

Heritage Capital, LLC

News Release

For further information, contact:
Paul Schatz, Founder and President
Heritage Capital, LLC
(203) 389-3553
Paul@InvestForTomorrow.com

For Immediate Release

Enjoy the Ride into Summer... Danger Lurks After Cautions Heritage Capital's Paul Schatz

WOODBIDGE, CT – April 22, 2010 – There wasn't much for investors not to like during the first quarter of 2010. The U.S. stock market had its best first-quarter performance in 12 years with the S&P 500 up 4.9%, despite a strong pullback from mid January to early February. "Returns for Heritage Capital's benchmark equity programs ranged from 7.35% to 2.80% net of fees for the quarter," reported investment strategist Paul Schatz, president of Heritage Capital in Woodbridge, CT. "We are pretty much fully invested, but I consider this more short term."

The problem, says Schatz, is that the market has come too far, too fast, given the lack of non governmental and private economic foundation with too many uncertainties lurking in the background.

"I think the markets are working their way toward a peak between Memorial Day and Labor Day. From there, the next major move could be a hair-raising, elevator-shaft type decline. With that said, the market often makes explosive moves towards the end of a rally," he said. "My advice to investors is to enjoy the ride, but have your stops ready. Sometime between Memorial Day and Labor Day, we're likely to see the end of the rally and the beginning of the largest correction since the first quarter of 2009."

From that point forward, Schatz says one of two scenarios will unfold. In the best case for investors, the decline is a bull market correction of 10-20% and prices head back up in late 2010 and early 2011. The worst case scenario is that another bear market begins and a 20%+ decline is the start. Right now, he ranks the second the more likely scenario.

"The biggest mistake people are going to make when the market peaks is to view it as just another pullback and a time to add more money. In bull markets, all declines can be bought, except the final one. But when the music stops and you pull away the chairs, the last investors standing are going to get hurt," said Schatz. "If you don't have some system of limiting your losses, whether through stops or hedging, you need to put something in place."

Schatz maintains investors can't afford to buy-and-hold, waiting for the market's ultimate rise to bail them out of losing positions. Over the last 10 years, the S&P 500 total return index has lost buying power at a rate of -3.4% a year when the impact of inflation is combined with losses accumulated over the period. "That's not an efficient way to make money, particularly when you

had some good gains during the period.”

Heritage Capital follows an active investment approach in all of its models, shifting investment positions to take advantage of trends developing in the market, or to avoid periods of greater risk. Client accounts are typically allocated among the different strategies based on the individual's risk profile. Heritage's benchmark strategies, using mainly Rydex Funds investment vehicles, reported the following gains for the first quarter. All performance numbers are net of Heritage Capital's management fees.

Strategy	1st Quarter Net Return
High Yield Bond (Ceros)	-0.48%
Spectrum (Rydex)	+2.80%
Diversified Growth (Rydex)	+7.35%
Relative Strength Sectors (Rydex)	+4.42%
Intermediate-Term Gold (Rydex)	+7.64%
Short-Term Gold (Rydex)	+2.03%

Schatz said Heritage Capital's investment programs primarily held real estate, leisure, energy services and commodities at the start of the second quarter plus a variety of indices. He expects gold, the core of two investment approaches to make new highs in the months ahead. "Gold is holding its own in the face of no inflation and a strong dollar. That is a very bullish sign and says to me we can look for new highs."

Paul Schatz has been active in the financial markets for more than 21 years, including positions as chief investment officer for a regional advisory firm and equities trader with Shearson Lehman Brothers and Cowen & Company. Heritage Capital offices are located at 1 Bradley Road, Suite 202 in Woodbridge, CT.

###

Heritage Capital LLC ("Heritage") composite performance results represent time-weighted **actual performance results** for continuously managed Heritage accounts, which individual accounts Heritage believes to be representative of its investment management process (i.e. mutual funds and exchange traded funds) for each specific strategy during the corresponding time period. The composite performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, and the separate fees assessed directly by each unaffiliated mutual fund and exchange traded fund holding that comprised each account, and the **maximum** investment advisory fee that the accounts would have incurred (by applying the Heritage's current investment advisory fee of 2.00% as set forth in its current written disclosure statement) during the corresponding time periods.

Please Note: Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, equal the performance results reflected, or equal any corresponding historical benchmark index. The historical index performance results for all historical benchmark indices do not reflect the deduction of transaction and custodial charges, or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. The historical performance results for all indices are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining

whether the performance of a Heritage program meets, or continues to meet, his/her investment objective(s). A corresponding description of each index is available from Heritage upon request. It **should not** be assumed that Heritage account holdings will correspond directly to any such comparative benchmark index. The Heritage performance results do not reflect the impact of taxes.

For reasons including variances in the investment management fee incurred, market fluctuation, the date on which a client engaged Heritage's investment management services, and any account contributions or withdrawals, the performance of a specific Heritage client's account may have varied substantially from the indicated portfolio performance results.

In the event that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise Heritage immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised or undertaken by Heritage) will be profitable.

Information pertaining to Heritage's advisory operations, services, and fees is set forth in Heritage's current disclosure statement, a copy of which is available from Heritage upon request. **Performance results** have been compiled solely by Heritage, are unaudited, and have not been independently verified. Heritage maintains all information supporting the performance results in accordance with regulatory requirements.