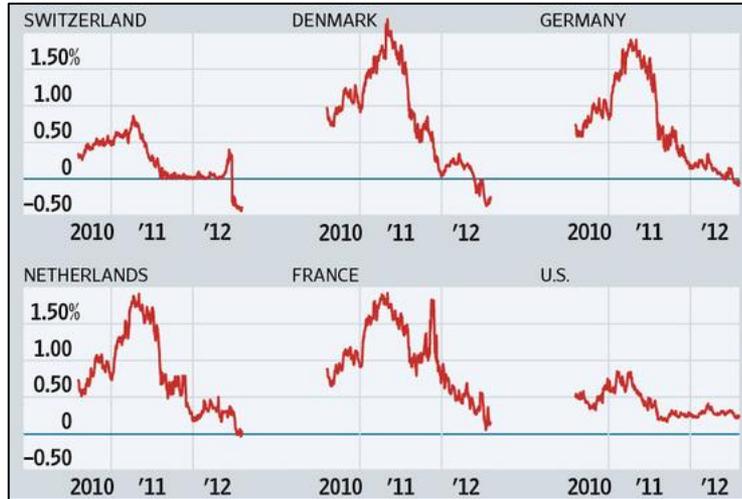


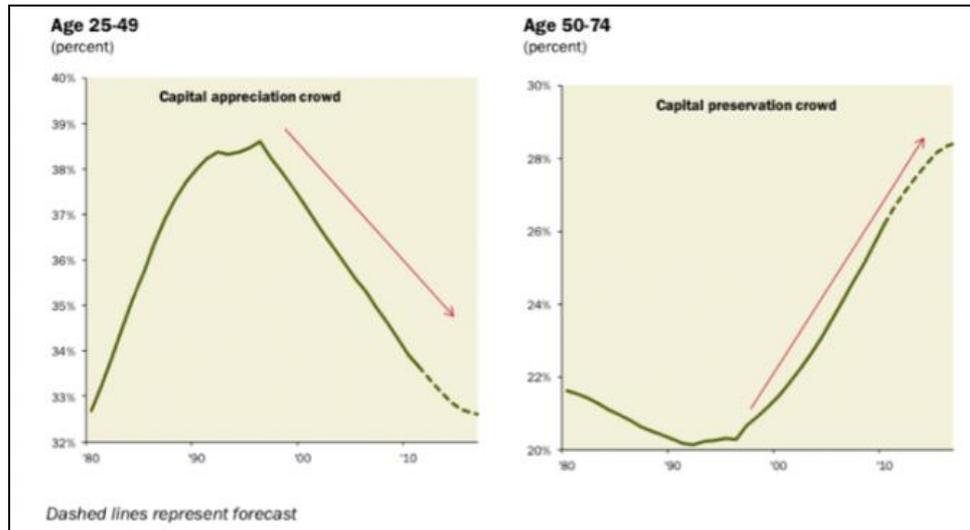
Market Recap

Yields of Two-Year Government Bonds



Source: Factset, WSJ

Investment Savings Life Cycle



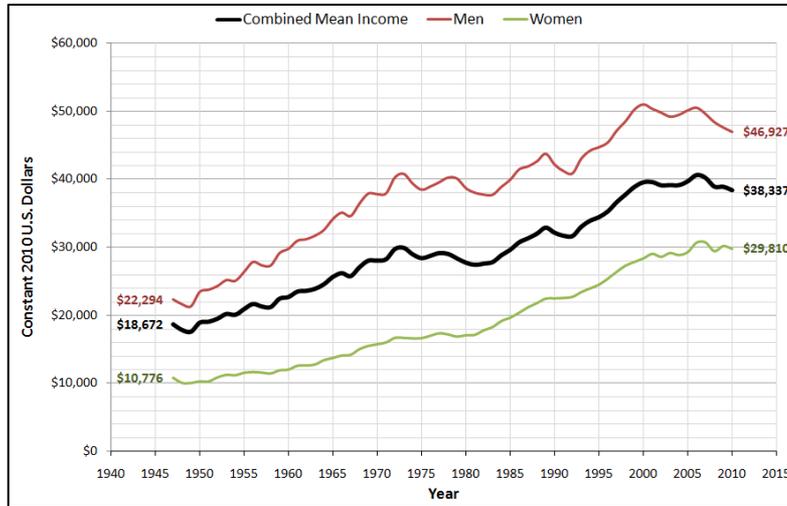
Source: Haver Analytics

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

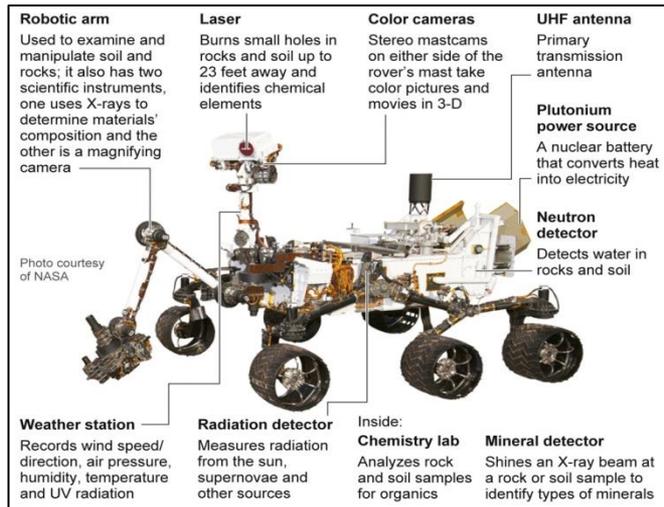
Average Real Income by Sex



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.

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