



Sean Hanlon, CFP®
Chairman, CEO and
Chief Investment Officer

High Yield Corporate Bonds Still an Excellent Investment in This Economic and Market Environment!

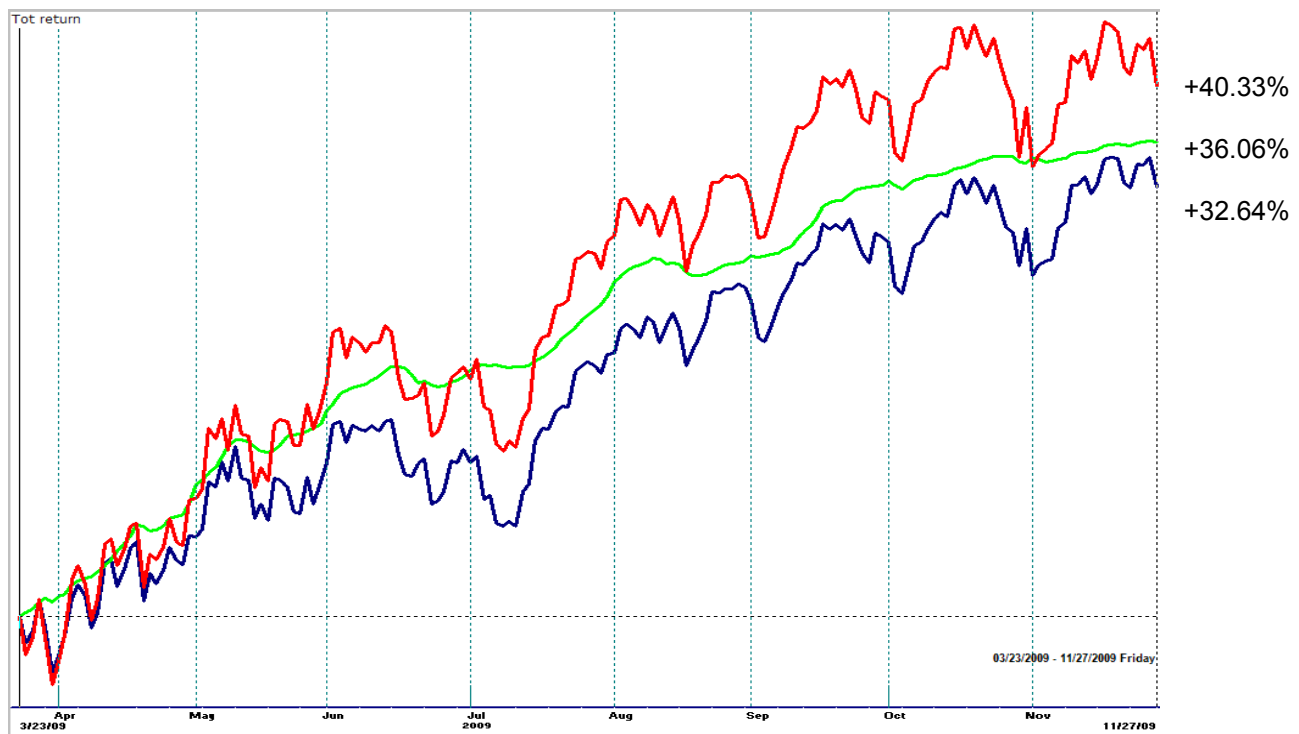
11/30/09

In the chart below, which one of the colored lines would you prefer your money be invested in?

The Red Line is a global equally weighted index composed of five major global equity indices (20% S&P 500 Index, 20% Russell 2000 Index, 20% Nasdaq OTC Composite, 20% iShares MSCI EAFE Index, 20% iShares MSCI Emerging Markets Index)

The Green Line is a high yield equally weighted index composed of two hundred twenty domestic high yield corporate bond funds

The Blue Line is 100% weighted S&P 500 Index



Mar 23, 2009

May 1, 2009

July 1, 2009

Sept 1, 2009

Nov 27, 2009

For me, the answer is the green line. Why? Because the green line has demonstrated a far better risk-adjusted return for the time frame pictured. What do I mean? Place your eyes in the mid-March time frame and follow the three lines up to the right. See how the red and blue lines have bounced around violently while appreciating? But the green line has had a fairly smooth

journey, unlike the volatility of the other two lines. Below is a table containing *modern portfolio theory* data on these three investments since our approximate “buy” date on high yield corporate bonds, March 23, 2009.

Desc.	Return Since 3/23/09	One Month Return	One Quarter Return	Six Month Return	Maximum Drawdown	Beta	SD	Sharpe
Global Equally Weighted Index	40.33%	0.85%	5.02%	22.83%	-7.84% (06/11/2009 to 07/08/2009)	1.18	26.3%	1.99
High Yield Equally Weighted Index	36.06%	0.78%	7.20%	18.99%	-1.28% (06/15/2009 to 06/23/2009)	<.20	4.26%	10.61
S&P 500 Index	32.64%	2.64%	5.87%	22.22%	-7.09% (06/12/2009 to 07/10/2009)	1.00	22.0%	1.79

Yes, the total return for the Global Equally Weighted Index has had the highest return for the period March 23, 2009 to November 27, 2009. But clearly the High Yield Equally Weighted Index has been the superior investment. And what investor would be 100% global equities since March 23? That is a very risky profile indeed. Yes, equities continue to appreciate in this current market. But our research has identified high yield corporate bonds to have a far greater risk reward potential and we have invested our client accounts accordingly. A picture speaks a thousand words.

Thank you,



Sean Hanlon, CFP®
 CEO and CIO

This Market Commentary contains general information that is not suitable for everyone. The information contained herein should not be construed as personalized investment advice. The High Yield Equally Weighted Index is an average of over 220 bond funds taken from the Investors Fastrack Database. The Global Equity Weighted Index and the High Yield Equally Weighted Index cannot be invested in directly without incurring costs. Hanlon Investment Management defines the High Yield Weighted Index to be a superior investment for its clients as having high returns and less volatility. Past performance is not guarantee of future results. There is no guarantee that the views and opinions expressed in this newsletter will come to pass. Investing in the stock and bond markets involves gains and losses and may not be suitable for all investors. Information presented herein is subject to change without notice. Hanlon has experienced periods of underperformance in the past and may also in the future. The returns represented herein are total return inclusive of reinvesting all interest and dividends. Hanlon Investment Management, Inc. (“Hanlon Investment Management”) is an SEC registered investment adviser with its principal place of business in the State of New Jersey. Hanlon Investment Management and its representatives are in compliance with the current registration and notice filing requirement imposed upon registered investment advisers by those states in which Hanlon Investment Management maintains clients. Hanlon Investment Management 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 Market Commentary is limited to the dissemination of general information pertaining to its investment advisory services. Any subsequent, direct communication by Hanlon Investment Management 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 Hanlon Investment Management, please contact Hanlon Investment Management or refer to the Investment Adviser Public Disclosure web site (64). For additional information about Hanlon Investment Management, including fees and services, send for our disclosure statement as set forth on Form ADV from Hanlon Investment Management using the contact information herein. Please read the disclosure statement carefully before you invest or send money. Not all HIM clients are in the strategies discussed herein.