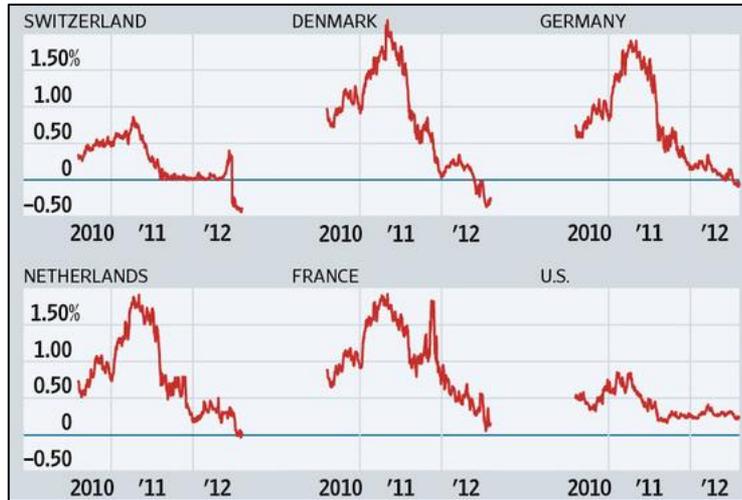


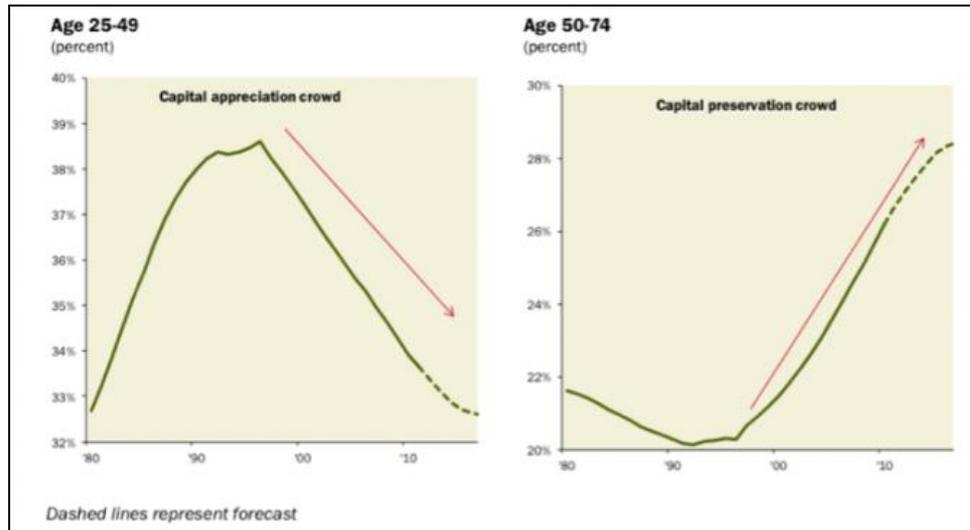
# Market Recap

## Yields of Two-Year Government Bonds



Source: Factset, WSJ

## Investment Savings Life Cycle



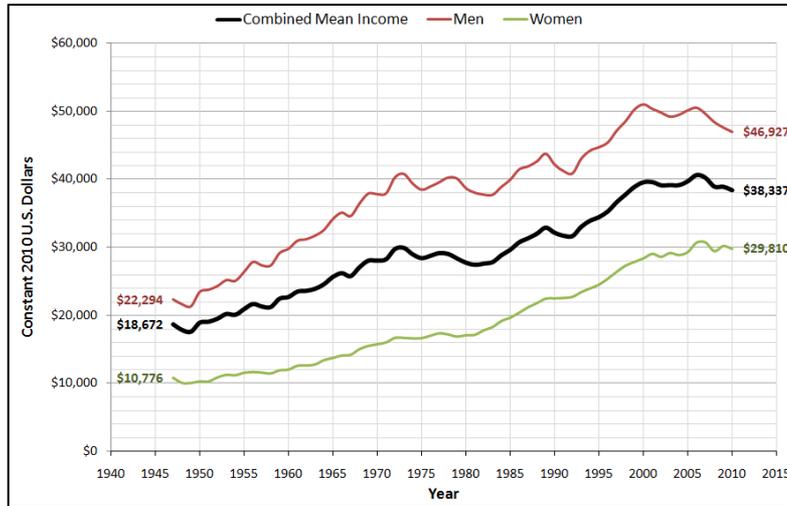
Source: Haver Analytics

This week, the European Financial Stability Facility (EFSF), backed by the stronger governments of Europe, borrowed €1.43 billion (\$1.77 billion) for three months at a yield of *negative* 0.022%. Germany recently borrowed €4.17 billion for two years at an average yield of negative 0.06%. Five years after the global financial crisis, investors are still so unsettled that instead of demanding interest when they lend to governments, they are actually willing to pay to put money with the financially-stable governments of Europe. Although central banks have been attempting to drive interest rates lower, the current unusual state of interest rates is a clear reflection of fear more so than government intervention. Investors are willing to pay for safety. In Europe, if they hold euros, they want to be sure they get euros back; they are avoiding countries that might abandon the common currency.

One of the ongoing concerns within the financial markets has been the evolving U.S. population. Specifically, the first of the 78 million baby boomers have reached their mid-60s. The group is viewed as especially impactful to the financial markets in that they own most of the nation's wealth and have dictated everything for the past six decades from politics to economics. The current median age of the cohort is 56 years – meaning that they are no longer in their capital appreciation phase of their savings life cycle as they were in the 1980s and 1990s. The long-held belief has been that, as baby boomers reach retirement age, they would be inclined to transition out of appreciation-oriented investments (stocks) in favor of stable, income-oriented assets (cash and bonds).

# Market Recap

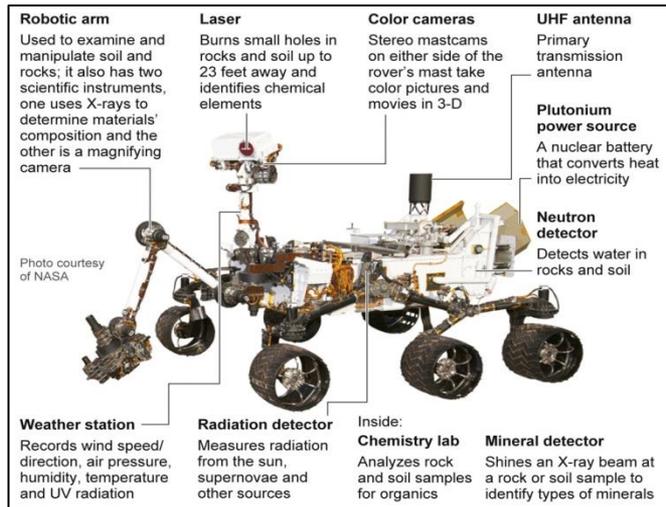
## Average Real Income by Sex



Source: U.S. Census

The U.S. Census recently released income data based on the 2010 census. Over the years, there have been many interesting changes within the distribution of the U.S. labor force. The relative proximity between the mean income for men and women demonstrates the rapid growth of the number of women in the workforce. In 1947, there were more than two men for every one woman in the workforce. That has changed rapidly as the relative number of women in the U.S. workforce has grown steadily. In 1979, the number of women surpassed the number of men in the U.S. workforce for the first time. Since that time, the U.S. workforce has held relatively steady with women slightly outnumbering men. In terms of income, women tend to earn less than men. However, women have been closing the gap, as the annual average income earned by women has nearly tripled since 1947, while income for men has increased by a factor of 2.1.

## NASA Mars Curiosity Rover



Source: NASA; AP

This week, the NASA-led Mars Curiosity Rover landed on the red planet after traveling in space for more than eight months. The landing marks the beginning of an unprecedented two-year scientific mission searching for evidence of life on the planet. NASA's \$2.5-billion mission involved the work of more than 5,000 people from 37 states, some of whom had labored for 10 years. While Curiosity's landing is bound to elevate NASA's image and improve its employee morale, the mission may provide only a temporary boost for the agency. They have struggled to chart a new course amid spending constraints, persistent legislative fights, and last year's retirement of the space shuttle fleet. The new reality for NASA is dramatically different than the days when the battle for space was a major focus for the nation. For the past few decades, the organization has been forced to scale back its once-vast ambitions in the face of slimmer budgets and questions about its relevance.

**Contact:** If you have any questions or comments, please do not hesitate to contact us at 703.992.6164. For more information about Harbour Capital Advisors, please visit our website at [www.harbourcapitaladvisors.com](http://www.harbourcapitaladvisors.com).

**Disclosure:** Harbour Capital Advisors, LLC (“HCA”) is an SEC-registered investment adviser located in McLean, Virginia. HCA and its representatives are in compliance with the current filing requirements imposed upon SEC-registered investment advisers by those states in which HCA maintains clients. HCA may only transact business in those states in which it is registered or qualifies for an exemption or exclusion from registration requirements. A direct communication by HCA 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 HCA, please contact the SEC or the state securities regulators for those states in which HCA maintains a notice filing. A copy of HCA’s current written disclosure statement discussing HCA’s business operations, services, and fees is available from HCA upon written request. HCA does not make any representations or warranties as to the accuracy, timeliness, suitability, completeness, or relevance of any information prepared by any unaffiliated third party and takes no responsibility therefor. All such information is provided solely for convenience purposes only and all users thereof should be guided accordingly. Past performance may not be indicative of future results. Therefore, there can be no assurance (and no current or prospective client should assume) that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by HCA) made reference to directly or indirectly by HCA will (i) be suitable or profitable for a client or prospective client’s investment portfolio or (ii) equal the corresponding indicated historical performance level(s). Different types of investments involve varying degrees of risk. Historical performance results for investment indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, or the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. The material contained herein is provided for informational purposes only and does not constitute an offer to buy or sell or a solicitation of an offer to buy or sell any option or any other security or other financial instruments. Certain content provided herein may contain a discussion of, and/or provide access to, HCA’s (and those of other investment and non-investment professionals) positions and/or recommendations as of a specific prior date. Due to various factors, including changing market conditions, such discussion may no longer be reflective of current position(s) and/or recommendation(s). Moreover, no client or prospective client should assume that any such discussion serves as the receipt of, or a substitute for, personalized advice from HCA, or from any other investment professional. HCA is neither an attorney nor an accountant, and no portion of the content provided herein should be interpreted as legal, accounting, or tax advice. The tax information contained herein is general in nature and is provided for informational purposes only. HCA does not provide legal, tax, or accounting advice. HCA cannot guarantee that such information is accurate, complete, or timely. Laws of a particular state or laws which may be applicable to a particular situation may have an impact on the applicability, accuracy, or completeness of such information. Federal and state laws and regulations are complex and are subject to change. Changes in such laws and regulations may have a material impact on pre- and/or after-tax investment results. **CIRCULAR 230 DISCLOSURE: To comply with Treasury Department regulations, we inform you that, unless otherwise expressly indicated, any tax information contained herein is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed under the Internal Revenue Code or any other applicable tax law, or (ii) promoting, marketing, or recommending to another party any transaction, arrangement, or other matter.** Rankings and/or recognition by unaffiliated rating services and/or publications should not be construed by a client or prospective client as a guarantee that he/she will experience a certain level of results if HCA is engaged, or continues to be engaged, to provide investment advisory services, nor should it be construed as a current or past endorsement of HCA by any of its clients. Rankings published by magazines, and others, generally base their selections exclusively on information prepared and/or submitted by the recognized adviser.