

Bryan Zschiesche

From: Bryan Zschiesche
Sent: Monday, September 26, 2011 9:46 AM
Subject: Financial Synergies - Reflections On Last Week

Dear Client,

Mike Minter and I returned to the office on Friday from a two-day trip to Dallas. The purpose of our trip was to attend an alternative investments conference hosted by Altegris. You may recognize the name of the firm as the portfolio manager for two new funds in your portfolio, the Altegris Managed Futures fund and the Altegris Macro Strategy fund. Each fund is sub-advised by five different managers, and two of the Managed Futures sub-advisors were speakers at the event: Salem Abraham of Abraham Trading Company, and Tony Fenner-Leitao of Winton Capital Management.

In the two days we were away (Wednesday and Thursday), the Dow Jones Industrial Average fell 675 points, or 5.92%, and the S&P 500 gave back 72.5 points, or 6.03%. To say it was a difficult two days for the market is an understatement. However, the downward pressure of this very short timeframe highlights the importance of the alternatives allocation in your portfolio (and the reason for our attendance at the conference). Over the same two days, the Macro Strategy fund contributed 1.3% to the portfolio and the Managed Futures fund held the fort, posting a gain of 0.1%. Another relatively new addition to the portfolio, the Rydex Long-Short Interest Rate fund, added 1.9%.¹ As you can see, your alternative investments have done precisely what we hired them to do – act as diversifiers in the portfolio.

We have been communicating all year that the portfolio is not synonymous with the stock market. While market declines do have a negative impact, we hold investments which have the potential to profit during difficult days like the ones seen last week. The alternatives have become increasingly important as market volatility has persisted these past several months, and we expect that to continue into the future.

As always, if you have questions about your portfolio or our alternative strategies funds in particular, please don't hesitate to give us a call.

Sincerely,
Bryan Zschiesche



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¹ Source: Morningstar Direct