five months of this year.

[More commentary?]

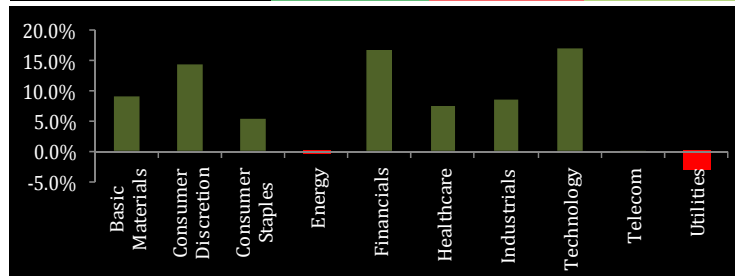
	Small	Mid	Large
Value	9.0%	10.0%	9.2%
Core	8.5%	11.1%	9.6%
Growth	8.1%	12.1%	9.9%

SECTOR PERFORMANCE

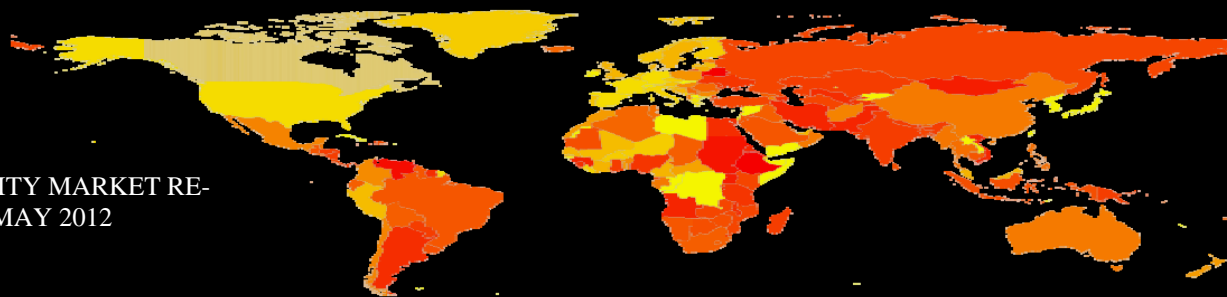
Through the end of May, the best performing sectors YTD include Technology (up 17.0%), Financials (up 16.7%), and Consumer Discretion (up 14.4%). The worst performing sectors over the same time frame comprise Telecoms (down 0.1%), Energy (down 0.3%), and Utilities (down 2.7%).

[More commentary]

US Sectors	1 WK Return	YTD	1 YR
Basic Materials	1.3%	9.2%	-7.2%
Consumer Discretion	0.2%	14.4%	12.6%
Consumer Staples	2.1%	5.4%	10.9%
Energy	0.9%	-0.3%	-11.0%
Financials	0.5%	16.7%	-5.2%
Health care	1.9%	7.4%	9.3%
Industrials	1.2%	8.6%	-2.3%
Technology	-1.5%	17.0%	14.4%
Telecom	1.6%	-0.1%	-1.0%
Utilities	2.1%	-2.7%	8.9%



WORLD EQUITY MARKET RETURNS FOR MAY 2012



TOPIC OF THE MONTH: THE GREECE EFFECT

This month's question stems from Europe, and is composed of two parts:

- (1): is a Greek exit from the Euro already priced into U.S. equity markets, and;
- (2) could Greece pull world equities into a prolonged bear market?

[Commentary] [Insert charts]

COMMODITIES, CURRENCIES, AND KEY RATES

Through the end of May, silver has been the best performing commodity, up 13% year to date, followed by lumber (+12%), copper (+9%), crude oil (5%), and gold (4%). The underperforming commodities include [commentary]

Currencies commentary

Key Rate commentary

Commodities			Currencies			Key Rates	
	YTD	1YR		YTD	1YR		Current
Silver	↑ 13%	↓ -29%	Russian Ruble	↑ 13%	↓ -29%	90D T-Bill	0.08%
Lumber	↑ 12%	↑ 10%	British Pound	↑ 12%	↑ 10%	10YR T-Bond	1.97%
Copper	↑ 9%	↓ -14%	Canadian Dollar	↑ 9%	↓ -14%	30YR T-Bond	3.13%
Crude Oil	↑ 5%	↓ -7%	Euro	↑ 5%	↓ -7%	10YR TIPS	-0.24%
Gold	↑ 4%	↑ 9%	Chinese Yuan	↑ 4%	↑ 9%	Fed Funds Target	0.25%
CRB Index	↗ 1%	↓ -15%	US Dollar Index	↗ 1%	↓ -15%	LIBOR	0.47%
Natural Gas	↓ -39%	↓ -58%	Japanese Yen	↓ -39%	↓ -58%	Prime Rate	3.25%

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