

Campbell Capital Management

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Dear Money Management Client:

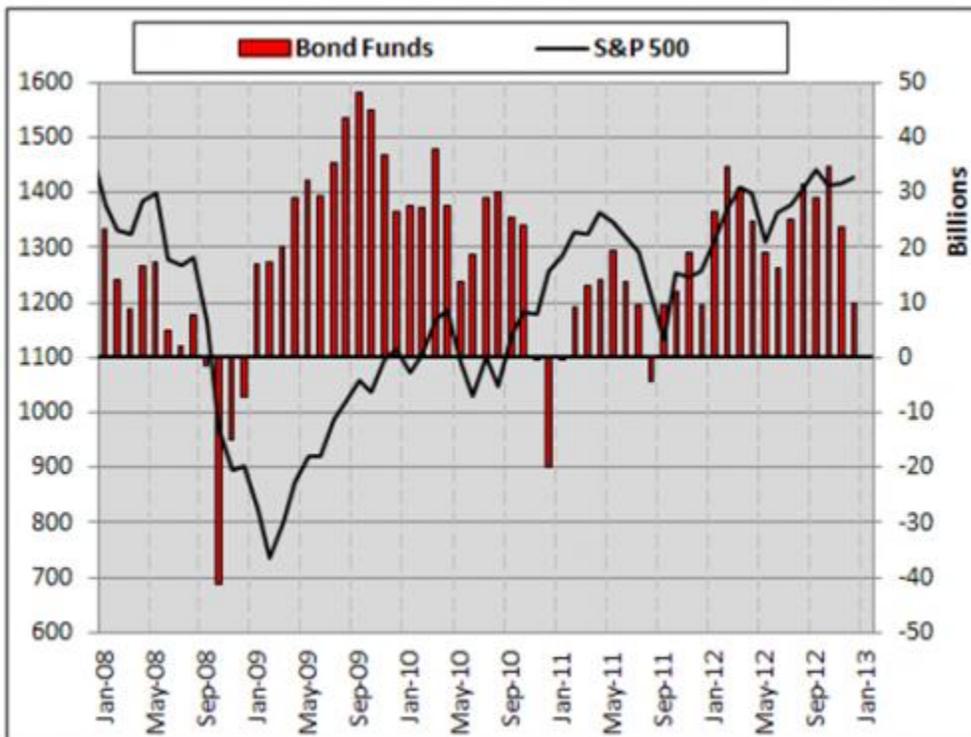
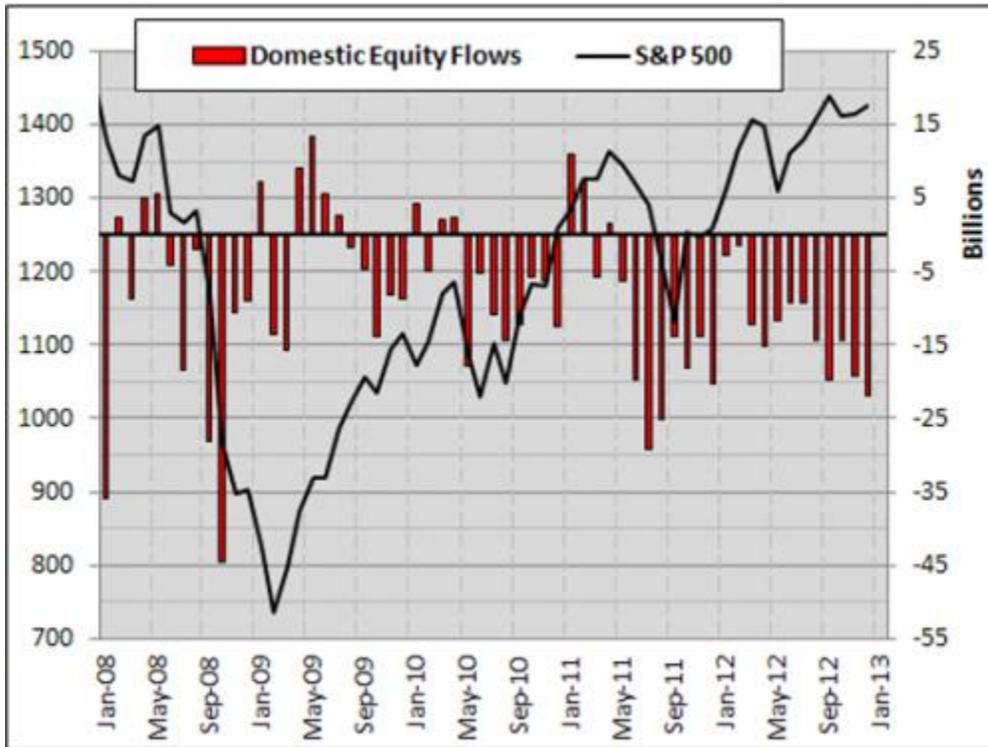
We are pleased to provide you another year of fine returns, in spite of a fair amount of volatility and plenty of uncertainty. The second quarter swoon put us on our heels, but we stayed the course and were rewarded for our discipline. Owning well researched companies that meet Campbell Capital's time tested valuation metrics is clearly a successful methodology. We give the Federal Reserve credit for providing abundant liquidity and forcing investors into riskier assets, but there is no substitute for a disciplined consistent valuation approach to investing.

We're planning for another year pretty much like the last. The budget and debt issues of all developed nations are going to be contentious subjects this year and beyond. Raising taxes and reducing government spending does not enhance economic activity, but the alternative of allowing unsustainable budget deficits to continue would result in far worse outcomes. While the political debates go on, businesses will remain cautious.

US corporations lead the world in productivity and innovation. They are flush with cash and have seldom ever had higher profit margins, but the uncertainties presented by congress have managers hesitant to hire and expand. The "fiscal cliff", fiscal budget, sequester, debt ceiling, and entitlements make headline news daily. They are all terms associated with the rule of government, or more appropriately, failure of our government to rule effectively. The Federal Reserve is doing its part, while we wait for our elected leaders to do theirs. Don't bet against a constructive resolution to all those problems, but don't hold your breath either.

Individual investors have also been cautious and show little love for what Wall Street peddles. During the past five years they've been shedding their stocks and equity mutual funds for bond funds. This point is so important we've included some graphs for your viewing pleasure. It will help you appreciate that individuals have become under invested in equities in favor of bonds - just when interest rates have reached generational lows in yield and bonds have nowhere to go but down in price. Individual investors are once again being set up for a blood bath.

Meanwhile, the equities we own will continue to share their wealth through dividends and capital appreciation. Our managers go to work every day and produce the goods and services we all need to live. There may be stormy seas ahead, but our navigation has guided us home successfully for over 25 years. Here's looking forward to another successful year together!



As always, we remain committed to a conservative investment philosophy, which emphasizes the preservation of capital. If you have any questions or would like to discuss your portfolio, please do not hesitate to call.

Very truly yours,

Clay Campbell

SEC Disclosure:

As you know, Campbell Capital Management is registered as an investment adviser under the Investment Advisors Act of 1940. We are required to update the information in our Form ADV periodically, to ensure that it contains up-to-date information about our company. If you would like to receive a free copy of our most recent amendment to Part II of our Form ADV, please call or write us at the address below.

Please send your request to:

*Campbell Capital Management
9400 S. Dadeland Blvd. Ste 111
Miami, Florida 33156*

Campbell Capital Management Privacy Policy:

Campbell Capital Management (CCM) is committed to protecting your non-public information and considers this safeguarding of information a priority. We maintain procedures and technology designed to prevent access to your personal information. We employ physical, electronic, and procedural protections in accordance with industry standards. We restrict access to personal information to employees, our registered representatives and service providers for legitimate business purposes. We may share personal information we collect about our customers, prospects and former customers to service providers such as:

- Unaffiliated service providers such as securities clearing houses, printers for delivery of statements and other administrative services associated with your account(s).*
- Government agencies, such as tax reporting or court orders.*
- Other organizations such as consumer reporting agencies.*
- Other organizations, as permitted by law that protect your privacy such as fraud prevention.*

If CCM shares nonpublic personal information relating to a consumer with a nonaffiliated company under circumstances not covered by an exception under Regulation S-P, the firm will deliver to each affected consumer an opportunity to opt out of such information sharing.