ALTMAN INVESTMENT MANAGEMENT

INVESTMENT STRATEGY HIGHLIGHTS — MAY, 2008

Written By: *Peter J. Altman, President*
Jeffrey S. Bauman, Managing Director
Karen Troiano, Senior Portfolio Manager

Altman Investment Management
34 Chambers Street
Princeton, NJ 08542
609.252.0048
paltman@altman-investment.com

GENERAL MARKET OBSERVATIONS

- **The U.S. equity markets ended the first quarter of 2008 with the Standard and Poor's 500 declining -9.44% against a slightly better relative result for the equally dollar weighted S&P 500 Index which declined -8.60% over the same time period. Our performance benchmarks the S&P 500/Citigroup Value Index declined - 9.62% against a decline of -8.72% by the Russell 1000 Large Capitalized Value Index for the calendar year.** (1) As investors debate the extent the slow down in the U.S. will impact the rest of the globe, performance statistics show that the U.S. style performance was consistent with a slowing economy. Although globally-sensitive benchmarks performed better for dollar based investors, they too have begun to moderate. Unlike the first quarter, the U.S. stock market started the second quarter on a positive note. International markets also reinforced the end of some multi-year leadership trends that persisted in the U.S. until early in 2007. In the U.S. for instance the large-cap indices in aggregate continued to out-perform the small capitalized indices and appear to be marking a reversal of an eight year trend. Despite a better showing in the first quarter the value indices have not re-established their winning streak that began at the market top in 2000. The credit market fallout that reappeared last summer in the financial markets hit the value indices the hardest since those indices continue to be dominated by the financial companies. The credit market debacle last year gave the Russell 1000 Growth the edge to outperform the Russell 1000 Value by almost 12%. The large cap cyclical companies were clear winners last year and into the first quarter along with commodities, as the Standard and Poor's/Goldman Sachs Commodities Index soared 38% and gold jumped 31% last year with the CRB Index advancing almost 8.0% in the first quarter alone. (1)

- **The recent rally in April appears to be strong enough to generate bullish signals based on the percentage of stocks trading above their 150 and 200 day moving averages**. Supportive comments by the Fed in the recent FOMC meeting has generated some investor interest in the rate-sensitive Financials and Utilities sectors in the last several trading weeks potentially signaling a technical bottom in the two groups.

- **During the first quarter stocks were not the asset class of choice.** Commodities were the top three performing indices followed by bonds, cash and finally stocks. Within U.S. styles there was little differentiation in performance but sector selection was far more important for total performance results. In contrast to 2006 and 2007, sector dispersion has returned. On a capitalized basis Consumer Staples, Materials, and Industrials were the strongest sectors with Technology, Financial and Telecom the weakest. Energy was of course the top sector on an equally-weighted basis.

- **Quarterly earnings continued to advance better than expected in the first quarter across most economic sectors of the broad market.** Since mid summer the markets appeared to have weathered the storm of multiple compressions against a backdrop of credit disruptions, heightened geopolitical tensions, and elevated oil prices and the imploding housing sector. We believe that our portfolios are strategically well positioned to benefit by rising equity valuations in the second half of 2008 as the Federal Reserve continues a path of accommodation placing the weakened dollar and inflation on the back burner for the time being. After a year of declining equity prices in the U.S. markets, we expect the remaining half of the year to show a more positive bias towards stock ownership as

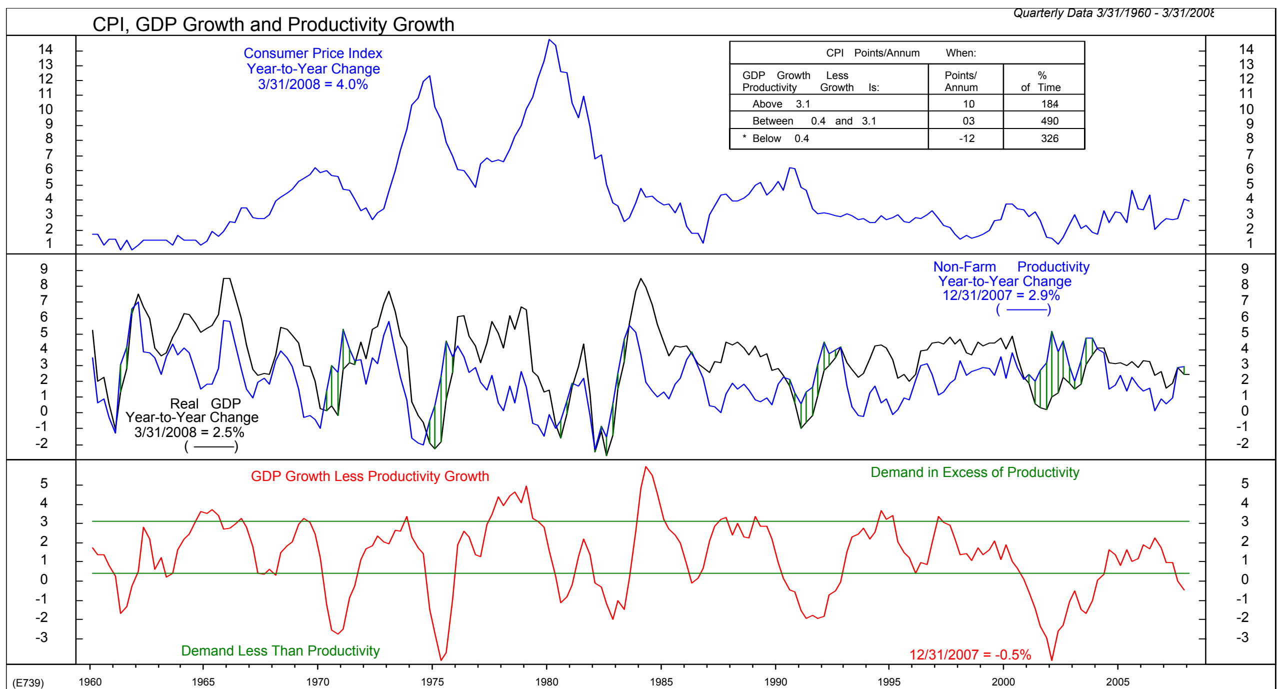
(1) Stock Market Focus, Ned Davis, Inc, Research Issue #08.07 April 2008.

The opinions expressed in this commentary are those of Altman Investment Management, LLC as of the date appearing on this material only and are subject to change. The material is based upon information we consider reliable but we do not represent that it is accurate or complete and should be relied upon as such. This material does not take into account the particular investment objectives, financial situation or needs of the individual client and should not be viewed as an endorsement of any particular investment. Certain investments give rise to substantial risk and are not suitable for all investors.

- **Year over year earnings comparisons benefit from the headwinds experienced in the last two quarters of 2007.** We believe the markets will likely normalize these results and recognize that trend line growth rates are still very positive. Finally a reversal in the declining U.S. dollar alleviating headline inflation and curtailing investors' concerns should support a positive stock market response.

- **We expect interest rates in the U.S. to stabilize at current levels, recognizing that global rates in the developed countries (including the U.S.) are still quite low and should support a healthy yield curve.** This backdrop continues to be particularly favorable for industrials and cyclicals in the U.S. and should generate higher share prices in these sectors as 2008 progresses. We continue to emphasize that in aggregate economic evidence still supports a continuation of U.S. economic expansion albeit at a slower pace. As we approach the summer months, we expect to see a reversal in the U.S. slow down with the real gross domestic product (GDP), averaging about 1.5% in the first half of 2008, to a level closer to the 3.0% for the second half. Although we have trimmed our earlier forecast of 3.5% level for real GDP growth in 2008, we remain optimistic that the U.S. economy remains on firm footing. If slowing aggregate demand and potentially muted wage pressure don't alleviate near term inflationary pressure (see Figure I), we would expect the Fed to go to the sidelines at the next FOMC meeting.

Figure I



Source: Ned Davis Research

THE U.S. ECONOMY

- **During the first quarter the housing implosion spread throughout the investment markets and precipitated extreme volatility and a flight to quality in the bond market.** Existing home sales fell 1% to 4.89 million in April, following a 1.8% decline in March. The market consensus was expecting a slightly bigger decline. Sales of condos and co-ops fell 5.2%, reversing part of the surprising increase in March and February. Single-family home sales fell by a more modest 0.5%. While sales declined, inventories of homes for sale jumped 10.5% to 4.55 million. However, since the data is not seasonally adjusted, it could be biased higher as inventory typically increases for the spring selling season. This pushed the supply of homes on the market at the current sales pace to a new cyclical high of 11.2 months. The rise in inventories is quite disturbing. As long as inventories are high, there will be downward pressure on construction and prices. The housing weakness is far from over.

- **Initial jobless claims fell 9,000 to 365,000 in recent weeks and below market expectations.** The four-week moving average inched higher to 372,250 The number of people continuing to receive unemployment benefits held steady at 3.1 million and signaled difficult labor market conditions. The level of claims is consistent with a weakening, but not collapsing, labor market. We continue to look for non-farm payrolls to decline 50,000 in May and the unemployment rate to increase above 5.0%. (2)

- **The Consumer Confidence Index fell 5.6 points in May to 57.2, its lowest reading since October 1992, and the fifth straight monthly decline.** This pessimistic assessment was related to business conditions with expectations near their lowest levels in some 28 years and corresponds to a -1.7% GDP year over year comparison. These weakened signals against inflationary expectations must be very discouraging to the Fed. Supporting this deterioration in confidence was bolstered by the continuing drop in home prices falling some 14% in the first quarter compared to a year ago, according to the Case-Shiller report. However, there was some positive news on housing in April showing new homes sales rose some 3.3% and the first recorded increase in six months.

- **University of Michigan consumer sentiment was essentially unchanged at 59.8 in May**. The preliminary survey is now at the lowest level since the 1980 recession. The deterioration in confidence has been spurred by falling home prices, rising unemployment, and record high energy prices. The collapse in confidence points to downside risk to consumption, as there is a currently a huge gap between confidence and spending. Consumers are also growing increasingly concerned about higher prices. Consumers expect an inflation rate of 5.2% over the next 12 months, likely reflecting the recent surge in energy prices. However, long-run inflation expectations also increased. The expected rate of inflation over the next five years rose to 3.4% from 3.2% in April, signaling concerns about price stability according to Michelle Meyer, chief economist at Lehman Brothers.

- **We expect that the persistent housing slowdown coupled with sub-prime mortgage defaults will continue to put pressure on the economy for several months to come**. In addition recent rising gasoline prices in the summer months could restrict families' disposable income and negatively affect consumer psychology. Another added concern is that corporations have yet to ramp up capital spending as would have been expected at this juncture in the economic cycle. To a greater extent stronger profits and very positive cash flows have been hoarded by corporate treasuries for the purpose of stock buy backs or acquisition at current equity price levels rather than enhanced capital spending on plant and equipment or system upgrades. These factors coupled with depressed consumer sentiment and rising inflation expectations put the Fed in a difficult position. We expect Fed officials to continue to talk tough on inflation, citing rising inflation expectations despite the fact that U.S. economic growth expectations having diminished. However we support the Fed's position that the weakened economy should drive inflation lower by year end and allow the Fed to more room to use a proactive monetary response.

- **The Fed maintained a supportive stance emphasizing the credit turmoil as the paramount issue.** Minutes of the April 29-30, 2008, FOMC meeting were released along with an update to the Committee's economic projections through 2010. The minutes revealed some interesting insight into the decision to cut the Federal funds rate by 25 basis points at the April meeting, but the discussion on the outlook has since been superseded by more pessimistic Fed speakers concerning the U.S. economic outlook.

- **Most surprising was the admission by most members of the Fed that "the decision to reduce interest rates at this meeting was a close call."** This implies that the FOMC was close to a pause even in April. Significantly, much of the concern about severe disruptions to financial markets, which had motivated the aggressive policy actions at the beginning of the year, appears to have abated in the minds of most members by the end of April. On the other hand, the minutes note that "economic activity had not deteriorated significantly" since the March meeting, but that "the risks to economic growth were still skewed to the downside" — an assessment that was removed from the April directive. The Committee foresaw the weakest activity over the next few months, with a recovery in the second half of the year and into 2009.

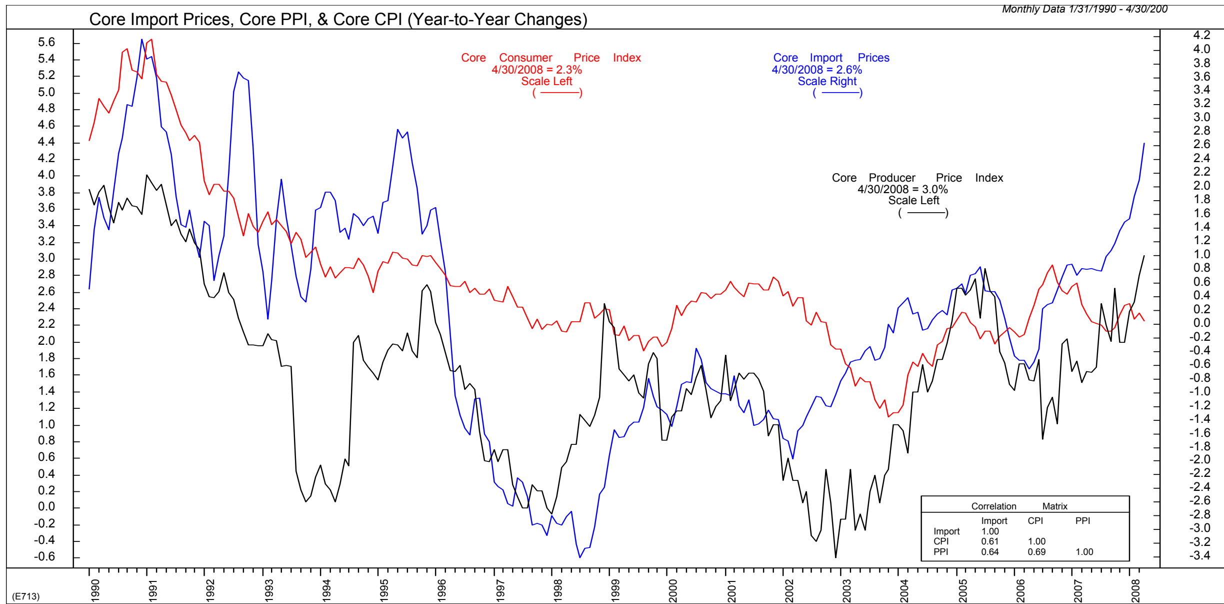
- **On the inflation outlook, FOMC members cited "concern about upside risks", noting elevated commodity prices and some indications of rising inflation expectations.** They also indicated that uncertainty about the inflation outlook had increased, but that "a modest easing" would "balance better the risks" to achieving the Fed's dual mandate. On the policy front, the Committee stated that even if the economy was "contracting slightly in the near term," it would not warrant additional easing and that any shift in policy would be determined by a change in outlook.

---

(2) The unemployment rate was reported at 5.5% for the month of May, the biggest increase since February 1986, to its highest level since October 2004 The consensus (including us) was for a rise to 5.1**%.** Over the past 30 years, the rise in the unemployment rate was a 3.5 standard deviation event and the 3rd biggest jump according to NDR Research. It was the 5th straight monthly decline, totaling 324,000. The number of unemployed has risen 26% from the cycle trough in October 2006. This is the smallest increase from trough to peak has been 43% (1980) and the median increase has been 80%. Assuming no change in the labor force, a rise equal to the 1980 recession would equate to a 6.2% unemployment rate.

- **Chairman Bernanke is still clearly concerned with inflation.** Although inflation is still expected to moderate over the next several quarters, confirmed by recent Core Consumer Prices, Fed participants are still concerned that recent Core Producer and Import Prices may be lead indicators of a deteriorating CPI. See Figure II. The Federal Reserve remains concerned with the rise in global interest rates, the high level of resource utilization, high energy and commodity prices, the decline of the dollar and slower productivity.

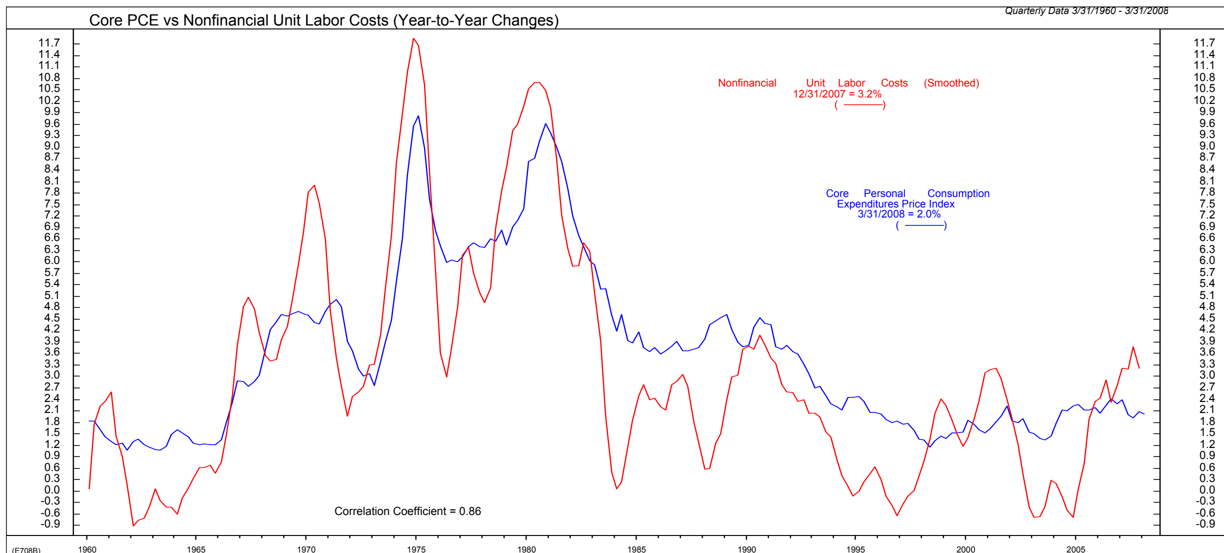
Figure II



Source: Ned Davis Research

- **Changes in the GDP forecast were consistent with an adverse supply shock since the January projections.** GDP growth forecasts were revised down sharply for the past several months, while inflation forecasts were revised up, with PCE inflation bumped up a full percentage point for 2008 (Figure II). The central tendency on both inflation measures were revised upward slightly for 2009, but remain within the Fed's "comfort zone" for 2010. The 2009 and 2010 growth outlooks were mostly unchanged, but the central tendency for the unemployment rate increased over all three years, implying a persistent upward revision to the perceived weakness in the labor market going forward. Despite Unit Labor Costs running at 3.2% year over year, the personal consumption expenditures are still running at a comfortable 2.1% year over year.

Figure III



Source: Ned Davis Research

- **The first quarter GDP was revised up by 0.3% to 0.9%**, the main source of the strong growth came from a downward revision in imports, slightly weaker exports and slightly lower inventories. These results showed that U.S. final sales were expanding rather than a previously reported contraction. This recent data suggests that our 1.5% GDP forecast in the first half of the year is attainable with a stronger second half at the 3.0% level is still possible. The improvement in the near term outlook improves the likelihood that we will avoid the official label "recession".

THE U.S. FIXED INCOME MARKET

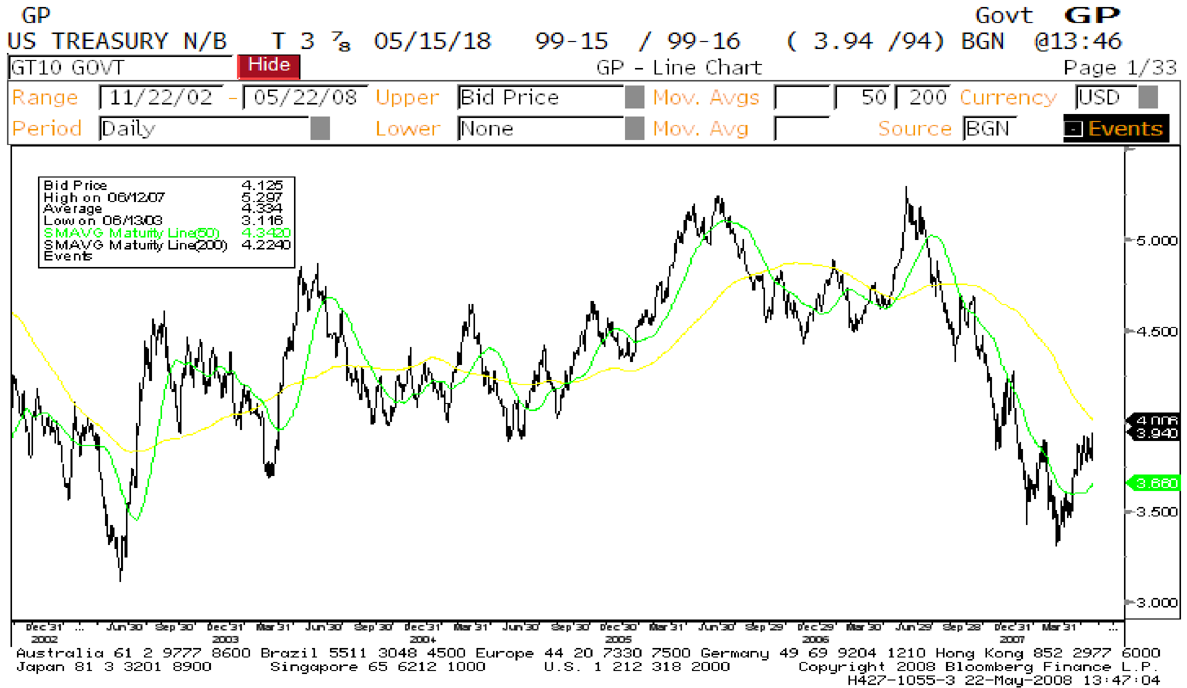
- **United States Treasury bonds have outperformed all other U.S. fixed income sectors over the past 12 months, gaining 12.2% on a total return basis.** Investor preference for safety of the government market caused rates in this sector to plummet further during the quarter. The 3.41% level recorded at the end of March was as much as 180 points lower than rates last June. See Figure IV 2007-2008. The outperformance in Treasuries, however, is unlikely to continue in our view especially as risk aversion recedes and the Fed concludes its easing cycle. Given already entrenched safe haven sentiment and only modest upside, U.S. government bonds and global sovereign debt do not provide investors with much value at this time. That said, for diversified portfolios anchored with government securities, we favor short-duration positions relative to longer maturities. Reference Figure V's near term inflection point reach in March 2008

Figure IV

Source: Ned Davis Research

- **The Federal Reserve has utilized a variety of traditional and nontraditional mechanisms to restore market liquidity and stabilize the U.S. economy.** Some progress has been made, but we believe that further easing is needed to improve liquidity and reduce risk aversion. The extended period of financial restraint, emanating from ongoing problems in the housing and mortgage markets, will continue to constrain the economy throughout 2008, in our view. The U.S. slow down is likely to be moderate, with growth staying below trend until early 2009.

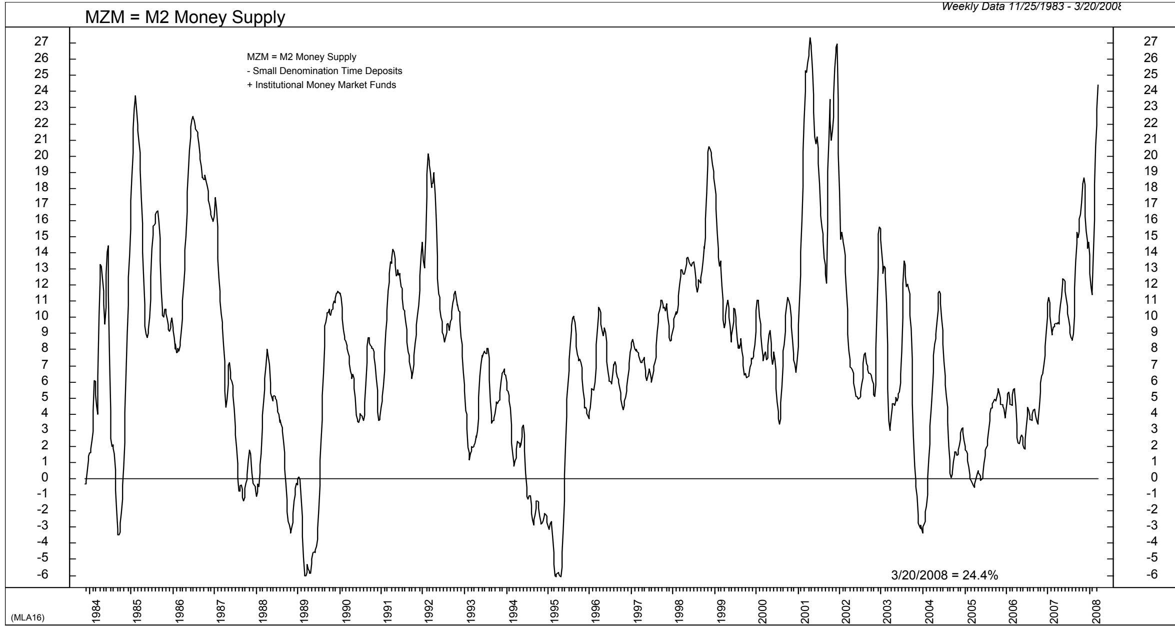
Figure V



- **Municipal rates moved in the opposite direction.** Turmoil among bond insurers unnerved many investors who had viewed the insurers' AAA ratings as essentially sacrosanct and many of these buyers have moved to the sidelines. It is noteworthy to mention that the liquidity and credit issues at many investment banks caused these institutions to limit market commitments. At the same time, failed auction rate programs and hedge funds unwinding arbitrage trades have added huge supply to the market. Prime municipal yields, while down from a late February peak are higher than Treasury rates throughout the yield curve, an unprecedented situation as the "normal" 80-85% ratio has been turned upside down.

- **The Federal Reserve initiation of a number of new programs to enhance liquidity among primary broker-dealers, and the expansion of accepted collateral for direct borrowings, have helped to restore some confidence in the credit markets since mid-March.** The Fed has addressed the credit disruptions by injecting massive liquidity into the system. See Figure VI showing money supply targets (M2 Money Supply). The federal funds rate has been lowered 300 basis points to the 2.25% level since September and the discount rate has been reduced from 6.25% to 2.50%. In addition the Federal Reserve expanded their support directly to the Wall Street firms to relieve the threat of spreading delinquencies resulting from the Bear Stearns debacle. The Fed-backed sale of Bear Stearns to J.P.Morgan was supported by an unprecedented $29 billion government back loan keeping the capital markets solvent. As the GDP growth dropped to a paltry 0.6% rate recorded in the fourth quarter, most pundits have concluded that the U.S. has entered a long protracted recession. The Fed's monetary response appears to have placed the declining dollar and rising inflation of lesser importance at this juncture.

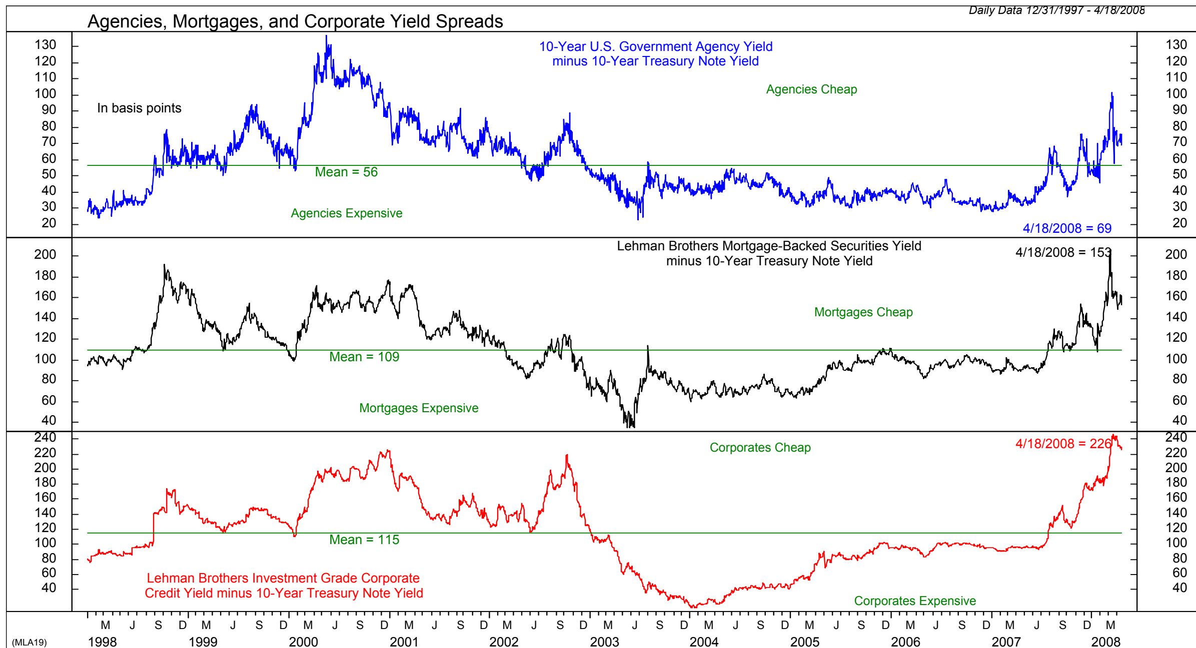
Figure VI



Source: Ned Davis Research

➢ **Bond spreads have significantly narrowed in both high- and low-quality sectors, propelled by improved sentiment in the financial sector.** This has narrowed levels substantially in default swaps indices, a key indicator that risk among these institutions is perceived to have declined. Mortgage bonds also continue to trade better, fueled by interest in high-quality agency-backed issuers. Investor interest is being supported by recently lowered regulatory constraints on Freddie Mac, Fannie Mae and Federal Home Loan, and confidence triggered by the backstop provided by the Federal Reserve to Bear Stearns.

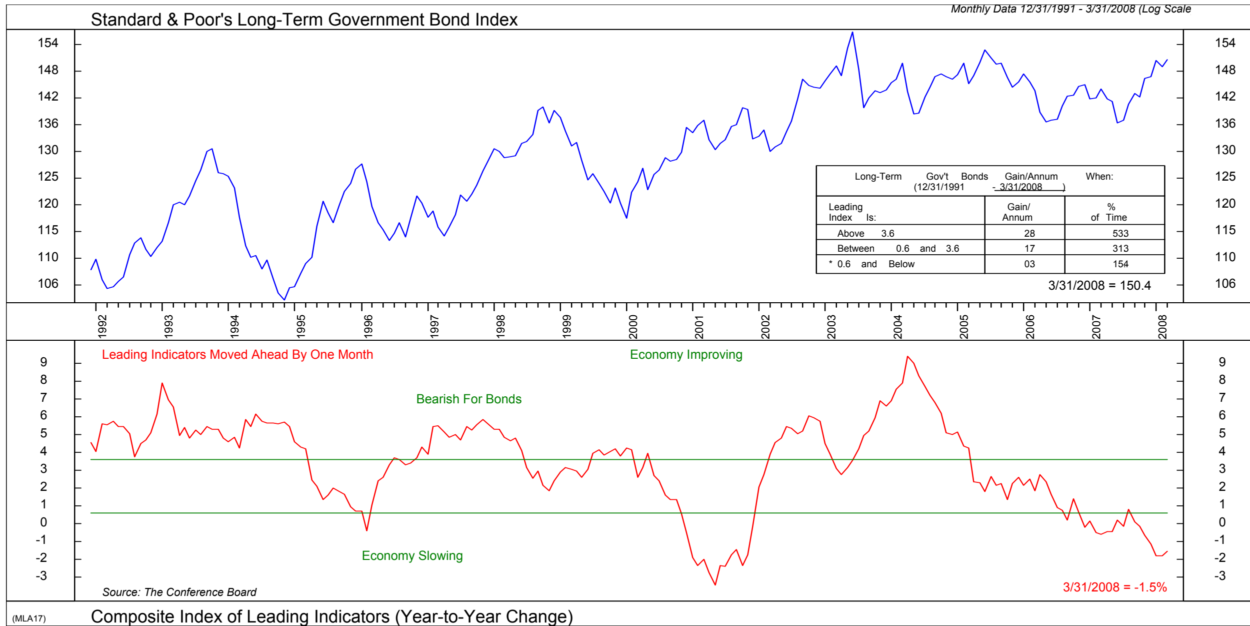
Figure VII



Source: Ned Davis Research

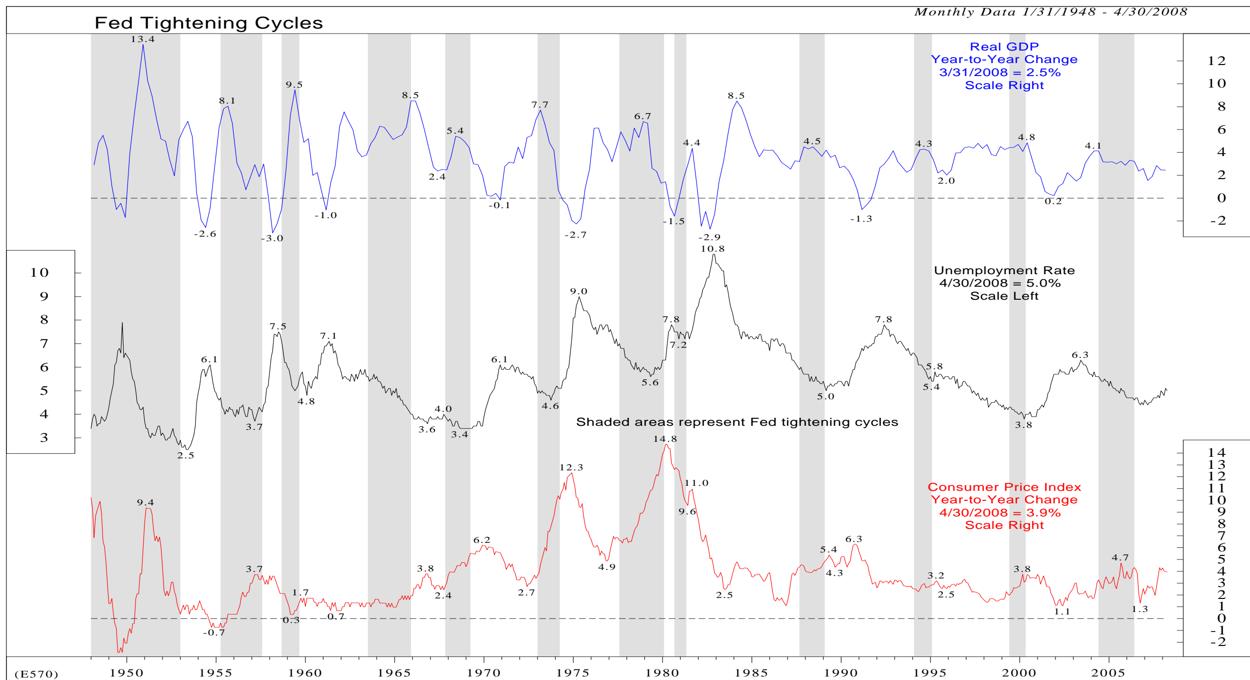
- **The municipal bond spreads have widened against Treasury issues as a function of investors requiring less risk. Ten-year spreads between Treasuries and insured munis have narrowed to 50 basis points or 89% of the yield curve.** Also, the slope of the municipal curve has become steeper in anticipation of future interest rate cuts. The pick-up in yield between 2 year and 10 year securities has increased to over 50 basis points. We recommend premium coupons and in the 5-12 maturity range to provide higher cash flow during this period of a slightly higher rate environment.

Figure VIII



Source: Ned Davis Research

Figure IX



Source: Ned Davis Research

THE U.S. EQUITY MARKET

- **The equity markets with unusually high turnover and large hedge fund shorting pushed the financial markets to their lowest levels by the end of the first week in March, as the Standard and Poor's finished the week declining almost 12% year to date.** The selling climax culminated with the recognition of Bear Stearns' potential default. However, we expect that the credit market turmoil will dissipate and economic growth will pickup by the third and fourth quarters of 2008**.** We continue to place a heavier investment focus toward larger capitalized companies that can deliver positive earnings momentum against street estimates, achieve above-average incremental margins improvement, and are able to communicate a clear business strategy. These characteristics should enable them to rise above the average company through the economic deceleration. We find many of these companies are represented in the capital goods, technology, and industrial commodity sectors. We also see encouraging signs with a positive sloping yield curve that picking select financials on a valuation basis will prove a rewarding strategy.

- **As the quarterly earnings season draws to a close, we are quite pleased that our first quarter results continue to show better than expected profits, with over 30% of our companies exceeding street estimates by 5-10%.** (See *Aggregate Portfolio Analysis* section on page 15 and comparable tables) In aggregate, our investment portfolios have maintained their leadership position in the market, especially after earnings season draws to a close. It would appear that investors still recognize that earnings matter as the likelihood of a global recession diminishes, reinvigorating investor interest in the cyclicals. Our relative performance over the past 18 months was primarily driven by our conviction that the areas that may be most vulnerable to over speculation resided in the consumer discretionary and financial sectors. The potential risks that the economy rolls over in the third and fourth quarters as a result of continued unexpected rising inflation, continued deteriorating consumer sentiment and dramatic sub par profits, appear unlikely at this juncture. Our recommended asset allocation for moderate-risk (balanced) portfolios maintains a 70% equity exposure in the second quarter. This bullish stance is based on the low absolute returns for bonds and the rising inflationary tendencies that stubbornly persist despite the aggregate slow down in U.S. economic activity. An election year and a reasonably accommodative Fed gives us confidence that the stock market should once again be viewed favorably by investors.

- **Since the middle of last year, imploding credit markets and declining economic growth have favored growth oriented portfolios.** However, we maintained our relatively value bias, and reduced our exposure to the typically vulnerable groups dominated by the large cap value indices: such as utilities and financials. We expect our style bias will be vindicated as investors recognize that the U.S. has avoided the "classical" recession.

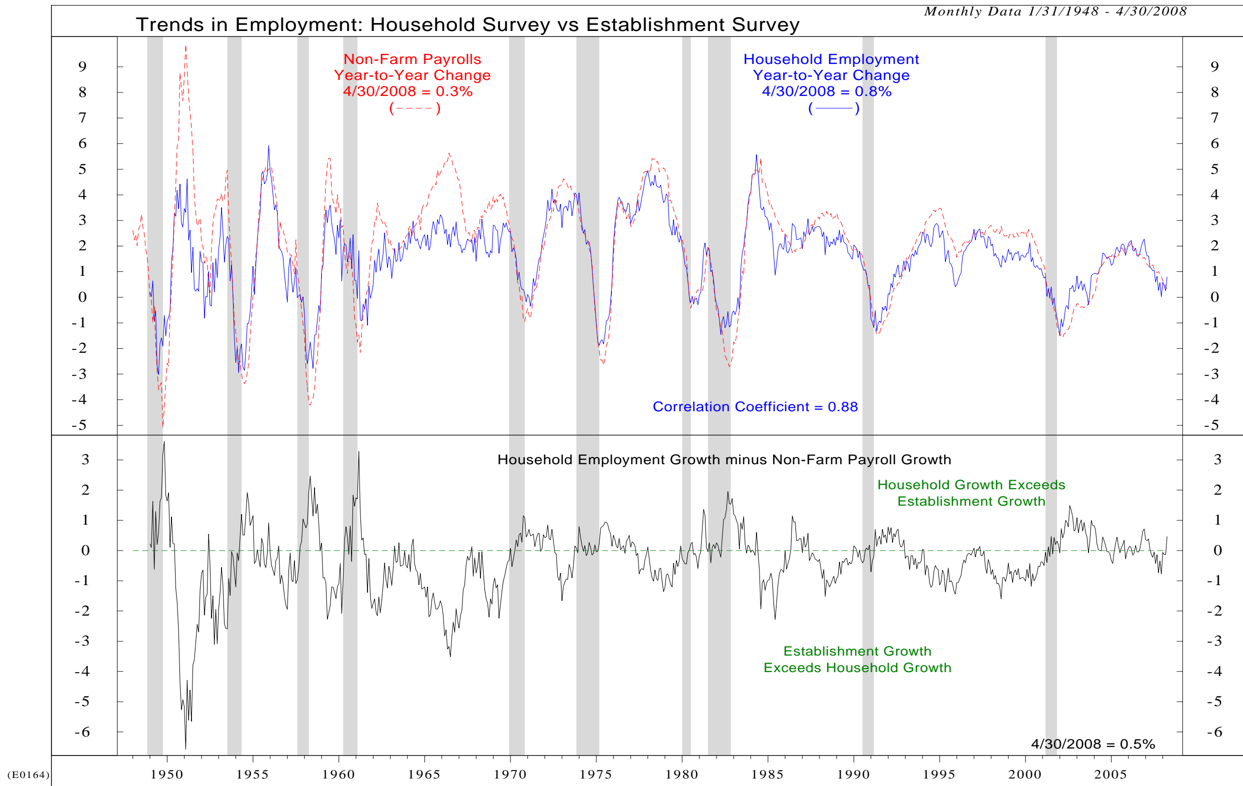
- **The state of the U.S. consumer and the implications for the associated equities is one of the key controversies that exist in today's market.** Because we probably have not seen the bottom in terms of wage or employment growth and that consumer leverage is still at historically high levels, we continue to focus our attention on reducing our portfolio representation in consumer discretionary spending beneficiaries. While one might argue that the Fed easing may help increase the availability of consumer credit, this has not been the case in previous recessions. Unlike the economic weakness of 2001, the dramatic decline in housing prices limits the consumer's ability to fuel consumption through further home equity draw-downs. Meanwhile inflationary tendencies in non discretionary items, such as food and energy, as well as higher healthcare spending are likely to crowd out discretionary spending.(3)

- **After closer examination of recessions back to the 1960's, we observe that labor markets typically suffer longer and deeper declines versus the overall decline in economic output (GDP).** There are a number of factors that drive this trend such as overall increase in productivity, or output per worker, but the direct impact on consumer spending could be significant during this cycle. Assuming slow economic growth continues in the second half of 2008, and that this historical pattern holds, we would expect further wage and employment declines of at least 2.0%. See Figure IX on page 8.

---

(3) Sanford Bernstein & Co. "*Equity Portfolio Strategy: The Consumer, Commodities, and Financials*", Adam Parker, Ph.D. Chief Equity Strategist, May 22nd, 2008.

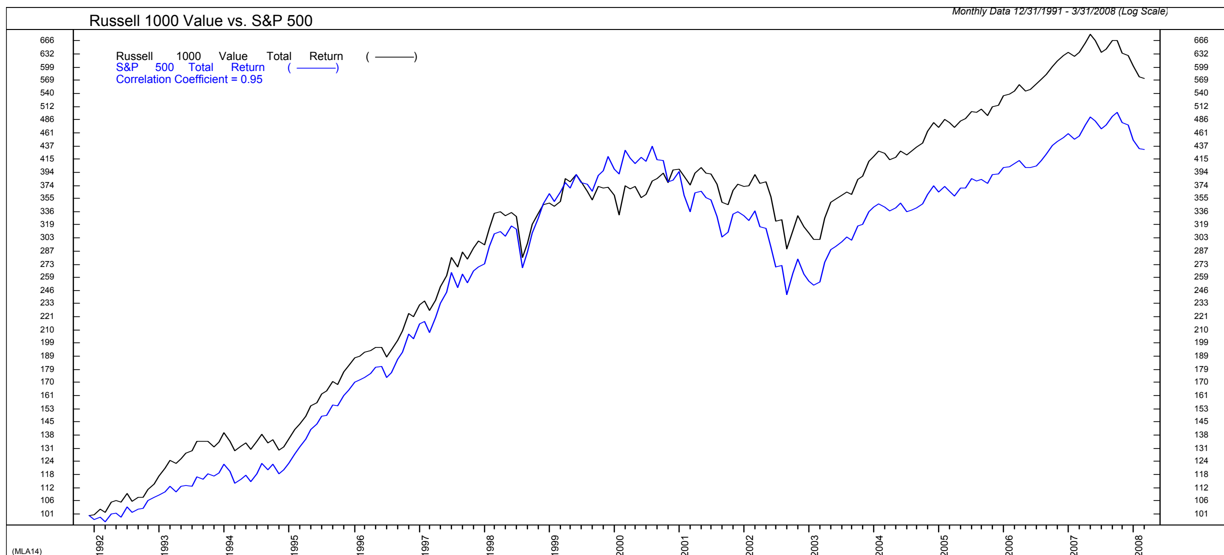
Figure X



Source: Ned Davis Research

- **As wage growth is likely to slow, maintaining a large-cap versus small-cap bias will continue to garner investor support as the year progresses**. Despite unfavorable market sentiment since last summer, our portfolio allocation strategy has maintained our relative portfolio outperformance against the major market benchmarks by as much as 900 basis points. The market's apparent oversold condition in March set the stage for a market rally that most investors were not expecting. The prospects for upside breakouts in the major averages were bolstered by Fed policy and strong earnings reports despite rising inflationary pressures. As the second quarter unfolds our expectation that lower commodity prices should help support the equity market recovery. Although the summer months historically have proven to be an inopportune time to implement more aggressive investment portfolio strategies, we believe that an election year coupled with an aggressive Fed should support the follow through rally.

Figure XI

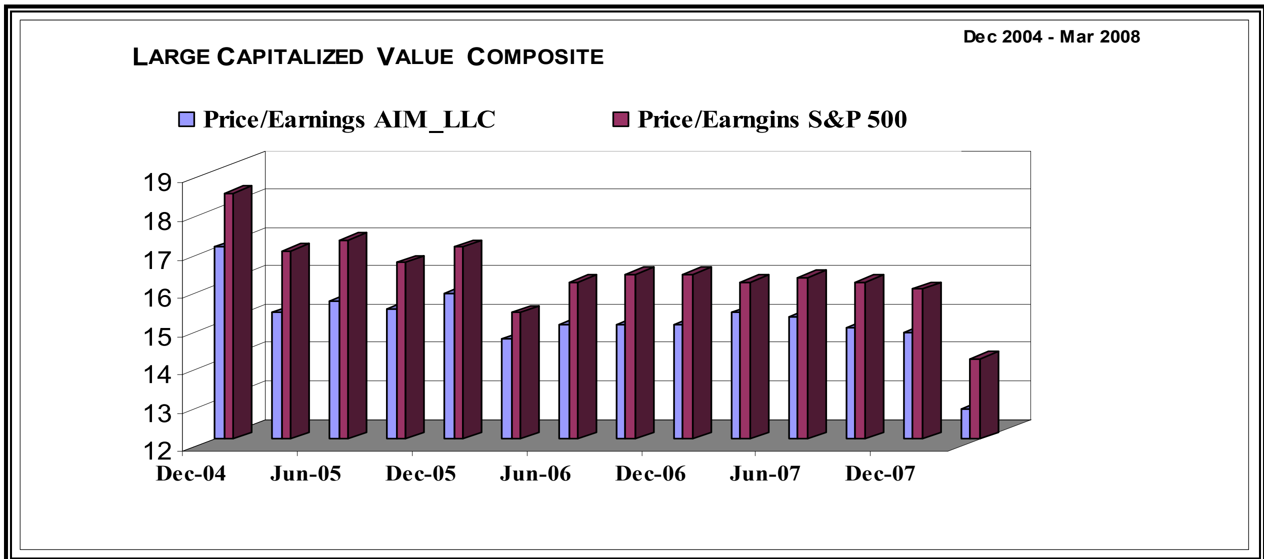


Source: Ned Davis Research

- **While emphasizing heavier commodity and industrial exposure in our portfolios since 2006 pulled our average weighted P/E ratios and aggregate beta's higher in our investment portfolios, we have been able to bolster our relative portfolio performance dramatically.** In retrospect, this compensated for a slight increase in apparent risk (with our beta at 1.07 against the S&P 500). Our strategic migration towards economic sensitivity and greater cyclicality has played a significant role to overall performance over the last 18 months. We recognized that increasing the investment portfolios exposure to larger capitalized multinational industrials definitionally raises the coincident price-earnings ratios. Implementing this strategy appears to depart from one of the many valuation characteristics that more typically delineates a traditional value style investment process. However, we may from time to time give precedence to an overall sector call versus this particular valuation parameter. In this instance, recognizing the near term price-to-earnings ratios for cyclical companies is not always an accurate representation of the normalized earnings potential. Emphasizing this group of companies has proven an effective tool for creating out performance (alpha). Figure XI shows that neither the leadership of the Russell 1000 Value nor the S&P 500 has materialized since the start of the year.

- **A theme that remains intact, as the second quarter gets underway, is the compression of index returns.** Analysts note that it has been difficult to benefit from actively managed style and sector strategies and find outperforming stocks during the quarter. It's worth noting that most of the stocks in the S&P 500 Index underperformed in the past several quarters. We still believe that in a slowing economy and after a long duration of small and mid-cap out-performance through mid last year, the large cap companies still offer better value. While this does not rule out the possibility of near-term out-performance of the beta-heavy (higher volatility) smaller and mid-capitalized companies, there appears to be a permanent shift taking place in market cap leadership. This conclusion is further supported by investor concerns in the recent market liquidity tied to the sub prime credit turmoil.

Table I



Source: Thompson Financial and Altman Investment Management Research

- **Most Style Allocation Models that position portfolios for a bear market encourage investors to move towards large-cap companies.** Signs of an economic slow down bolstered by decelerating coincident economic indicators tend to favor growth investing. From a sector perspective our historic models still point us in the direction of cyclicals with favorable valuation characteristics. In addressing our value orientation and reducing our dependence on the macro economic call, we have approached our portfolios by hedging our cyclical overweight placing a heavier emphasis on higher yielding, lower beta, low price earnings multiples, and discounted price to asset values within the sectors. We continue to maintain a negative bias towards consumer discretionary and only favor cyclical consumer companies benefiting from increasing global business demand. In the near term we expect continued uncertainty with respect to inflation and oil prices. These concerns should put a cap on the market's upside near term forcing investors toward more defensive issues. Additionally we continue to implement a defensive hedge by utilizing an over weight strategy in the pharmaceutical companies that fall within the more predictable side of the economy.

- **Because of higher payout ratios based on more robust growth rates several years ago**, the health care companies have had the effect of enhancing the overall portfolio yield and defensive characteristics. See Table I for our aggregate portfolio price earnings ratio comparisons against the overall market over the past several years measured through March 31st 2008.

THE INTERNATIONAL EQUITY MARKETS

- **Global stock markets performed poorly in the first quarter of 2008**. The reverberations from the financial crisis in the U.S. impacted stock markets around the globe and most markets experienced their worst quarter in years. The malaise spread to the foreign markets in the first quarter, in contrast to non dollar investor experience since the U.S.market top in 2001. Now, with a few exceptions the foreign markets are performing worse than their U.S. counterparts. For the quarter the U.S. market as measured by the S&P 500 Composite was down by 9.5%. The foreign markets were down by 13.3% in U.S. dollars, after factoring in a strong performance by most foreign currencies.

- **Some of last year's strongest markets, such as India and China, have seen this year's worst drops, with shares in both countries down more than 20%.** Japan's stock market, a laggard in 2007, fell deeper into the red, with the benchmark Nikkei Stock Average of 225 companies down 17.5% in Yen and 6.8% is U.S. dollar terms.

- **The gloom has been equally intense in Europe**, with benchmark indices in the United Kingdom, Germany and France each falling more than 10%. Germany's DAX index had the biggest decline of the three, tumbling 19% in Euros and 12% in dollars. France's CAC 40 index dropped 16% (9% in dollars) and the U.K.'s FTSE 100 fell 12%. The British Pound is one of the few currencies that did not gain ground against the U.S. dollar.

- **The broad decline in world markets contrasts with the relatively positive expectations for global economic expansion,** particularly outside the U.S. Estimates for growth continue to be above 4% this year, according to the International Monetary Fund, with developing economies expanding at a rate of 6.9%. Investors are not mollified by these optimistic projections, (See earnings growth projections in Table II) as they are concerned that a U.S. recession will impact international markets. Furthermore, the problems in the debt markets have spread beyond the U.S., battering shares of financial institutions in Europe and Asia.

Table II

GLOBAL EXPECTED EARNINGS GROWTH

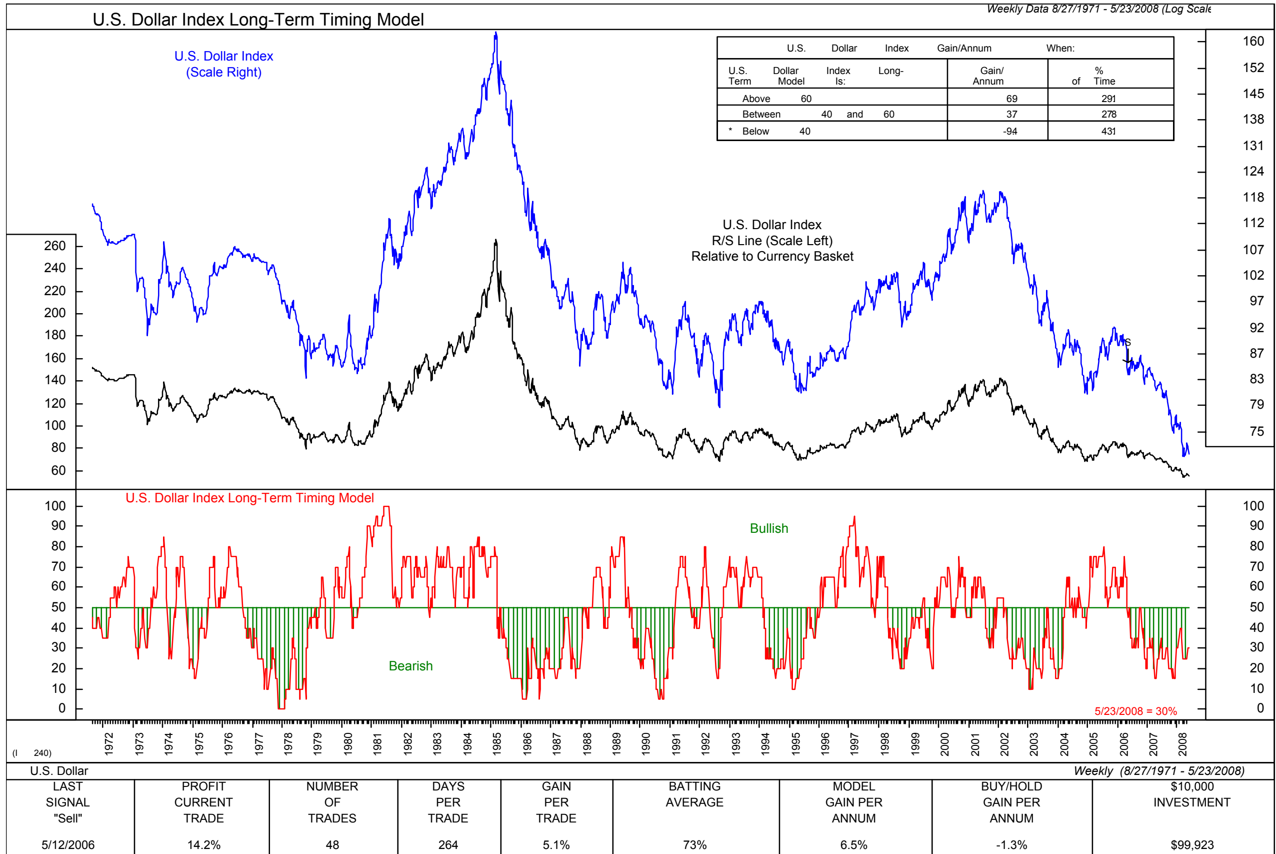
	Index Expected Earnings Growth Minus All Countries Expected Earnings Growth	12-Months Ago	12-Month Point Change
EAFE	-3.13	-0.65	-2.48
North America	2.64	-0.40	3.04
Europe	-3.02	-1.94	-1.08
Europe ex. U.K.	-2.23	-0.61	-1.62
Pacific Basin	-3.34	3.38	-6.73
Pacific ex. Japan	-4.75	-1.91	-2.84
Emerging Markets	4.50	5.07	-0.56
Latin America	5.16	11.97	-6.81
Emerging Europe	2.94	-1.31	4.26
Emerging Asia	3.71	3.75	-0.04

Source: Ned Davis Research

- **Soaring commodity prices have been another source of worry.** Sky-high prices for oil and wheat translate into rising input costs for companies across a host of geographies. As inflation picks up, corporate profits suffer and the discount rate that investors use to value stocks also rises, depressing valuation levels.

- **One factor that has remained constant into the start of 2008 is the slide of the U.S. dollar.** When overseas shares were rising, the weakening dollar increased returns for U.S. investors, as profits were worth more after being converted back into dollars. Now the strong foreign currencies are cushioning the blow of the foreign stock declines, as lower proceeds in foreign currencies still buy more dollars than they used to.

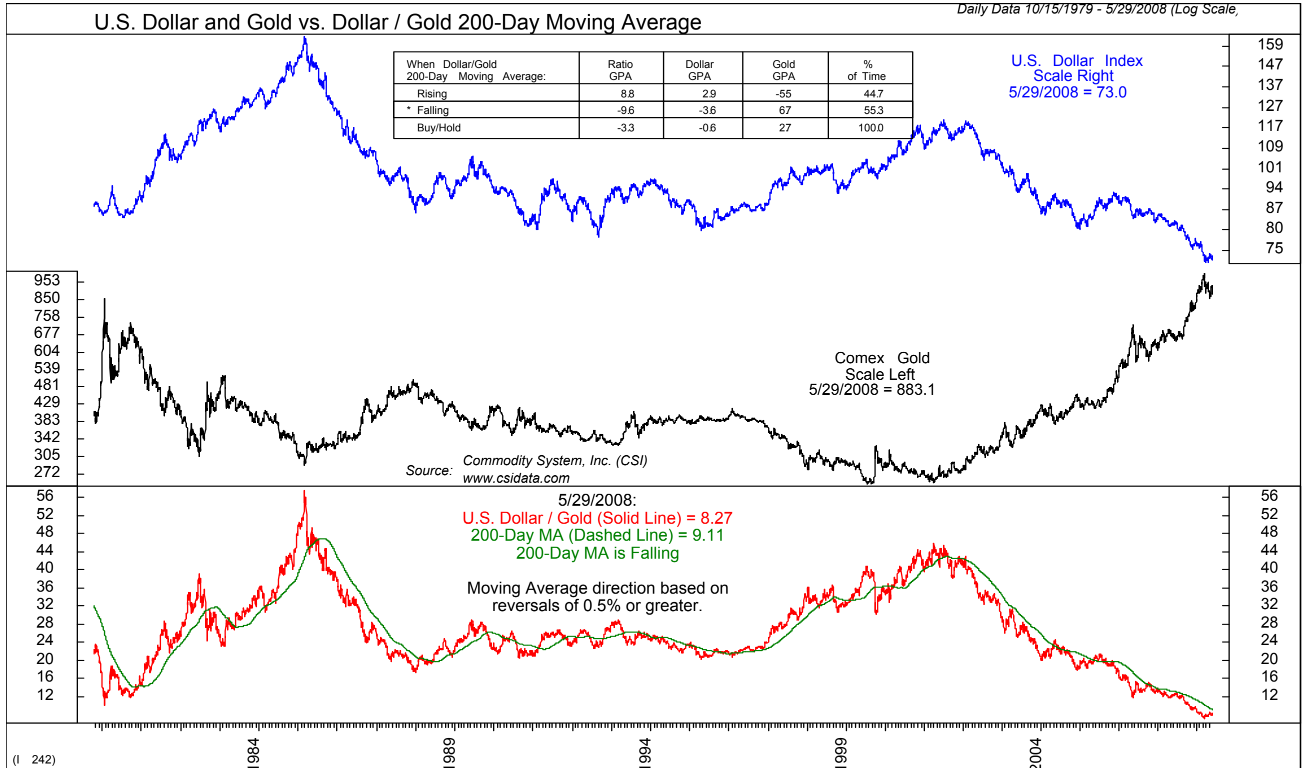
Figure XII



Source: Ned Davis Research

- **The dollar's weakness is causing problems in other ways.** The U.S. currency has dropped 10.5% against the yen this year, touching a level not seen since 1995. That makes Japanese exports more expensive in dollar terms and less competitive, raising the chances of a significant slowdown in their economy. Toyota Motor Corp. estimates that every time the dollar buys one less yen the Japanese company's annual operating profit drops by 35 billion yen ($351.1 million). In March, Toyota's president said it wasn't clear that the company could maintain profit growth if the dollar continues to slide, despite measures to rein in costs. In Europe, too, there are mounting fears that the supercharged euro will make life difficult for companies that sell goods and services overseas

Figure XIII



When Dollar/Gold 200-Day Moving Average:	Ratio GPA	Dollar GPA	Gold GPA	% of Time
Rising	8.8	2.9	-55	44.7
* Falling	-9.6	-3.6	67	55.3
Buy/Hold	-3.3	-0.6	27	100.0

Source: Ned Davis Research

- **Emerging markets, last year's stock-market darlings, did not continue their strong run in the first quarter.** The Morgan Stanley Capital International Emerging Markets Index is down 11.3% in dollar terms. Compared with previous global financial crises, these countries are in a better position to weather the current turmoil. One indicator of their economic condition is reflected in the prices of their debt, which has held up well compared with other types of credit.

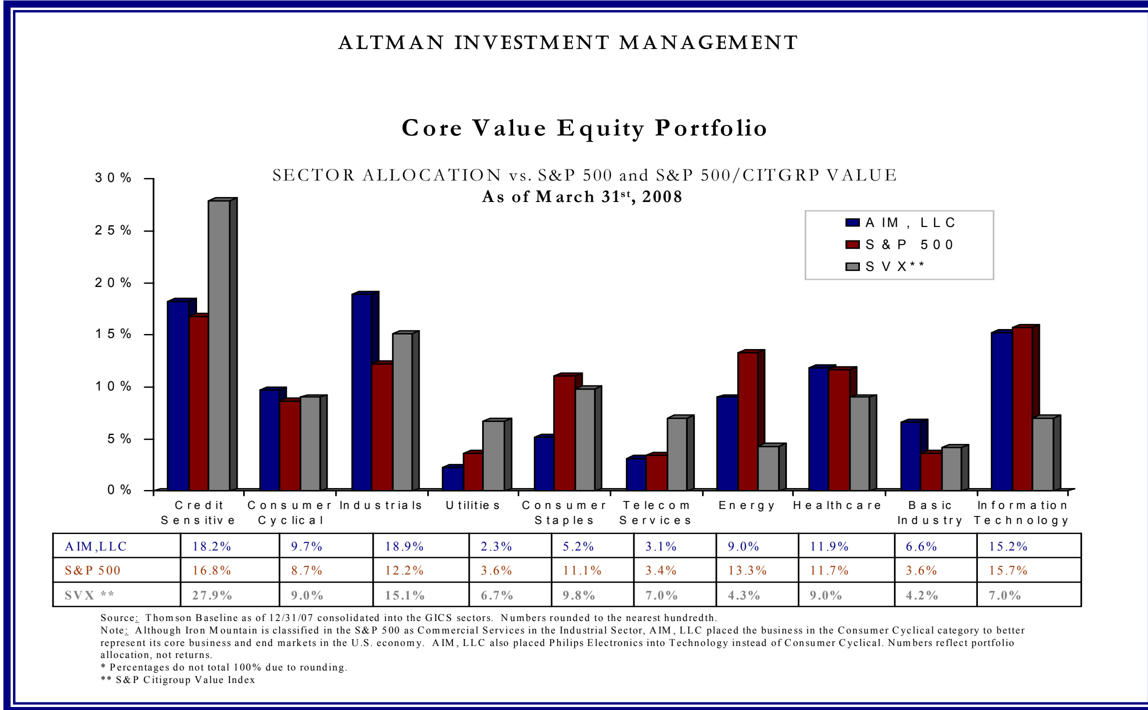
- **Bond markets continued to suffer in the first quarter as economic conditions weakened and the financial system faced historic challenges.** Only the safest short-term Treasury securities escaped widespread declines. The Federal Reserve and lawmakers on Capitol Hill scrambled to come up with solutions to slow a process that led banks to demand more collateral from investors. This led to fire sales of municipal bonds and mortgage debt backed by loans guaranteed by government-sponsored entities Fannie Mae and Freddie Mac. The turmoil culminated in several Fed actions that restored some normalcy to the markets, including another two and a quarter percentage points of rate cuts since that start of the year, bringing the benchmark federal-funds target rate to 2.0%. The Fed also offered brokerage firms access to its lending window for the first time and helped orchestrate J.P. Morgan Chase & Co.'s buyout of 85-year-old Bear Stearns Cos.

U.S. PORTFOLIO STRATEGY AND SECTOR ALLOCATION

- **At the end of the first quarter, the S&P 500 sold at 13.1 times and 14.1 times the consensus earnings estimate of $93.90 per share and $101.02 per share, for 2008 and 2009 respectively**. The majority of our companies reported quarterly results by either meeting or exceeding street expectations, from both a bottom line earnings and top line revenue stand point. While we remain confident as we enter the second quarter in terms of earnings prospects for our investment holdings, relative to their historic valuations, we recognize that the aggregate nature of the portfolio weight skews the portfolio sensitivity to both the global economy and interest rates. If the Fed focuses its attention to the declining U.S. currency, a disruption to our interest rate forecast could result in near term underperformance of the large capitalized cyclical companies. One can reference our allocation model relative

to the benchmark index in Table III. However, the U.S. market appears to be responding more positively with Fed intervention and we expect aggregate economic statistics to show signs of improvement as the second quarter unfolds. We continue to favor a mix of industrial cyclical and technology as non dollar beneficiaries and defensive issues in the healthcare and consumer staple sectors. We believe this approach hedges our portfolios if our macroeconomic assumptions appear too optimistic.

Table III



	Credit Sensitive	Consumer Cyclical	Industrials	Utilities	Consumer Staples	Telecom Services	Energy	Healthcare	Basic Industry	Information Technology
AIM,LLC	18.2%	9.7%	18.9%	2.3%	5.2%	3.1%	9.0%	11.9%	6.6%	15.2%
S&P 500	16.8%	8.7%	12.2%	3.6%	11.1%	3.4%	13.3%	11.7%	3.6%	15.7%
SVX **	27.9%	9.0%	15.1%	6.7%	9.8%	7.0%	4.3%	9.0%	4.2%	7.0%

Source: Thomson Baseline as of 12/31/07 consolidated into the GICS sectors. Numbers rounded to the nearest hundredth.
Note: Although Iron Mountain is classified in the S&P 500 as Commercial Services in the Industrial Sector, AIM, LLC placed the business in the Consumer Cyclical category to better represent its core business and end markets in the U.S. economy. AIM, LLC also placed Philips Electronics into Technology instead of Consumer Cyclical. Numbers reflect portfolio allocation, not returns.
* Percentages do not total 100% due to rounding.
** S&P Citigroup Value Index

AGGREGATE PORTFOLIO ANALYSIS

- **Our individual company profit performance results again surpassed the S&P 500's record during the quarter in a number of characteristics.** As you know there are times when an individual stock performance will not always reflect its operating results on either a near term basis or sometimes relative to its longer term historic record. These aberrations or what might be termed market inefficiencies create potential investor opportunity. In light of this assumption, we continue to spend a lot of time and energy analyzing the corporate income and balance sheet reports to gain a better understanding of the actual business results, placing the investor perception secondary. Profit results do matter in the long term and we recognize that investors will ultimately pay for those absolute results over time. Our correct analysis of those results during current quarters and over time within the framework of the macro and micro economic forces will ultimately yield superior stock and portfolio performance.

- **We typically analyze our individual company's performance on a number of different criterions.** One characteristic that most of our investors are familiar with is after tax earnings. To illustrate our perspective we have outlined our aggregate quarterly experience below. The following Tables IV,V, and VI on page 16 illustrate the percentage of investment holdings within our portfolio that exceeded street estimates during the past several calendar quarters as compared to the overall market experience. We analyze these results at the sector and industry group level as well, to get a better understanding of our companies' relative results against their peers.

- **During the quarter, in aggregate 76% of our investments exceeded street estimates with 2% meeting estimates.** This compares to 63% of the companies in the S&P 500 exceeding street estimates with 10% meeting estimates during the comparable quarter. At the time of this writing 98% of our companies have reported and 93% of the S&P have reported. The quarterly experience is viewed within the context of multiple observations. The first quarter earnings results for 2008 compare favorably to the fourth quarter record in 2007. In the current quarter 65% of our investments exceeded street estimates and 7% met estimates. Despite the very poor performance of the banking sector which has potentially obviscated overall investor expectations for several quarters, analysts continue to underestimate the aggregate S&P 500 earnings capability and remain an important criterion that supports our bullish stance on equity participation.

Table IV

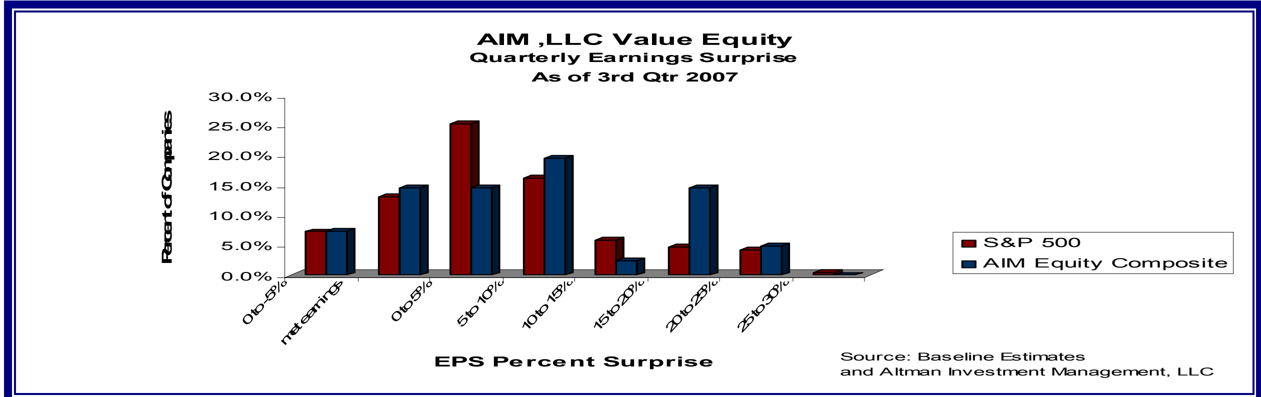


Table V

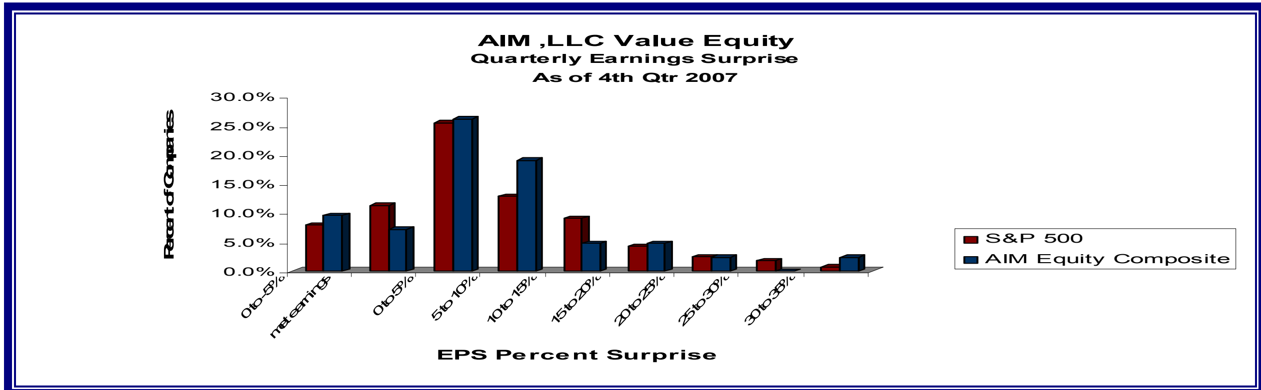
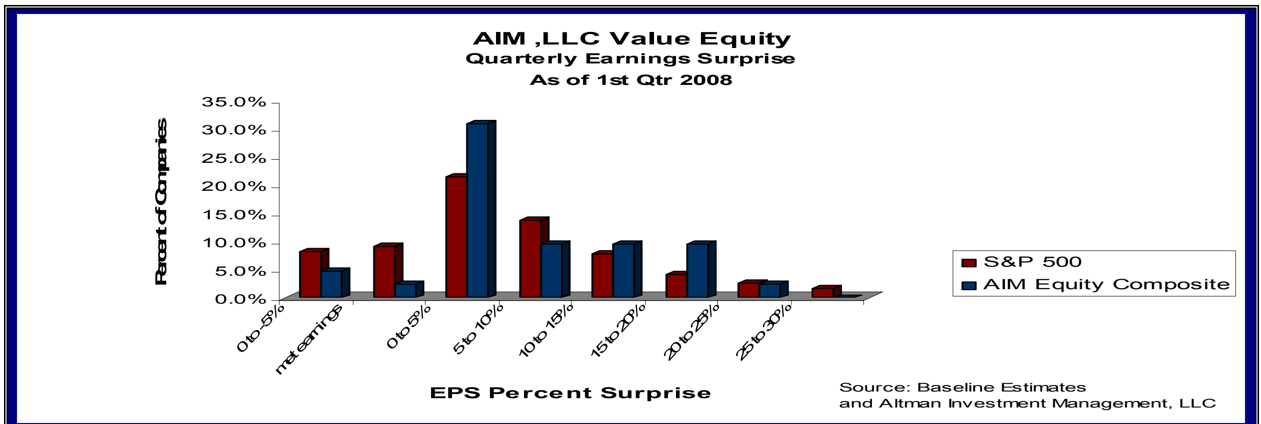


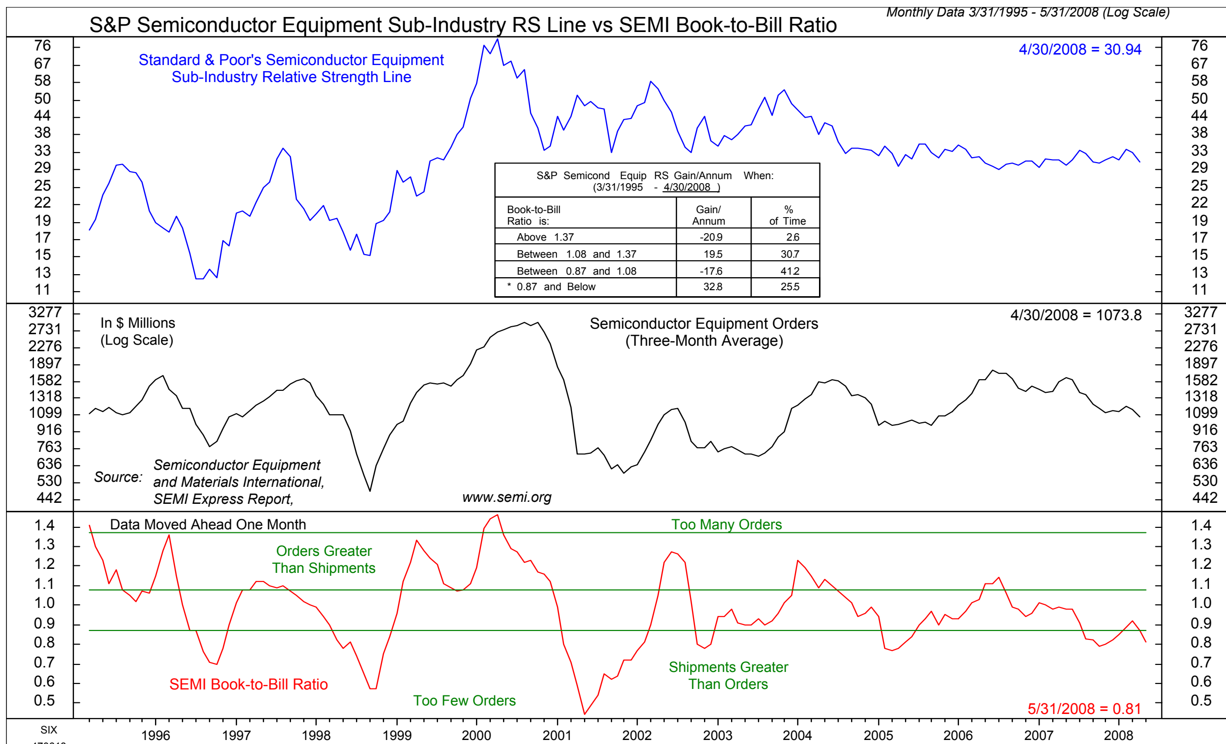
Table VI



- **On a sector specific basis, our overweight position in Industrials added 63 basis points to our overall results in the first quarter, still positive against the other sectors and consistent with the leadership role the Industrials have been playing for the past 18 months.** However it's important to note that our actual stock selection in the sector has contributed far more over the past several quarters. We estimate those 386 basis points of last year's 10.95% return came from stock selection within the sector and the outperformance record continued during the first quarter, beating street estimates in aggregate and declining less than the overall market. Our Industrials in aggregate dropped an estimated 7.4% against the Standard and Poor's 500 industrial machinery index decline of -11.8%. We believe these investments will continue to contribute to the overall portfolio results and justified our continued emphasis on the sector as we approached the second quarter. One of the more successful performers during the first quarter was of course General Electric. In retrospect on April 11th, the industrial earnings of GE were up substantially (+22%) as expected but investors were disappointed to learn that despite earlier guidance the company missed forecasts. These difficulties became more evident late in the quarter in the Commercial Finance and GE Money which were down over 20% on an operating basis year over year. Although GE disappointed investors, we expect the company to resume their improved earnings trend in the second half of the year. Our most notable performer in the sector was Honeywell increasing 38.3**%.**

- **Another important performance (alpha) generator in the portfolio during the first quarter was the company selections in the Technology sector.** We estimate that we picked up 52 basis points in performance associated with stock selection alone. We continue to favor the fundamental drivers of the sector and anticipate increasing our weighting as opportunities present themselves in the next several quarters. One industry group we continue to emphasize is the Semiconductors because supply/demand is improving. Global semiconductor capital expenditure growth is set to contract for the first time in five years. Such a reduction in capital expenditures has traditionally set the stage for a cyclical upturn in the relative performance of semiconductor shares. In addition to reducing expenses, lean capital expenditures have typically heralded tighter supply conditions going forward, triggering an improvement in industry pricing power (note TSMC, the Taiwanese industry bellwether, mentioned plans to increase chip prices). The missing link at this point in the cycle is a decisive improvement in demand. However, the massive reflationary stimulus in the system should work to rekindle demand forces later this year. Meanwhile, the group's attractive valuations and early cycle tendencies warrant accumulating ahead of such an improvement. Bottom line: Stay overweight.

<u>Figure XIV</u>

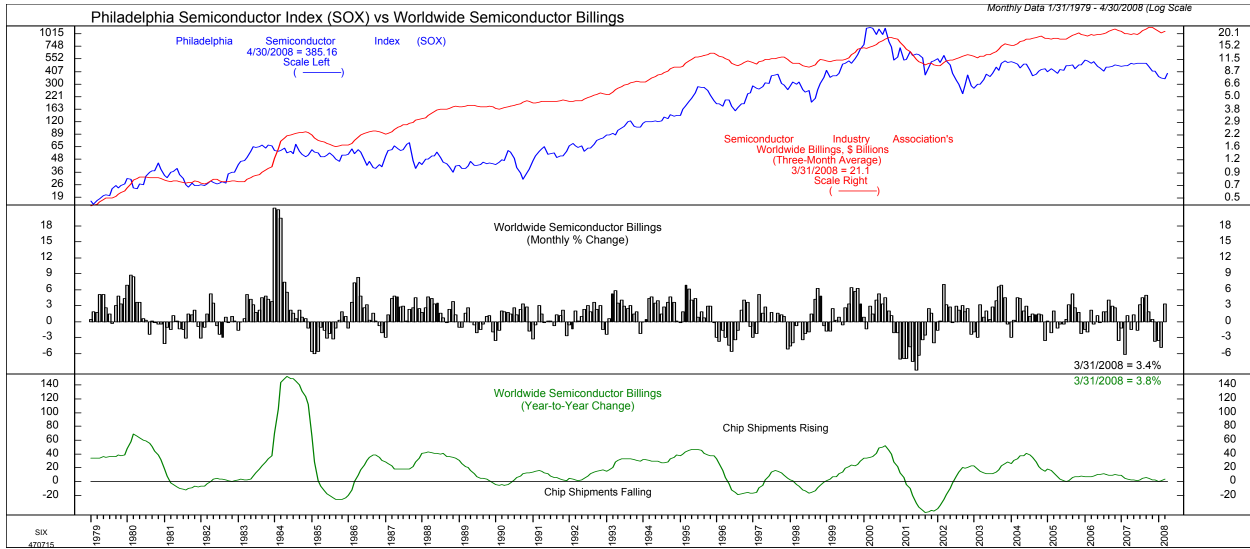


S&P Semicond Equip RS Gain/Annum When: (3/31/1995 - 4/30/2008)

Book-to-Bill Ratio is:	Gain/ Annum	% of Time
Above 1.37	-20.9	2.6
Between 1.08 and 1.37	19.5	30.7
Between 0.87 and 1.08	-17.6	41.2
* 0.87 and Below	32.8	25.5

Source: Ned Davis Research

Figure XV

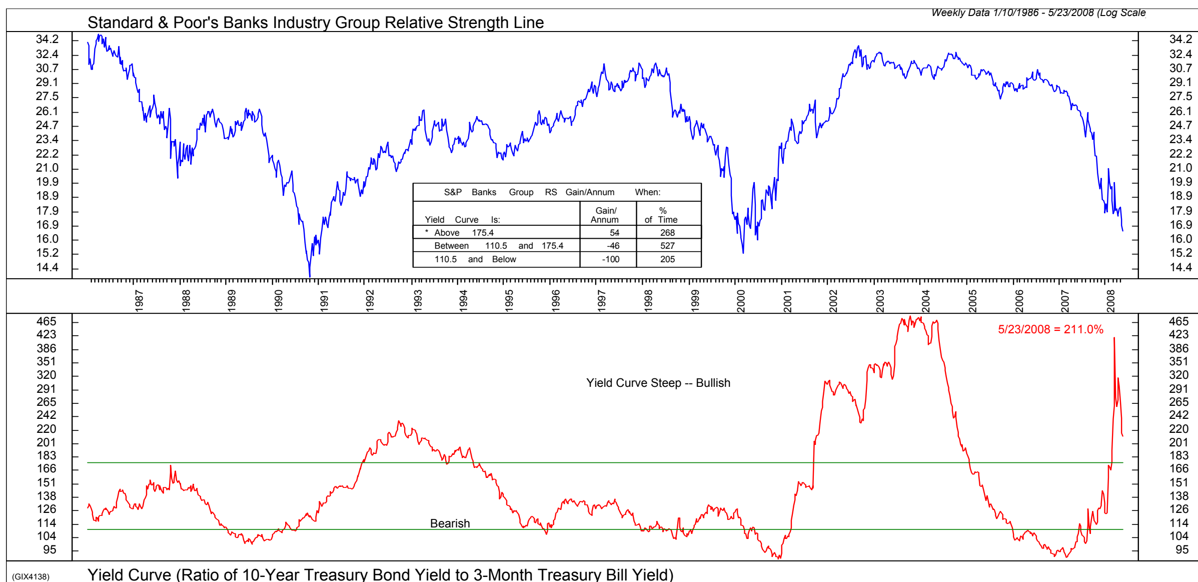


Source: Ned Davis Research

FINANCIAL/CREDIT SENSITIVE

We began the process of selectively increasing our Fnancial sector weight in portfolios with an accommodative Fed policy addressing the turmoil in the mortgage, interbank and commercial paper markets. This strategic shift moves our Financial sector weight in portfolios back to a more neutral stance after having been underweight for quite sometime. We are moving cautiously in front of what we determined will be a rather weak second quarter, despite the fact that the banks have historically averaged about 1000 basis points of out-performance following several Fed fund rate cuts. We expect the sector will demonstrate some improvement in relative performance as the year progresses. This is true since it deals with the longer term challenges of replacing certain businesses that in the past represented faster growing alternatives to the traditional spread products. Although we expect the Fed to go on hold in the June FOMC meeting, we continue to be skeptical concerning the extent the credit damage has had on the financial institutions. As investors begin to clarify the longer term profit growth rate, it will create a better framework to place multiple valuations on the shares.

Figure XVI



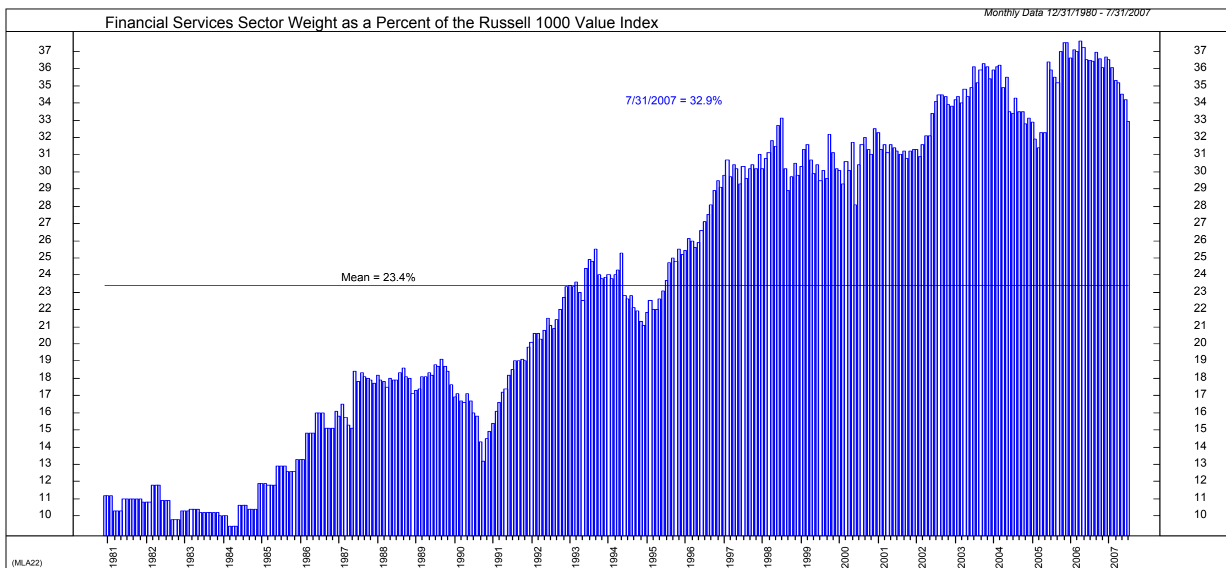
Source: Ned Davis Research

- **The double digit growth rates experienced in recent years in hindsight was not sustainable and can be attributed to financial products that now play a reduced role in the overall market place.** It is important to note that the Russell 1000 Value Index Financials although materially lower still carries a significant weight (estimated at close to 30%) against the S&P 500 Citigroup Value Index at 28%. Our portfolio allocation in the financial sector at the end of the first quarter has edged up to a slight overweight against the Standard and Poor's (17.1%) as we forecast a steepened yield curve. (Reference Figures XVI and XVII) However we remain below the Russell 1000 Value weight emphasizing both our cautious stance on the ability of these companies to transition their business models smoothly in a slowing U.S. economy and our continued bias towards higher interest rates longer term in lieu of inflationary tendencies.

- **Only just a few weeks ago with the likelihood that the credit crunch would get worse, the risk of systemic failure in the financial system was averted by the Fed action.** Investor confidence was reassured by the Fed intervention and we saw a measureable rally in the Credit Default Swaps (CDS) particularly for the financials with spreads tighter now than they were at the beginning of the year. Although the rate of spreads widening has diminished measurably alleviating the likelihood of default risk, banks will still be under intense pressure to raise their capital structure and continue issuing bonds and dilute shareholder equity. In our opinion however, the relationship between financial and industrial spreads have more than fully discounted the market perception that the banks represent greater risk than the cyclicals and over time they will shore up their capital bases driving relative and absolute returns in the next several years. From a valuation perspective, it's important to note that the banks are trading at their lowest relative price-to-book ratios in thirty years. As we expect the markets to readjust, we have begun the process of reversing our heavy allocation to industrials in favor of alternative sectors.

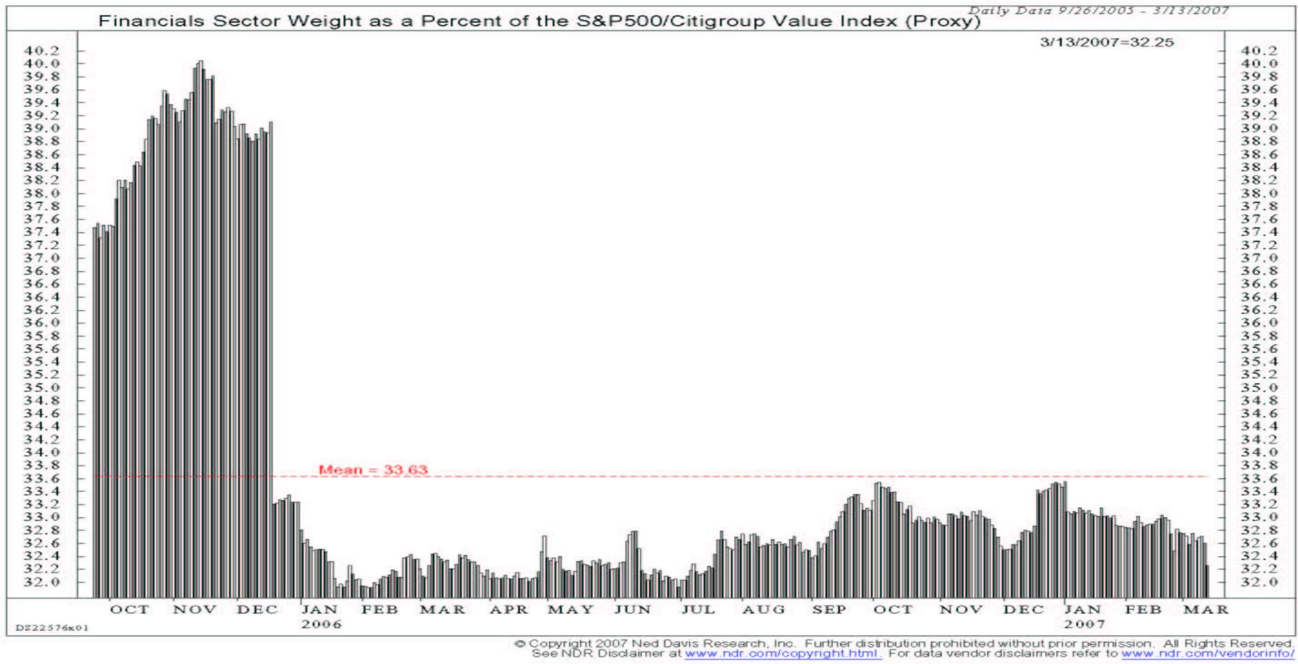
- **Despite the bounce in the sector from the bottom in early March, our underweighted position of some 1.55% against the Standard and Poor's 500 averages did not materially detract from the portfolios' overall results.** This was primarily due to ownership of the right companies in the universe which added 52 basis points to the overall alpha generation.

Figure XVII



Source: Ned Davis Research

Figure XVIII

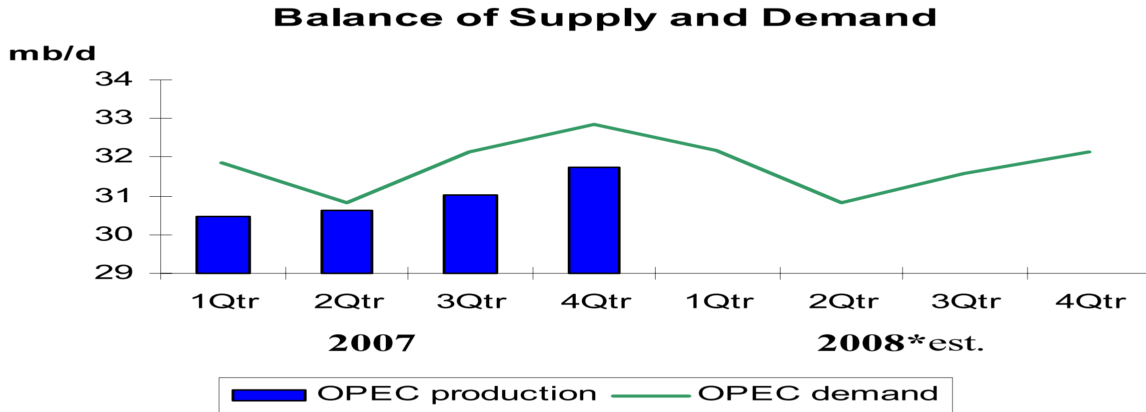


THE ENERGY SECTOR

- **The oil markets are at a pivotal point in their sector cycle, indicating "dualism", or rather challenging directional signals. On one hand the benchmark prices, i.e. WTI, OPEC Reference Basket are reaching record highs indicating a firm market.** The declining U.S. dollar against the Euro has made oil cheaper in other currencies and has also carried prices higher as investors utilize asset portfolio substitutions. This investment strategy involves substituting lower value portfolio assets, for example the U.S. dollar, for a higher value option, in this case, crude oil futures or other investments designed to hedge against the declining dollar. This investment trend impacts short term oil prices by redirecting short term demand for paper-oil contracts.

- **On the other hand, market fundamentals are telling a different story.** An acknowledgement of a possible recession was made by U.S. Fed Chairman, Ben Bernanke recently. If a recession materializes, energy consumption in the U.S., which accounts for over one quarter of world wide oil consumption, will likely come under pressure. A slowdown in U.S. growth would also impact emerging markets which have been responsible for the relative out performance of the energy sector thus far. Latest reports are indicating ample oil supplies showing a continued upward trend during the past 12 weeks, with the latest report of supplies increasing by 7.32 million barrels during the last week in March. Fuel demand declined 1.3% from a year earlier. According to OPEC's March Monthly Oil Market Report, projections for 2008 growth in non-OPEC supply together with OPEC Natural Gas liquids (NGLs) and non-conventional oil supply will exceed world oil demand growth rates. Consequently, OPEC production would be higher than demand for OPEC crude oil, putting pressure on spot prices. Recent reports of builds in U.S. oil and gasoline stocks should also keep a lid on oil markets.

Figure XIX (4)

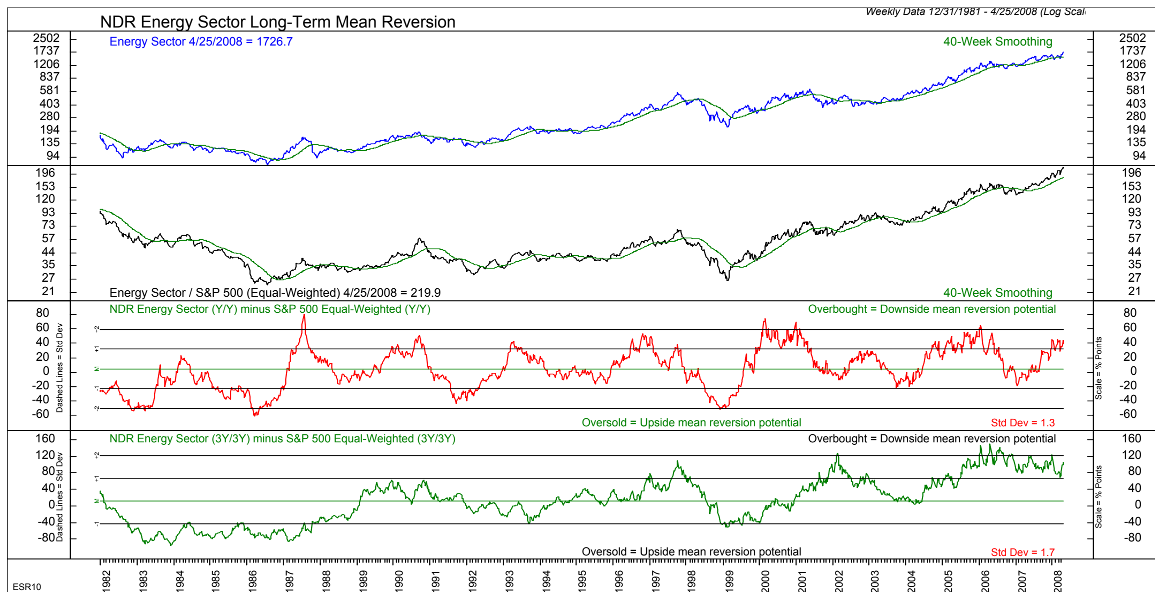


- **As a value investor witnessing oil prices at their all time high, we are compelled to consider historical patterns of reversion to the mean.** The following Figure XX illustrates the energy sector's long run up to well above its historical mean trend line. The energy sector relative to the S&P 500 line demonstrates the degree of leadership the energy sector has had during the past few years.

---

(4) OPEC Monthly Market Report-March 2008, Bloomberg's Robert Tuttle report on Crude Oil, April 3, 2008

Figure XX



Source: Ned Davis Research

- **Energy shares continue to attract investor interest as inflationary concerns, continued weakness in the U.S. dollar, ongoing geopolitical tensions and a tight supply/demand backdrop, continue to drive oil prices higher.** Despite the widespread belief that the U.S. economic slowdown would ultimately lead to falling oil demand, demand trends have held up in the United States and continue to rise globally. From a historical perspective, energy supply sources in the late 70's were somewhat elastic as elevated oil prices led to the increased use of "cheaper" energy alternatives such as nuclear, natural gas, and coal. However, today these substitute energy supply sources are stretched to full capacity driving natural gas, global steam coal and coking coal prices to all time highs reflecting supply limitations.

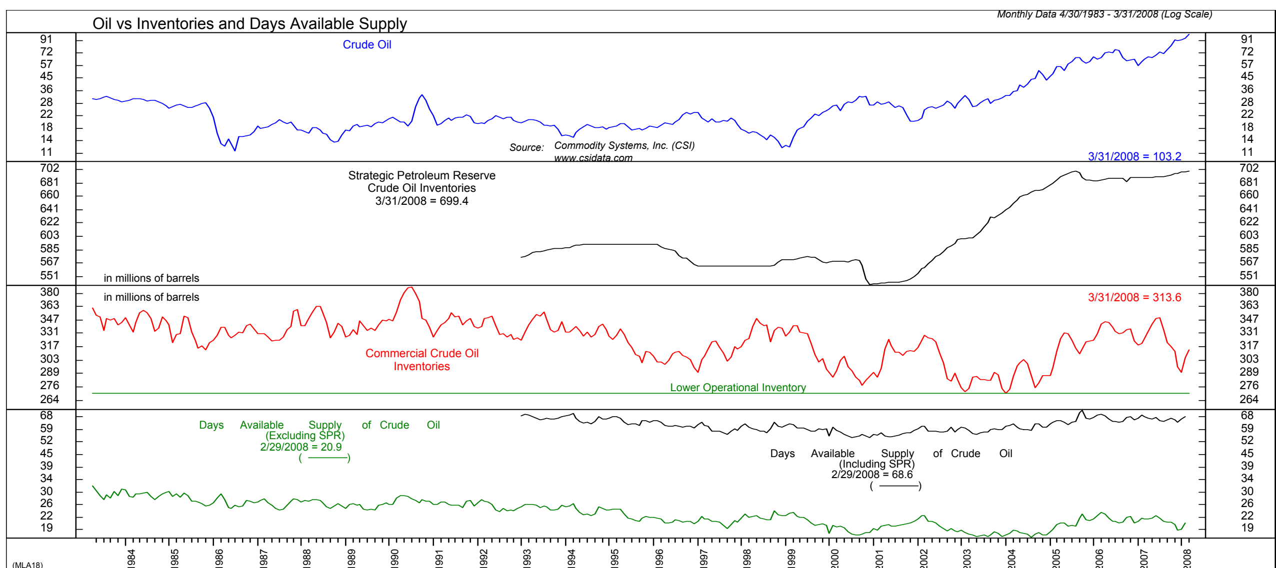
- **As we begin the second quarter, we continue to emphasize integrated oil companies within our energy representation, despite our underweight position for the past several quarters.** This strategic shift reflects the disparity in valuations within the sector and relative performance over the past 21 months. The oil service group continues to be the "leverage play" on energy prices, and one of the sector's highlights in this past quarter as momentum continues to build for accelerated drilling programs. The price of oil per barrel has climbed to newer highs relative to its historic range, and sentiment appears to be very bullish as compared to the overly pessimistic levels experienced earlier in the year. Before upgrading the sector weight, we would like to see a continuation of a supportive Federal Reserve in the next FOMC meeting that ensures the U.S. orchestrates a soft landing. We would also like to see a break in the speculation associated with the enormous spreads we are experiencing between the supply and demand for oil. However, we still recognize the longer term bullish case for energy remains intact sensitized to declining flexibility in production increases, strong demand from emerging markets, and rising costs of finding and developing new reserves (a positive for oil field service and drilling companies).

- **While stock valuations are not excessive under the new assumption of mid $80's long term oil, the consensus expectations reflecting higher oil prices over $125 per barrel appear overly optimistic.** We continue to believe that the assumption of $85 oil in 2008 is now priced into the markets and appears to be a more reasonable level as world economies begin to slow. The supply issues continue to be the primary determinate. We are now estimating that worldwide oil demand will probably increase by approximately 1.2 to 1.5 million barrels per day and that electrical demand will most likely be at twice that rate of oil equivalents being met by coal, natural gas, wind and solar power.

- **Aggregate first quarter earnings are projected to be up some 17% year over year and 2% versus the fourth quarter.** We are expecting that estimate of E&P operating earnings to increase 58% from a year ago, primarily reflecting higher oil prices. We are estimating aggregate oil and gas production at 20.1 million boe /d down 247,000 boe /d , or 1.2% sequentially and down 3.1% year over year. In the Refining and Marketing (R&M), operating earnings are expected to decrease 67% from the first quarter of last year.

- **While the spring season is typically soft for gasoline prices, as we enter the summer driving season one would expect a resumption of the higher prices into the fall.** Despite rising oil prices in April, we don't expect the commodity price for perpetual contracts to maintain price levels above $125 per barrel for much longer. Most analyst have raised their 2008 oil assumptions for West Texas Intermediate to $85/bbl primarily based on non-fundamental influences such as the weakened U.S. dollar. With oil prices averaging $97/bbl in the first quarter, compared to previous estimates of $85/bbl, we continue to believe that oil share prices are somewhat ahead of themselves and will moderate in the coming months. We have underweighted portfolios in lieu of seasonal forces coupled with supply ramping up in OPEC and non-OPEC sources. Figure XXI showing rising inventories could be the precursor to a corrective phase in the oil markets.

Figure XXI



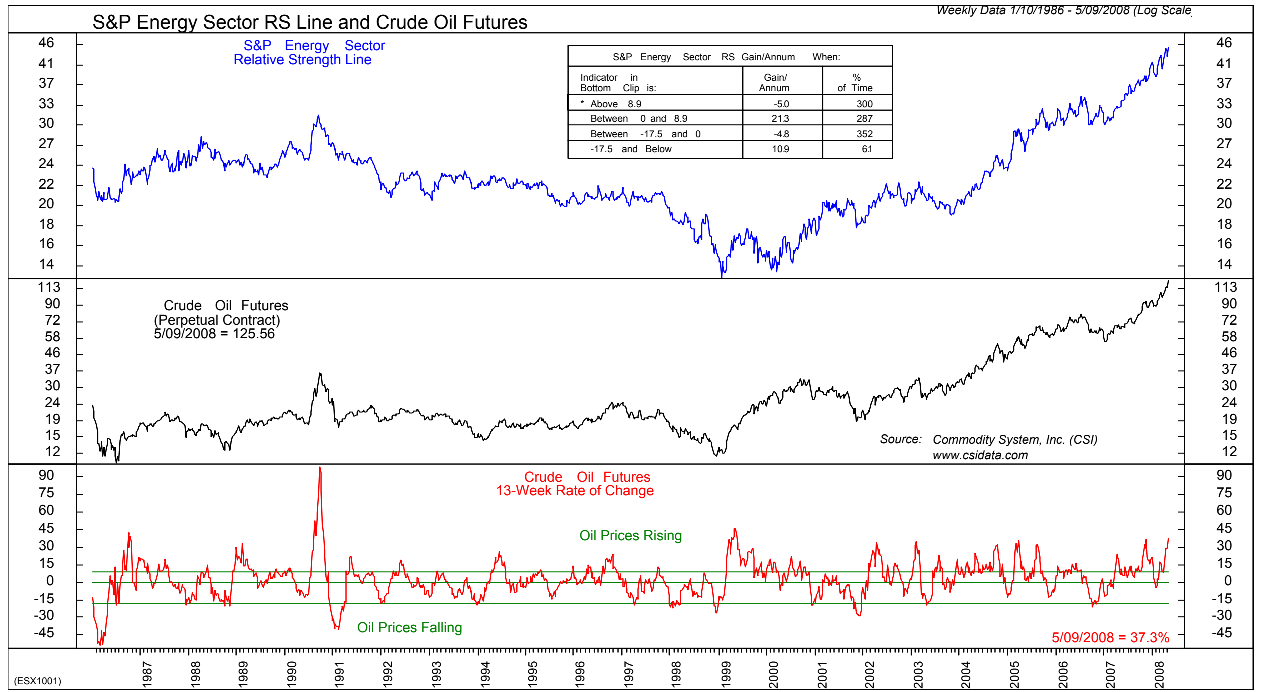
Source: Ned Davis Research

- **Based on relative and historic valuations parameters, the current high oil and gas prices favor a heavy emphasis on integrated oil companies**: Chevron Texaco Corp., Conoco Phillips, and Exxon Mobil Corporation, remain our top picks. Our underlying assumption continues to focus on the fact that global demand for oil remains strong and continues to be negatively impacted by tight supply within the context of a weakened U.S. dollar. We also had placed a heavier emphasis on a laggard group, the oil equipment and service industry, in our energy sector portfolios in the past several quarters as the majors began expanding their drilling programs at these elevated prices. We would also like to point out that there does not appear to be a material shift yet in consumer purchasing habits in response to escalating gas prices at the pump. Oil prices at $135 per barrel are back to the record levels experienced in the late 1970's in absolute dollar terms.

- **As the second quarter of 2008 unfolds, we are maintaining a market underweight in the energy sector by close to 30% in our diversified value portfolios,** reflecting the significant advance in the shares over the past several years as well as valuation characteristics that exceed historical benchmarks. Although the long term bullish case for oil remains intact, we would look for better entry level in the summer of 2008 as valuations come back in line with overall fundamentals before expanding our representation. See our recent research report titled *Industry Research Insights: Energy* for a historical perspective on oil/energy as a percentage of the Russell 1000 Value and Standard and Poor's 500 Citigroup Value benchmarks. Remember that there is also a large percentage of energy exposure in the utility sector of the Russell 1000 Value Index. Most of the larger capitalized companies in this sector of the index have significant leverage to unregulated energy businesses. We estimate that the energy exposure of the Russell 1000 Value Index approached 25% in 2007. (5)

- **Despite a forecast of a global slow down, energy prices have remained relatively high.** This suggests that energy is no longer trading as a cyclical commodity but more like a "growth" business, where the base case scenario extrapolates the most recent pricing experience rather than the more traditional method of mean reversion. Although it would appear that energy may be susceptible to further earnings revisions, and fluctuations in inventory and spot markets, it is likely that any further increases in the oil price above $125 a barrel will begin to precipitate a demand response.

Figure XXII



Source: Ned Davis Research

---

(5) Our strategic weight in energy at 10.6% of equity portfolios includes 50% of our Archer Daniel Midland investment since the company derives as much as 40% of its operating profits from ethanol. The position is currently classified in the consumer staple sector of the S&P 500 GICS. At the end of the first quarter energy was 13.3% of the Standard and Poor's 500.

- **The energy sector is entering a seasonally weak period of the year and should persist through the late spring**. Despite rising oil prices in the first quarter, we don't expect that the commodity price for perpetual contracts to maintain price levels in the mid $120's per barrel for long periods of time. Figure XXII illustrates that the correlation between Crude Oil Futures and the Relative Strength (RS) Line of the industry participants is very high. On closer examination it appears that the share performance has lead the commodity by several months in most instances.

INVESTMENT SUMMARY

- **The majority of our current investment holdings should continue to post better than expected sales and earnings results for the second half of the year.** As the first half comes to a close, we expect any positive surprises will be rewarded with both absolute and relative performance against the broad market averages. The general sentiment by investors has been preoccupied with the Fed response to the credit markets or inflationary targeting and little time with corporate profit performance. However, we believe at the end of the day, it's still all about earnings. Based on our forecasts for earnings progress, we are maintaining our strategic allocation with a slight increase in credit market exposure as the Fed proactively support the financial system reversing an inverted curve and creating the opportunity for banks to recapitalize. Despite our strategic shift, reducing our portfolios' industrial exposure, we still remain overweight these companies which are continuing to maintain their leadership position further supported by a positive slopping curve with the 10 year bond trading now safely below the 5.0% threshold.

- **Since the market lows in October of 2005 through May of 2008, our portfolios have outperformed our benchmarks by as much as 1118 basis points against the Standard and Poor's 500, and 1159 points ahead of the Standard and Poor's 500/Citigroup Value Indices.** We are encouraged by the recent reversal in equity market declines from the March lows and are confident that our relative out performance will continue in 2008, resulting in an impressive seven year compounded return for the core value equity investment program. As analysts begin to re-examine corporate profits for 2008 and remove recessionary forecasts, this should relieve recent multiple compression (price-to-earnings ratios). Any evidence of subdued inflationary pressure bolstered by declining oil prices in the next several months should support a positive backdrop for equities. We continue to focus on specific companies for investment opportunities reducing our dependency on forecasting macroeconomic emphasis on sector leadership at this juncture. More specifically, we emphasize investment in companies that have characteristics such as: historically low payout ratios leaving room for dividend growth; generators of significant free cash flow to support investment into either existing businesses or strategic acquisitions; and rising reinvestment rates while at the same time adjusting to less predictable production cost. These and other favorable criteria are essential disciplines that should ultimately translate into long term out-performance.

Table VII

CORE VALUE PORTFOLIO CHARACTERISTICS – AS OF 03/31/08	AIM	S&P 500
# of Holdings	40 stocks	500 stocks
Portfolio Beta	1.05	1.00
Wtd. Avg. Price to Book	2.2x	2.5x
Wtd. Avg. Price-Earnings (Current)	12.8x	14.1x
Wtd. Avg. Price-Earnings (FY1)	11.5x	13.1x
Wtd. Avg. Price/Sales Latest 4 Qtrs	1.35x	1.30x
Wtd. Avg. Dividend Yield	3.3%	2.1%
Price to Cash Flow	8.8x	9.7x
Equally Wtd. Market Cap.	$76.52 Billion	$95.97 Billion
Ten Largest Holdings (% total)	29.46%	--
Approx. Portfolio Turnover	30%-40% per annum	--
Maximum Cash Position	10%	--

Sources: S&P 500 Characteristics are utilizing a combination of Baseline data and FactSet Research Systems, Inc. as of March 31st, 2008 for weighted average book value, price/earnings, price/cash flow, and price/sales figures. AIM, LLC utilized both first call estimates from Baseline and IBES estimates from Bloomberg statistics for the current and forecasted S&P 500 earnings in 2007/2008.

FIRM UPDATE

ALTMAN INVESTMENT MANAGEMENT, LLC is celebrating its seventh year managing investments for our valued clients, dedicated to servicing our investment partners in good and more difficult times, by achieving both consistent and superior investment performance relative to our benchmarks across both equity and fixed income classes. Our singular focus on investment performance and exceptional client service, with seasoned investment professionals, continues to solidify our long-term partnerships. To further accommodate our growing client needs we recently opened another office in downtown Princeton on Chambers Street and introduced several new products and professionals dedicated to continuing our tradition of achieving the superior results that our clients should expect and deserve. We recognize that over the past year it has not been particularly easy to stay the investment course, especially during volatile periods in the markets. During periods of uncertainty, we especially appreciate our clients, business partners and friends for their continued confidence in our process and expertise. We look forward to celebrating our ten year anniversary with the same degree of energy and passion as on the first day of incorporation.

The opinions expressed in this commentary are those of Altman Investment Management, LLC as of the date appearing on this material only and are subject to change. The material is based upon information we consider reliable but we do not represent that it is accurate or complete and should be relied upon as such. This material does not take into account the particular investment objectives, financial situation or needs of the individual client and should not be viewed as an endorsement of any particular investment. Certain investments give rise to substantial risk and are not suitable for all investors.