

High Desert Investment Advisors

Albuquerque New Mexico
Voice - 505-797-2644 Fax - 505-797-1901

Serving Your Personal Investment Needs Since 2003

Monday, January 25, 2010

INVESTMENT ADVISORY - Option "A" Trade Completed

In April, 2009, we planned for doing short term trades using the "Option A" alternative investment strategy. Many - not all - of our investors decided to do this trade when the conditions dictated that the timing was right.

We have completed the second option "A" trade for those who indicated they wanted to participate. On October 8, and October 20, 2009, we entered into trades with about 10% of the money that was set aside to be reinvested into equities. We bought a mix of Exchange Traded Fund Indexes: (SPY) S&P Index; (MDY) Mid-Cap Index; (QQQQ) Nasdaq Index. The starting prices for these trades: Oct. 8, (SPY) - \$107.03 per share; Oct. 8, (MDY) - \$127.01 per share; Oct. 20 (QQQQ) - \$43.13 per share.

Today, we offset that trade by selling the (SPY), the (MDY) and the (QQQQ) Exchange Traded Funds, on the opening of trading this morning. Sell price - (SPY) \$109.78 per share; (MDY)\$131.31 per share; (QQQQ) \$44.38 per share.

The profit: Approximately 3%; Trade period: About 3 months

With the changing market conditions, this will be the last recommended Option "A" Trade.

The goal of this kind of trade has been to take some profit out of the market during a period when there is too much risk required to invest long term. We have now begun reinvesting for the long term, using a correlated and balanced portfolio of equity mutual funds.

Within a few days, I will follow up this Advisory, with a detailed outline of what I think the investment future holds for us, and how I recommend we structure our investments to manage the downside risk that exists in the marketplace.

Dick Brackett
High Desert Investment Advisors, LLC
Registered Investment Advisor

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