



April, 2011

To Our Clients:

Stocks performed well in the first quarter of 2011, the pre-election year. The S&P 500 was up 5.9%.

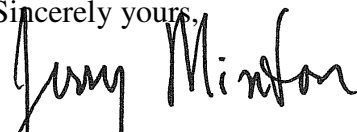
We are now in what I call the Election Cycle Power Zone. This period of time begins one month before the mid-term elections and extends for 15 months to the end of the pre-election year. Historically, this 15-month period has been the most productive and most reliable part of the four-year presidential election cycle. The Dow has not been down during this period since 1931, returning about 25% (pre-dividend) on average. So far, the S&P 500 has returned 17.3% for the first two quarters of this period (October 1, 2010 - March 31, 2011).

Our equity programs are enjoying strong returns as a result. Bonds, on the other hand, have been dead in the water after the increase in interest rates in the final quarter of 2010. Our ALPHA/PIMCO Bonds Plus program had strong returns last year (9.9%) and is up modestly so far for 2011. The threat of a Fed tightening hangs over the market. Even so, the mix of bonds that we hold is very conservative. The PIMCO Total Return Fund is about 35% in cash and short-term investments – well positioned to take advantage of a rise in interest rates.

If the market undergoes a correction this summer – which would not be unusual – I expect that it will be mild and quickly recovered, as is the norm during the pre-election year. This positive market climate should persist well into the election year.

As always, if you have any questions about your account or the strategy which guides it, please give me a call at 1-877-229-9400, Ext. 11.

Sincerely yours,



Jerry Minton, Ph.D.
President

Past performance is not a guarantee of future performance.

ALPHA/PIMCO Bonds Plus Strategy Model Performance History
*Net of Fees and Expenses**

Annual Returns for 20 ¼ Calendar Years Ended March 31, 2011

	1 Qtr:																				
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
ALPHA/PIMCO Bonds Plus	0.49	9.90	12.48	20.99	5.48	0.18	5.56	6.00	8.39	12.26	14.31	17.63	7.69	15.19	11.68	5.77	21.44	-2.00	13.70	12.22	20.63
S&P:500	5.92	15.06	26.47	-37.00	5.49	15.79	4.91	10.88	28.68	-22.10	-11.89	-9.11	21.04	28.58	33.36	22.96	37.58	1.32	10.08	7.62	30.47

Compound Annual Returns for Periods Ended March 31, 2011

	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years	Last 11 Years	Last 12 Years	Last 13 Years	Last 14 Years	Last 15 Years	Last 16 Years	Last 17 Years	Last 18 Years	Last 19 Years	Last 20 Years
ALPHA/PIMCO Bonds Plus	8.23	11.25	13.75	11.92	9.91	9.16	8.32	8.37	8.93	9.23	10.06	10.04	10.29	10.53	10.31	10.57	10.19	10.01	10.36	10.67
S&P:500	15.65	31.61	2.35	0.44	2.62	4.09	4.46	7.87	3.64	3.29	0.73	2.06	3.24	5.93	6.80	8.23	8.65	8.24	8.59	8.72

Disclosure: The above illustration reflects a precise asset allocation formula as follows: Jan. 1 – Sept. 30: 70% PIMCO Total Return Fund / 30% PIMCO Low Duration Fund; Oct. 1 – Dec. 31: 40% PIMCO Total Return Fund + three power period trades using the Russell 2000 Index x 1.5. *The ALPHA/PIMCO Bonds Plus Strategy data presented above represent a reduction in gross returns of .55% per quarter, reflecting Alpha's maximum fee of 2% annually, as stated in our Disclosure Brochure (Part 2A of Form ADV), plus additional expenses. PIMCO's fund fees and expenses are incorporated in the illustration. The illustration uses index returns for the Russell 2000. The Russell 2000 is an index which cannot be used in actual investing and index funds that replicate the Russell 2000 may vary from the index returns. The data does include interest and dividends attributed to the Russell 2000 index. No allowance for interest/dividends earned on 60% of the portfolio during the fourth quarter is included.

Alpha E-System Portfolio Model Performance History
*Net of Fees and Expenses**

Annual Returns for 20 ¼ Calendar Years Ended March 31, 2011

	1 Qtr:																				
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Alpha E-System Portfolio	4.98	16.06	11.98	12.37	9.02	6.83	0.26	5.57	34.82	17.65	13.54	10.47	56.78	35.05	8.83	4.39	36.10	-2.71	10.81	10.67	40.57
S&P:500	5.92	15.06	26.47	-37.00	5.49	15.79	4.91	10.88	28.68	-22.10	-11.89	-9.11	21.04	28.58	33.36	22.96	37.58	1.32	10.08	7.62	30.47

Compound Annual Returns for Periods Ended March 31, 2011

	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years	Last 11 Years	Last 12 Years	Last 13 Years	Last 14 Years	Last 15 Years	Last 16 Years	Last 17 Years	Last 18 Years	Last 19 Years	Last 20 Years
Alpha E-System Portfolio	19.65	16.80	14.65	13.69	12.48	10.36	9.32	12.48	12.95	12.78	12.68	15.10	17.22	16.72	15.95	16.33	15.87	15.25	15.22	15.24
S&P:500	15.65	31.61	2.35	0.44	2.62	4.09	4.46	7.87	3.64	3.29	0.73	2.06	3.24	5.93	6.80	8.23	8.65	8.24	8.59	8.72

Disclosure: The E-System Portfolio strategy uses a precise asset allocation formula that utilizes the S&P 500 index, the NASDAQ 100 index, and the Russell 2000 index, and a combination of two PIMCO fixed-income funds. The S&P 500, the NASDAQ 100 and the Russell 2000 are indexes which cannot be used in actual investing. Alpha accounts use index funds that replicate the S&P 500, the NASDAQ 100 and the Russell 2000 but which may vary from the index returns. The data presented above contains returns from PIMCO funds during periods when the model is invested in fixed-income. During these periods, the portfolio is equally allocated between the PIMCO Low Duration Fund and the PIMCO Total Return Fund. The returns for the fixed-income component are net of PIMCO's fees and expenses. *The data presented above represent a reduction in gross returns of .75% per quarter or 3% annually when the model is invested in equities. This reduction in returns reflects Alpha's maximum fee of 2% annually, as stated in our Disclosure Brochure (Part 2A of Form ADV), and a 1% annual reduction which reflects the internal costs of the funds used to implement the strategy. During periods of fixed-income investment, the gross returns are reduced by .55% per quarter, reflecting Alpha's maximum quarterly fee of .50% and .5% allocated to other expenses. The data does not include interest/dividends from money market funds in the fourth quarter of each year. The data does include interest and dividends attributed to each index.

Alpha Seasonal Strategy Model Performance History
*Net of Fees and Expenses**

Annual Returns for 20 ¼ Calendar Years Ended March 31, 2011

	1 Qtr:																				
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Alpha Seasonal Strategy	4.98	9.87	0.51	34.51	13.39	1.32	5.45	5.86	32.82	7.65	13.65	19.88	33.94	25.97	15.96	11.91	53.33	1.16	10.57	13.09	44.69
S&P:500	5.92	15.06	26.47	-37.00	5.49	15.79	4.91	10.88	28.68	-22.10	-11.89	-9.11	21.04	28.58	33.36	22.96	37.58	1.32	10.08	7.62	30.47

Compound Annual Returns for Periods Ended March 31, 2011

	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years	Last 11 Years	Last 12 Years	Last 13 Years	Last 14 Years	Last 15 Years	Last 16 Years	Last 17 Years	Last 18 Years	Last 19 Years	Last 20 Years
Alpha Seasonal Strategy	12.77	11.09	17.54	15.30	12.03	11.55	10.31	13.07	12.63	13.11	13.06	13.94	15.00	15.54	15.20	16.78	16.61	15.92	16.04	16.09
S&P:500	15.65	31.61	2.35	0.44	2.62	4.09	4.46	7.87	3.64	3.29	0.73	2.06	3.24	5.93	6.80	8.23	8.65	8.24	8.59	8.72

Disclosure: The Alpha Seasonal Strategy is an active asset-allocation program exploiting persistent seasonal factors affecting the stock market. The rules of the strategy are objective and fully disclosed. The computer model applies the rules of the strategy to indexes rather than actual investment vehicles. In the case of bonds, the model uses the Barclays Capital 1-3 Treasury Index. The actual program uses a mix of PIMCO funds – the PIMCO Low Duration Fund and the PIMCO Total Return Fund – which have different returns than the index. Over the 20-year simulation period, the PIMCO combination, net of fees and expenses, provided a higher return than the index used in the model. In the fourth quarter, the program is invested in money market funds when not invested in the three "power trades" whose results are contained in the model. The model does not reflect interest that would have been earned on money market funds in the fourth quarter. Other indexes used in the model are the S&P 500, the NASDAQ 100, and the Russell 2000. The actual program invests in index funds, which may have results slightly different from the indexes themselves. The data does include interest and dividends attributed to each index. *The model's gross returns are lowered by .75% per quarter, reflecting Alpha's maximum fee of 2% annually, as stated in our Disclosure Brochure (Part 2A of Form ADV), plus 1.00% annual expenses for funds. Funds used in the program have no trading expenses, so this is not a factor in the model.

Alpha Mid-Cap Power Index Managed Account Model Performance History
*Net of Fees and Expenses**

Annual Returns for 15 ¼ Calendar Years Ended March 31, 2011

	1 Qtr:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Alpha Mid-Cap Power Index MA	8.54	20.17	17.55	12.28	13.87	8.04	7.61	16.67	14.09	11.85	24.54	15.82	21.43	36.14	19.52	21.48	
S&P:400 Mid Cap	9.36	26.64	37.38	-36.23	7.98	10.31	12.56	16.48	35.62	-14.51	-0.60	17.50	14.73	19.11	32.25	19.20	

Compound Annual Returns for Periods Ended March 31, 2011

	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years	Last 11 Years	Last 12 Years	Last 13 Years	Last 14 Years	Last 15 Years
Alpha Mid-Cap Power Index MA	20.38	30.09	23.95	16.88	14.66	14.94	14.30	15.65	13.80	16.93	14.35	16.73	16.57	17.79	17.44
S&P:400 Mid Cap	26.95	44.32	10.00	5.49	6.07	8.52	8.79	13.16	8.35	9.36	7.77	10.02	9.25	11.70	11.63

Disclosure: The above illustration reflects a precise asset allocation formula for the Alpha Mid-Cap Power Index Managed Account strategy as follows: November 1 to May 31: 100% S&P 400 MidCap Index + three power period trades in the fourth quarter using the S&P 400 MidCap Index x 1.5 beta. June 1 to October 31: 100% Barclays Capital Intermediate Treasury Bond Index. The computer model applies the rules of the strategy to indexes rather than actual investment vehicles which cannot be used in actual investing. The actual program invests in index funds and bond funds, which may have results slightly different from the indexes themselves. The data does include interest and dividends attributed to each index. *The model's gross returns are lowered by .75% per quarter, reflecting Alpha's maximum fee of 2% annually, as stated in our Disclosure Brochure (Part 2A of Form ADV), plus 1.00% annual expenses for funds. Funds used in the program have no trading expenses, so this is not a factor in the model.

The Formula™ Model Performance History
*Net of Fees and Expenses**

Annual Returns for 15 ¼ Calendar Years Ended March 31, 2011

	1 Qtr:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
ALPHA/The Formula	4.98	20.05	24.35	-8.37	9.13	11.83	3.00	16.41	35.28	18.41	21.25	9.60	57.27	44.42	19.24	21.57	
S&P:400 Mid Cap	9.36	26.64	37.38	-36.23	7.98	10.31	12.56	16.48	35.62	-14.51	-0.60	17.50	14.73	19.11	32.25	19.20	
S&P:500	5.92	15.06	26.47	-37.00	5.49	15.79	4.91	10.88	28.68	-22.10	-11.89	-9.11	21.04	28.58	33.36	22.96	

Compound Annual Returns for Periods Ended March 31, 2011

	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years	Last 11 Years	Last 12 Years	Last 13 Years	Last 14 Years	Last 15 Years
ALPHA/The Formula	16.32	31.52	16.68	11.87	10.40	10.56	10.52	14.03	13.70	16.52	13.42	16.80	18.63	19.70	19.22
S&P:400 Mid Cap	26.95	44.32	10.00	5.49	6.07	8.52	8.79	13.16	8.35	9.36	7.77	10.02	9.25	11.70	11.63
S&P:500	15.65	31.61	2.35	0.44	2.62	4.09	4.46	7.87	3.64	3.29	0.73	2.06	3.24	5.93	6.80

Disclosure: The Formula™ is a precise asset allocation strategy applied over time using equity indexes and bond funds as components. The equity indexes are the S&P 500, NASDAQ 100, and the S&P MidCap 400. The bond fund is the PIMCO Total Return Fund. *All data illustrating The Formula™ is presented net of a 3% annual charge for maximum fees and expenses which would be expected in a real-time managed account. The Formula™ is not an actual investment. It is a recipe detailing the allocation of indexes and bond funds over time. As such, it is, like an index, not investable. A managed account based on The Formula™ may use funds which deviate from the indexes in the illustration. The illustration covers a period of rising and falling markets.

All of Alpha's strategies may be executed using variable annuity company products which may increase the total expense factor. In some cases, the expense factor will remain unaffected due to lower management fees from Alpha. These expense factors cannot be quantified in advance. Computer models are created with the benefit of hindsight and must be approached with caution. Being hypothetical, there are inherent limitations due to the fact that they do not reflect actual trading and do not reflect the impact that material market and economic factors may have on the advisor's decision process if actual client funds had been invested in the strategy. No matter how positive the model returns have been over any time period, the potential for loss is always present due to factors in the future which may not be accounted for in the asset-allocation strategy. Past performance is not a guarantee of future performance.

Alpha Investment Management
Model Performance Results
Net of Fees and Expenses

First Quarter 2011

Alpha Model Programs*	1st Qtr. 2011 Alpha Model Returns	2010 Alpha Model Returns	2009 Alpha Model Returns
ALPHA/PIMCO Bonds Plus Strategy Model	+ 0.49%	+ 9.90%	+ 12.48%
The E-System Portfolio Model	+ 4.98%	+ 16.06%	+ 11.98%
Alpha Seasonal Strategy Model	+ 4.98%	+ 9.87%	+ 0.51%
Alpha Mid-Cap Power Index™ Managed Account Model	+ 8.54%	+ 20.17%	+ 17.55%
The Formula™ Model	+ 4.98%	+ 20.05%	+ 24.35%

Benchmarks	1st Qtr. 2011 Returns	2010 Returns	2009 Returns
S&P 500	+ 5.92%	+ 15.06%	+ 26.47%
S&P MidCap 400 Index	+ 9.36%	+ 26.64%	+ 37.38%
Russell 2000 Small Cap Index	+ 7.94%	+ 26.85%	+ 27.17%
Dow Jones Industrials	+ 7.07%	+ 14.06%	+ 22.68%
NASDAQ	+ 5.05%	+ 18.15%	+ 45.28%
NASDAQ 100	+ 5.62%	+ 20.15%	+ 54.57%
Barclays Capital Aggregate Bond Index	+ 0.42%	+ 6.54%	+ 5.93%

Summary of Alpha Programs

ALPHA/PIMCO Bonds Plus Strategy – This program seeks to combine one of the world’s best bond managers (Bill Gross) with Alpha’s fourth quarter “power trades” to create a unique solution to the conservative investor’s dilemma: how to safely invest for income while increasing the asset base at a rate greater than inflation after taxes.

The E-System Portfolio – The primary strategy of this program is to have exposure to the stock market during very restricted time periods when the risk of loss is low. This strategy depends primarily on the regularities of the four-year presidential election cycle.

Alpha Seasonal Strategy – This program seeks to exploit three persistent seasonal factors which have affected risk and return for decades: 1) the four-year presidential election cycle; 2) the best six trading months of the year; and 3) fourth quarter power periods.

Alpha Mid-Cap Power Index™ Managed Account – This program seeks to exploit the 60-year pattern of “skewing” market returns into a six or seven month “power zone”.

The Formula™ – This program seeks to exploit two cyclical forces – the annual earnings forecasting cycle and the four-year presidential election cycle – that profoundly and regularly affect the distribution of stock market returns.

* Please see previous pages for disclosure information.