April 2012

About Beacon Financial Advisors Ltd.

Beacon is an independent fee-only advisor with a clear mission statement: To provide our clients long-term value-added financial counsel and investment performance with *exceptional service.*

Beacon is a Registered Investment Advisor with the US Securities and Exchange Commission.

Beacon's Advisors

MARCEL HEBERT has a B.S. in Finance, an M.B.A., and is a Certified Financial Planner (CFP) licensee and a Chartered Financial Analyst (CFA) charterholder.

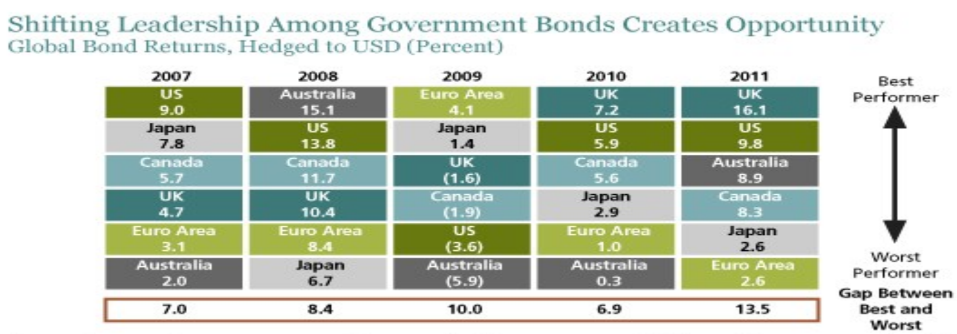
JOSH HEBERT has a B.S. in Accounting, an M.B.A., and is a Certified Internal Auditor (CIA) and a Certified Financial Planner (CFP) licensee.

Please remember to contact Beacon Financial Advisors, Ltd. if there are any changes in your financial situation or investment objectives, or if you wish to impose, add, or modify any reasonable restrictions to our investment management services. A free copy of our FIRM BROCHURE (Form ADV, Part 2) is always available upon request.

An important note: Where reference is made in VIEW to Beacon's relative performance, or individual mutual fund performance, it applies to fully invested portfolios for the period. Actual results vary among clients, as risk tolerance levels and the timing of asset purchases & sales are unique to each of our clients. Each client's unique results are revealed in the performance reports inside their Investment Review. Clients are urged to compare the custodians (Schwab Institutional et al) account statements with Beacons reports.

In our February Investment *ALERT "Introducing International Bonds"* **Beacon** noted our entry point into global bonds for clients was nearing. We have now rebalanced client portfolios. Bond investing, like stock investing, is an increasingly global proposition today. Stock investors have generally embraced global investing for several decades. But bond investors in most countries including the US continue to invest in bonds focused primarily in their home markets. That is changing. But what is prompting the move by many large investors just now? Historically low interest rates are prevalent in the US and developed Europe as central bankers have loosened policy to stimulate sluggish economies. Plus, the world's fastest growing economies include those other than the US and the Euro-zone like Brazil, Israel, South Korea, and China. Large US insurance companies, pension funds, foundations, charities, endowment funds etc. are aware to meet their rate of return targets and remain diversified, they have to go global with bond investing.

As the chart below shows, bond returns can vary widely across countries by year. Look at Australia (gray)—the leader in 2008 became the laggard both in 2009 and 2010. Economic fundamentals that impact bond returns like monetary policy and inflation are sometimes out of sync across countries—hence returns tend to be highly dispersed. That's a key: diversification across countries can reduce risk for bond portfolios. Skilled bond professionals can execute decisions to focus on countries where compensation for risk is the most generous.



Past performance does not guarantee future results. These returns are for illustrative purposes only and do not reflect the performance of any fund.
As of December 31, 2011
Returns shown are for the Barclays Capital government bond index for each country. An investor cannot invest directly in an index or average and the returns do not include sales charges or operating expenses associated with an investment in a mutual fund, which would reduce total returns.
Source: Barclays Capital and AllianceBernstein

Beacon's strategic objective is to continue to deploy bonds as the (relatively) stable, income producing, useful diversifier alongside riskier assets like stocks—our so-called "anchor to windward." By extending our bonds beyond just the US, our tactical objective is modestly higher total returns (than all-US) with an expectation of lower volatility over time. We'll keep you posted as always!

Our STOCK and BOND Fund Partners 2012 Q1

STOCKS extended their gains from October 2011 by posting their best return quarter in the US since 1998. The Dow Jones Industrial Average (DJIA) returned over 8%, and robust performance by financial stocks helped drive the S&P 500 Index over 12%. For example, Dodge & Cox Stock (DODGX) has 17.5% in financial stocks (overweight relative to the S&P 500). From 10/3/11 to 3/31/12, DODGX returned over 30% and over 13% in Q1.

In global stock markets returns were also quite good for Q1 as the benchmark Morgan Stanley Europe, Australia, & Far East Index (MSCI-EAFE in $US) returned over 10%. **Beacon's** international stock partners were led by Third Avenue Value Inst'l (TAVFX) and Dodge & Cox International Stock (DODFX) as both returned about 13% for Q1.

As the chart on page 3 shows, all **Beacon's** stock partners returned 7% or better in Q1, including the real estate and real asset funds Cohen & Steers (CSRIX) and AllianceBernstein Real Asset.

As this VIEW is being written near mid-April, the global stock markets have cooled from the red-hot Q1. After such a winning streak like the past six-months, "corrections" are not uncommon. In the US, there continue to be signs the economy is trudging forward led by US manufacturers and surprisingly strong consumer spending. Auto sales in the US are annualizing at nearly 15 million units, well ahead of expectations and the 2010 low of under 11 million units. Headwinds continue to persist in residential housing and energy prices. But there are signs that housing is in the early stages of recovery, and rising energy prices could be a harbinger of global economic growth. National elections in the US and about 35 other developed countries take place in 2012. Investors are watching closely.

BONDS also had stellar Q1 returns, but returns varied between sectors. To illustrate, the taxable bond market benchmark Barclays Capital Aggregate Bond Index (BCAB) produced a modest 0.3% return (annualized about 1.5%). The US Treasury bond was the leader in 2011 but was the 2012 Q1 laggard. The BCAB Index has nearly 45% of it's weighting in the US Treasury. By contrast, **Beacon's** two US taxable bond partners Dodge & Cox Income (DODIX) and MetWest Total Return (MWTIX) each returned about 3%. Both partners were in the top 5% of their peer group for Q1. The catalyst for the outperformance was better returns were had in corporate bonds (investment grade and high yield), mortgage backed securities (residential, commercial and credit card) than in government debt.

Beacon's newest taxable bond partners investing in global bonds (see page 1), Fidelity Advisor Strategic Income Inst'l (FSRIX) and AllianceBernstein Global Bond Inst'l (ANAYX), had solid Q1 gains over 3% and 1.5% respectively.

As good as our taxable bond partners were, our municipal (tax-exempt) bond managers were even more impressive. Our tax-exempt high yield partner AllianceBernstein High Income Muni Inst'l (ABTYX) returned 5% in Q1 after returning nearly 14% in 2011. Our other municipal funds also did very well (see chart page 4).

As we've discussed previously, today's low yield environment means it is a greater challenge to get mid-single digit annual returns than in years past. But opportunities for good total returns still exist in the US and global markets, and we're convinced we have resourceful, active managers to identify and invest in those opportunities.