AN INVESTMENT MANAGEMENT STRATEGY

March 18, 2009

Below is valuable information on how to use a 34-day moving average of the S&P index to make changes in your investment portfolio. Here's how:

- Use the day's trading range to make a change
- If the trading range is higher or lower (buying vs. selling) than the 34-day moving average, for more than five days of trading, make a change on the sixth trading day
- Make changes in 10% increments - i.e. for a $1,000 portfolio, choose ten increments of $100 each
- Using no-load mutual funds:
    - Some funds will limit how often you can trade. Avoid those funds because you may have to sell your positions too soon after implementing the buy trade
    - You may want to use an exchange traded fund (ETF) to implement this strategy because these can be traded like stocks
    - ETF symbols you might considers - SPY, QQQ, MDY, DIA
    - When the market is going sideways, the 34-day moving average strategy will often cause more trading
    - Once the market begins a longer term move, this strategy will get you into and out of the market when it is appropriate
    - Management motto: "Buy low, sell high"

Here is an example: If at the end of year 2008, you had no other guide and were still 100% invested in the stock market on January 1, 2009, you could have used the following technical approach to scale out of the market.

- 1/12/09: 34-day moving average = 881.48. Sell 10% on each of the following days: 1/21/09, 1/28/09, 2/5/09, 2/19/09, 2/25/09, 3/3/09, 3/11/09, 3/18/09

- By March 18, 2009 you would have sold 80% of your equity holdings (note that this is very late in the game to be selling)

- Assuming you were selling mutual funds at the end of the trading day, you would have sold at the following S&P index prices: 840, 874, 846, 779, 765, 696, 721, 794; for an average price of the S&P index of 789.