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Investing Fundamentals

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Summit Equities, Inc.

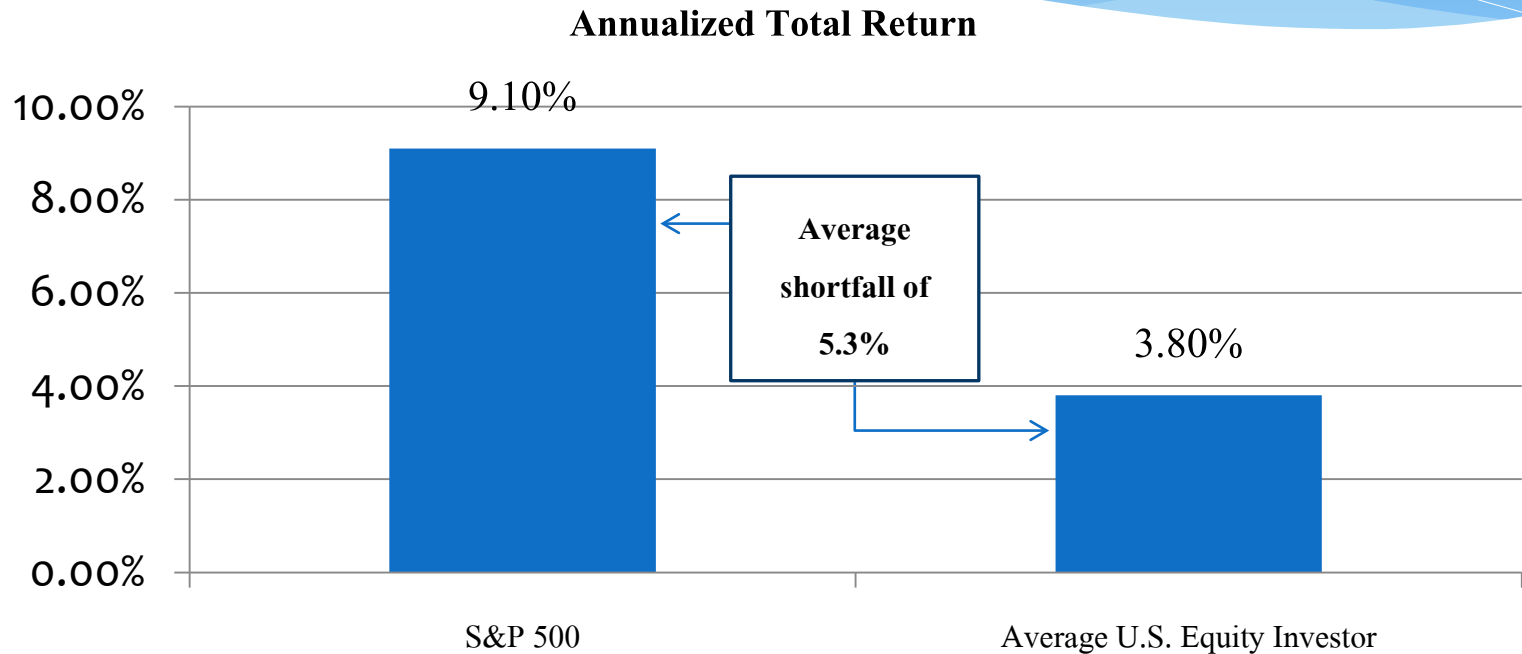
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Falling Short



Source: Dalbar 20-year annualized total return, ending December 31, 2010.

What are some of the possible differences between Retail and Institutional Investors?

Retail Investors

Chase Return

Make decisions themselves

Have individual positions

Concentrate

Don't consider expenses

Act on emotion

Institutional Investors

Consider both return and risk

Use professional managers

Have a portfolio

Diversify

Reduce expenses

Use a scientific process

Creating Intelligent Investment Portfolios

- Aggregate portfolio designed with client objectives and risk tolerance in mind
 - Broad global diversification among asset classes and within sub-categories
 - Open architecture to minimize conflicts of interest and to seek the best opportunities
 - Judicious use of alternative assets and hedging/tactical strategies to compliment traditional asset classes
 - Low correlation with traditional assets
 - May help to hedge against inflation
 - Reduce portfolio volatility
 - Provide reasonable return performance
 - Active managers in less efficient markets
 - Passive management in efficient segments to control expenses and reduce taxes
 - Rigorous initial and ongoing due diligence
 - Thorough analysis and monitoring of the economy and capital markets
- Annual rebalancing to
- harvest gains
 - maintain desired investment allocation
 - redeploy assets into better opportunities
- Continuously work with our clients to:
- Understand changing needs and objectives
 - Provide appropriate education and communication

Investment recommendations are based on economic theory, empirical research and practical experience.

Active vs. Passive Management

- Passive strategies are designed to track a particular market segment or index, such as the S&P 500.
- Key characteristics of passive funds:
 - Limited trading and research staff to keep fund expenses low
 - Tax efficient from reduced portfolio trading
 - Liquid and can be traded daily. Holdings are readily available and fully transparent.

***Passive portfolio management can commonly save
0.50% to 1.00% in annual investment expenses.**

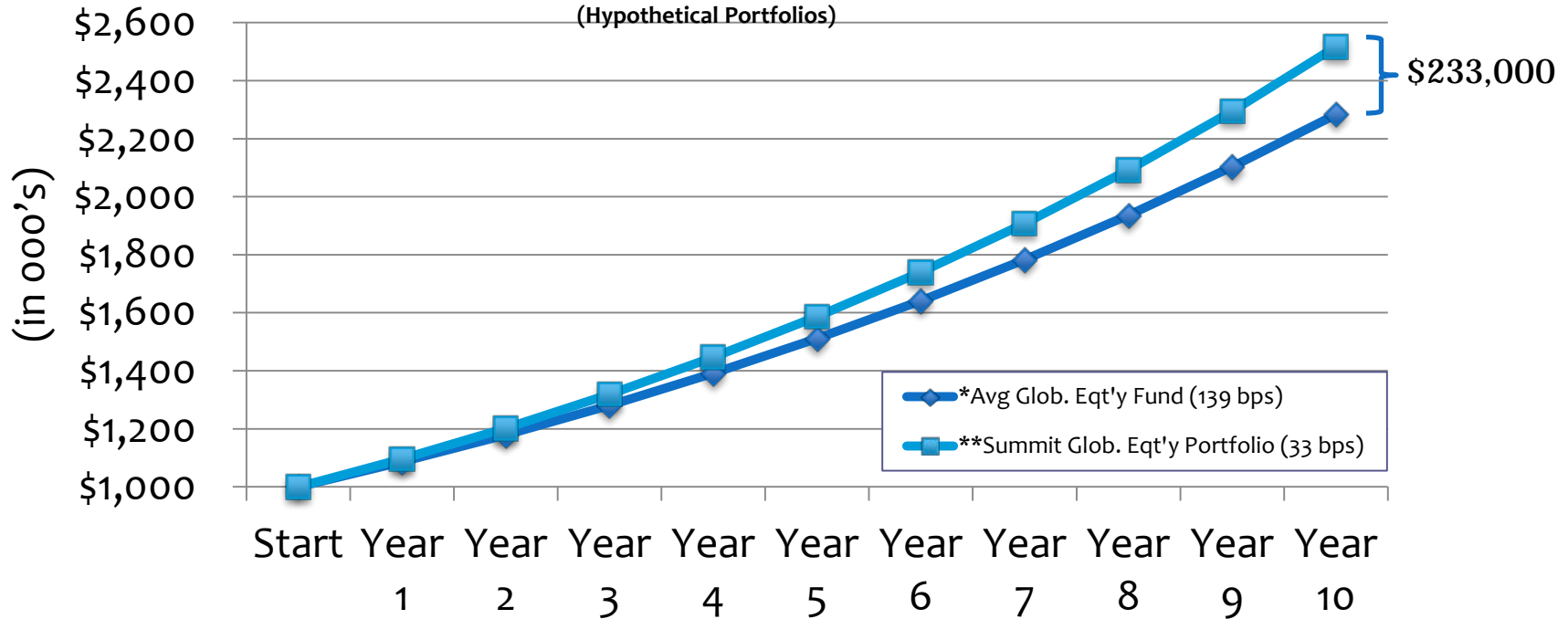
* Based on Morningstar data comparing active and passive fund expenses across each category

Expenses Matter

The lower expense portfolio grows to be 10% more than the higher cost option. This amounts to \$233,000 more on an initial \$1 MM investment.

Portfolio Growth

(Hypothetical Portfolios)



Assumptions:

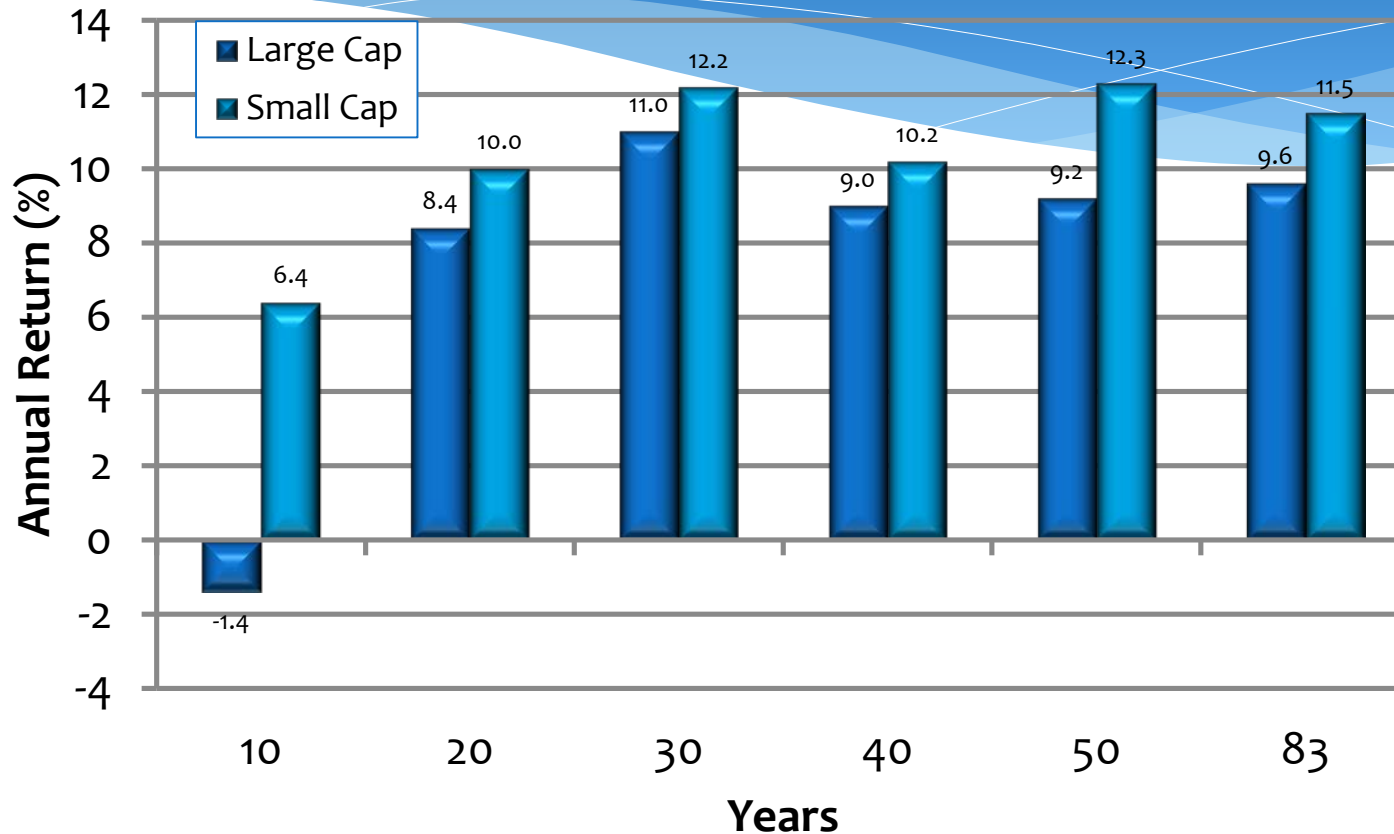
- Gross annualized return = 10%
- Initial investment = \$1 million
- Taxes and advisory fees excluded

* As reported by Morningstar, the average of the global equity category

** Based on the Summit Global Equity portfolio shown in the Appendix

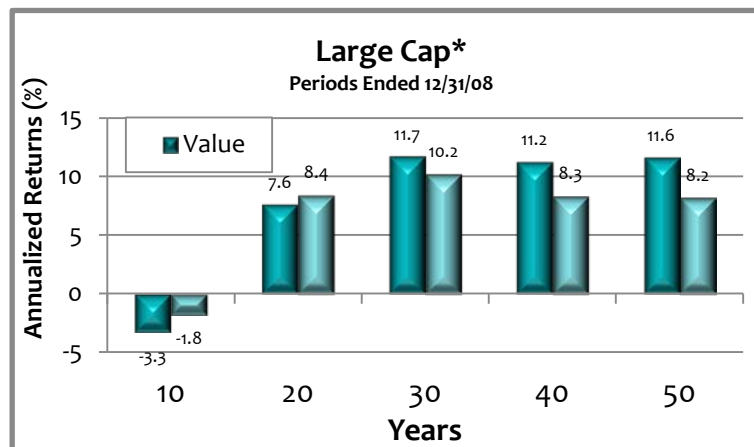
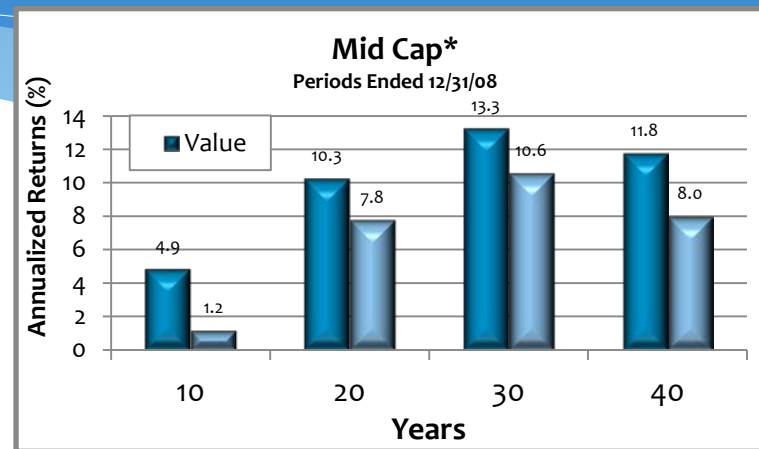
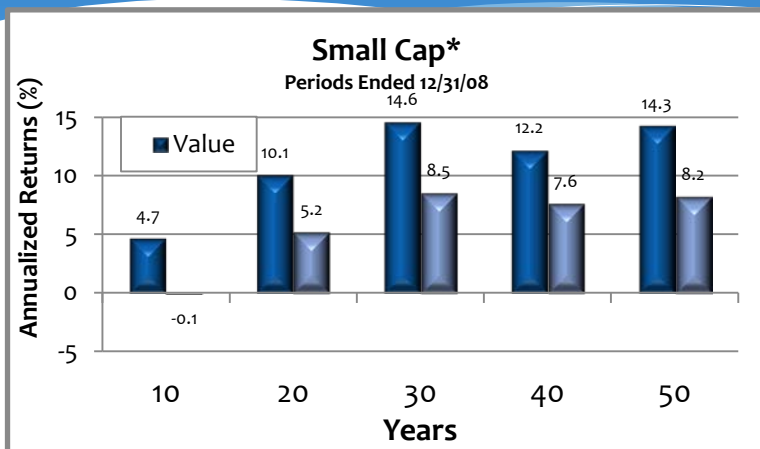
Large Cap vs. Small Cap

(Periods ending 12/31/08)



Source: Morningstar, S&P 500 Index, Ibbotson Associates U.S. Small Stock Index. Ibbotson Associates is a leading authority on asset allocation with expertise in capital market expectations and portfolio implementation.

Value vs. Growth Across Market Capitalizations



* Russell Indices were used in evaluation and comparison of capital market segments. Russell indices serve as a benchmark to measure performance. The indices allow investors to track the performance of distinct market segments worldwide.

Strategies designed to diversify return streams and reduce portfolio volatility

Hedging and Tactical Strategies

Equity long/short strategies maintain a core long equity position while shorting those stocks determined to be overvalued or challenged.

Equity market neutral strategies hold a core position and use derivatives to hedge holdings.

Global macro strategy managers find valuation discrepancies across global capital markets and multiple asset classes.

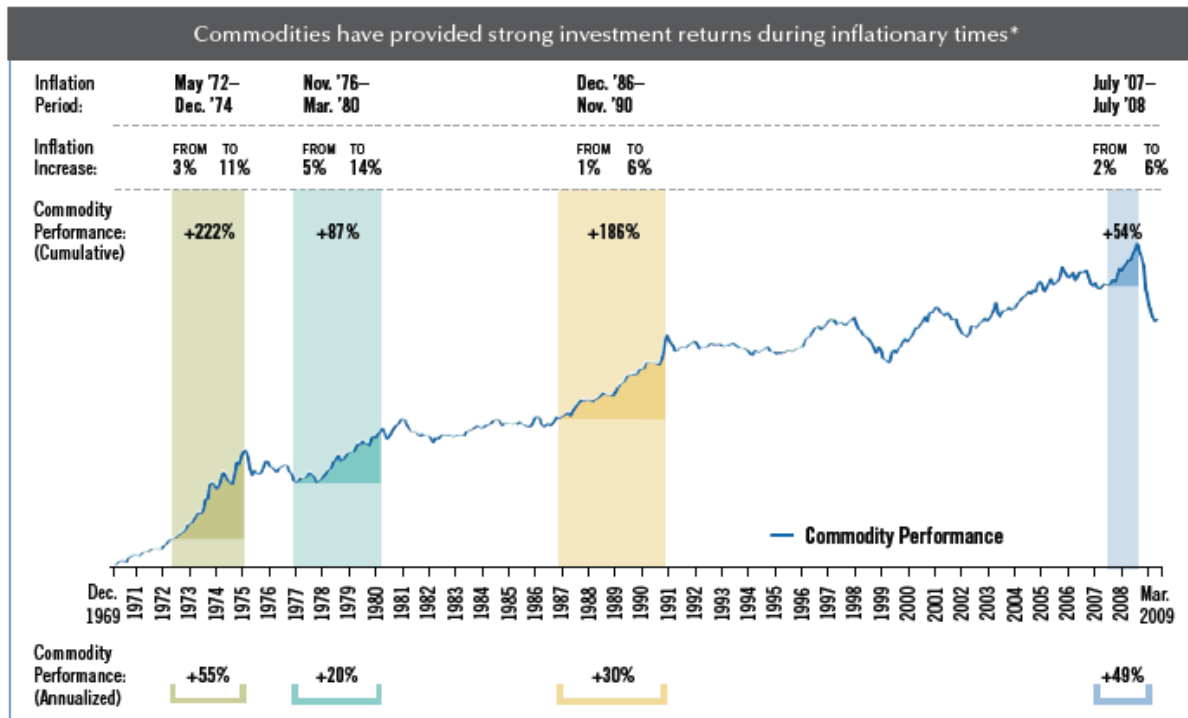
Managed Futures

Commodity Trading Advisors, CTAs, use futures to enhance portfolio returns.

CTAs use futures to take positions (long and short) in over 150 global markets such as energy, currencies, agricultural commodities, metals, interest rates and stock indices. They invest in all economic environments to maximize profits.

Combining managed futures with hedging and tactical strategies can achieve superior returns with less portfolio volatility.

Commodities in Inflationary Times



Cumulative and annualized performance of the S&P Goldman Sachs Commodity Index when inflation (Consumer Price Index–CPI) rose by an annual rate exceeding 3% for a prolonged time period of at least 12 months.

*Inflation measured by the Consumer Price Index (CPI), which is a measure of the average price of consumer goods and services purchased by households. Commodities measured by the S&P Goldman Sachs Commodity Index, which is a world-production weighted index composed of 24 commodity futures contracts. An investment cannot be made directly in an index. The chart above was graphed using a logarithmic scale, so as to more effectively illustrate the relationship between inflation and commodity performance over an extended time period that might otherwise not be apparent using a linear arithmetic scale.

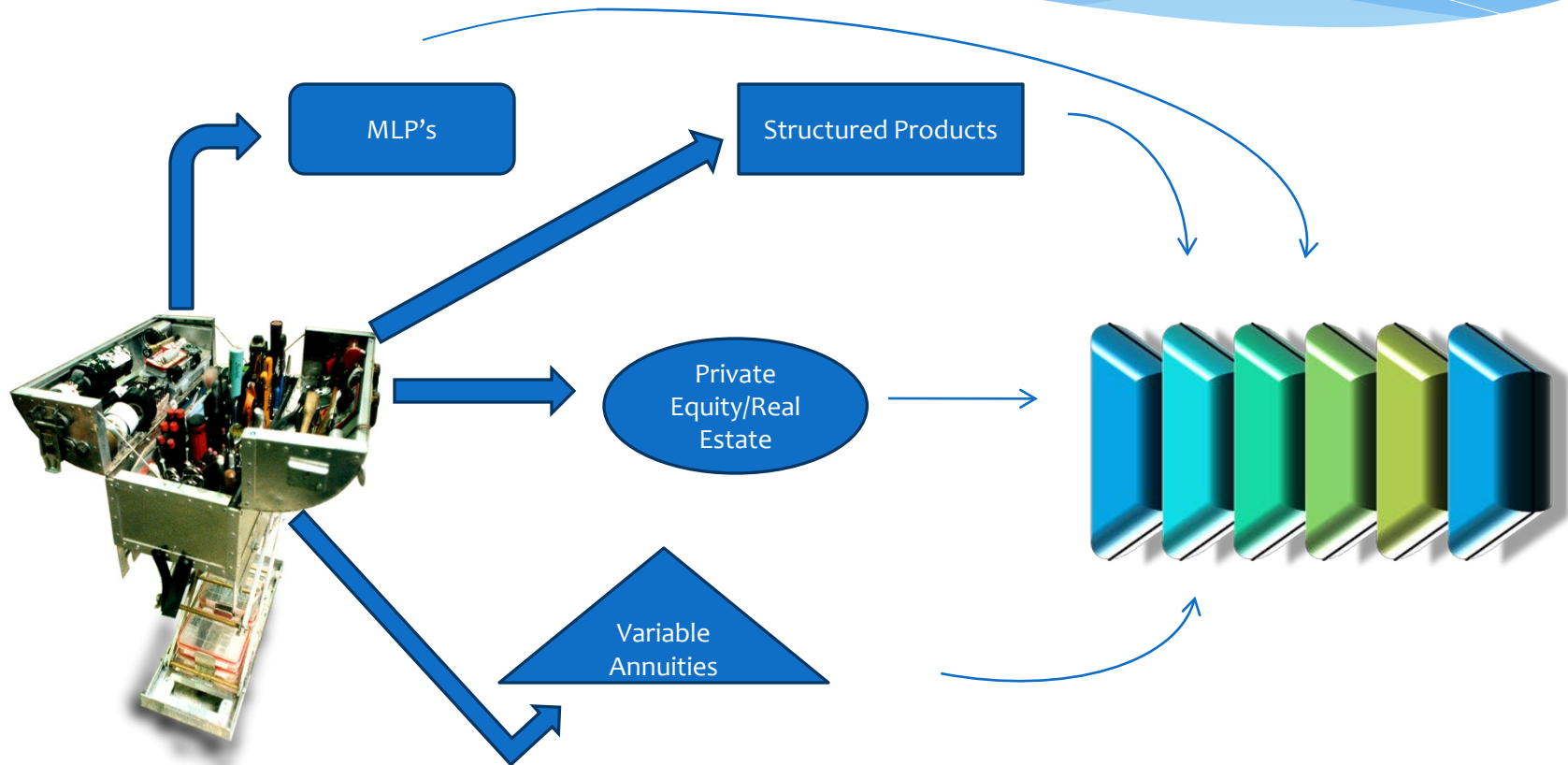
Use of TIPS in an Investment Portfolio

TIPS are direct obligations of the U.S. government and are backed by the full faith and credit of the government. They are structured to increase in value if there is inflation, thus acting as a hedge against inflation.

Key Characteristics

- The principal, or face value of the security, is indexed to the Consumer Price Index, CPI.
- When the CPI increases due to rising prices, the principal of the security also rises.
- Interest income on TIPS is also protected from inflation.
- During a period of deflation, the principal and interest income of TIPS will decline.
- At maturity an investor receives the greater of the original face value or the inflation adjusted face value.

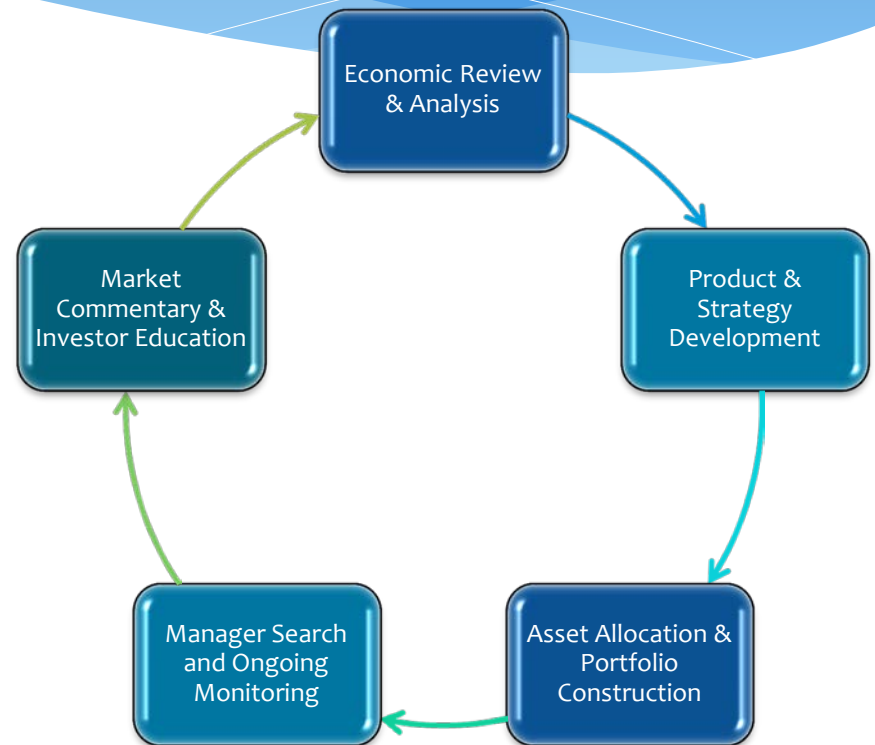
Additional Products & Strategies



The Role of Research

To provide...

- Thought leadership in investment management
- In-depth due diligence
- Benefits of unconstrained open architecture
- Expertise across asset classes and strategies
- Unique and customizable client solutions



Summit's Investment Committee

Thirteen senior leaders of the firm possessing

- Extensive industry experience
- Advanced degrees and certifications (incl. CFA[®], CFP[®], CPA, JD, & MBA)
- Compliance & regulatory expertise

Meeting regularly to

- Review the economy and capital markets
- Set investment direction for the firm
- Evaluate current and proposed product offerings
- Monitor investment managers and portfolios

Portfolio Benefits

- Client centric approach
- Open architecture to drive unbiased recommendations
- Passive management where advantageous
- Best of breed active managers in less efficient market segments
- Aligned with empirical research and economic theory
- Awareness of imbedded portfolio management expenses
- Annual rebalancing to harvest gains, maintain portfolio integrity, and redeploy into better opportunities
- Continuous monitoring with unconstrained ability to make manager changes
- After-tax return benefits from passive strategies (low turnover & long-term gains)
- Broad exposure to alternative asset classes as well as hedging & tactical strategies
 - Increases diversification
 - Limits manager concentrations
 - Protects against inflation
 - Lowers portfolio volatility
- Custody at NFS, a Fidelity Company

Disclaimer

Investing in capital markets involves substantial risk and you could lose money. Individual investments, investment services, or strategies mentioned herein may not be suitable or appropriate for every investor or every situation. While past performance may be analyzed, past performance should not be considered indicative of future performance. You should be aware that investments can fluctuate in price, value and/or income. Standard & Poor's 500 Index (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general, you cannot directly invest in an index.

You should not make any investment decision without first consulting your financial advisor and conducting your own research and due diligence, including carefully reviewing the prospectus and other public filings of the issuer.

Risks in commodities investing are subject to world events, liquidity, shifting market preferences, trade signal disruption, and many other things that cannot be successfully predicted, but do have a significant impact on your future results. Investments in funds impose risk due to exposure to economic forces or factors for which the future is uncertain. Some of these are unique to individual funds, but many are common to many funds. Thus, a U.S. stock fund will typically move to a greater or lesser extent with the overall U.S. stock market. A fund's risk depends on how closely its return is coupled with given indexes, the riskiness of each index, and how closely the indexes tend to move together. You should not make any investment decision without first consulting your financial advisor.

Securities and Investment Advisory Services offered through **Summit Equities, Inc.**, Member FINRA/SIPC. 4 Campus Drive, Parsippany, NJ 07054. Tel. 973-285-3670 Fax. 973-285-3666.