

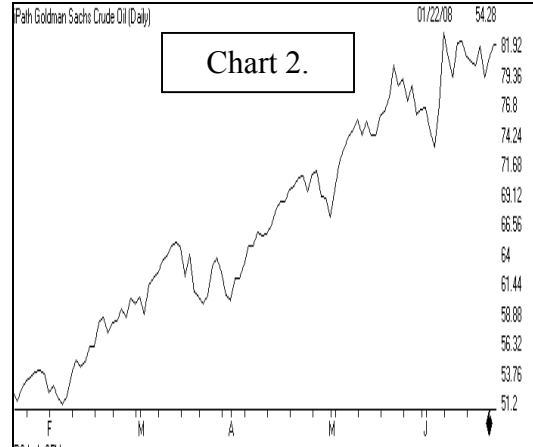
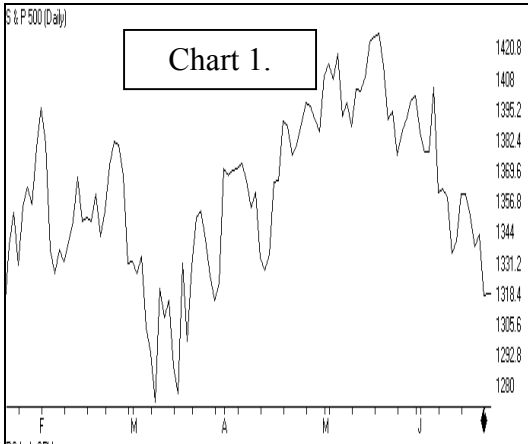


# Regatta Research & Money Management, L.L.C

*In-House Market Strategy Update    June 25<sup>th</sup>, 2008    Breaking News*

Dear Clients of Regatta Research,

After rebounding from the March lows (see Chart One below), the stock markets have again begun to falter, generally due to the unease over the continued strength in crude oil prices. (See Chart Two below)



We take the concept of stewardship of your assets very seriously. Due to the short-term negative fluctuations, we have raised a high percentage of cash until we receive clearer signs on the direction of crude oil, the economy, and interest rates.

During bear markets such as the one we are all currently experiencing, one of the most valuable services we can provide is a sense of perspective by relying on historical precedents and statistical studies rather than on emotions and fear, which can often lead investors to panic.

Below you will see one such study produced by Newsweek<sup>1</sup> magazine that analyzed the time period from 1926 to 1997 and the relationship between the time you held your investment in the stock market and your odds of gaining or losing money. In a nutshell, the chances of losing money decreases substantially the longer your time frame. For example, based on this study, if you held an investment in the stock market for only one year, you had a 26% chance of losing money and a 74% chance of making money. However the study shows that if you held your investment in the stock market for twenty years, based on the time period covered, you had a 100% chance of making money. The moral of the story is not to panic and to take a long-term perspective on your investments.

If you hold	Your chance of losing money	Your change of making 0-10% per year	Your chance of making 10-20% per year	Your chance of making 20%+ per year
1 year	26%	18%	20%	37%
3 years	14%	28%	39%	19%
5 years	10%	31%	49%	10%
10 years	4%	42%	53%	1%
20 years	0%	37%	63%	0%

In our experience we have found that many investors are aware that they need to take a long-term perspective. But during bear markets they often find that their risk tolerance is lower than they may have thought.

If you would like to review or change your current allocation, please let us know. There are several alternative strategies and investments that your Regatta Financial Advisor can implement to make sure your portfolio is custom tailored to your current financial situation.

These include, but are not limited to the following:

- Increasing more conservative investments in your portfolio that focus more on current income and a stable principal
- Focusing on long-term capital appreciation and low price volatility.
- Allocating you to a more conservative stock portfolio
- Taking a percentage of your equity exposure and placing it in cash until the market stabilizes
- Diversifying your equity portfolio among money managers using our Separately Managed Accounts database at Fidelity
- Utilizing our new Regatta portfolio consisting of index linked cds and structured notes that seek equity appreciation with a stable or, in some cases, guaranteed principal.

If you wish to discuss some of these options with your Regatta Financial Advisor, please call or email us at [info@regattaresearch.com](mailto:info@regattaresearch.com).

Regatta's portfolio managers will have a conference call on the current market condition and outlook. The conference call will be posted on our website on July 10<sup>th</sup>, 2008. Visit our website at <http://www.regattaresearch.com/ServicesResearch.asp> to listen to the conference.

We appreciate your continued patronage and support.

Sincerely,

The Regatta Research Team

1. *Newsweek*, November 10, 1997, p.38.

**Disclosure**

Mutual funds and other equity investments involve market risk, including fluctuating returns and possible loss of principal so that an investor's shares, when redeemed, may be worth more or less than their original cost. Small cap stocks tend to experience greater volatility than large company stocks. Bonds offer a fixed interest rate and return of principal if held to maturity. International investments involve special risks, including economic and political uncertainty, as well as currency fluctuations. Sector investments tend to involve special risk due to their concentrated nature. Structured Products are not suitable for all investors. It is suggested that prospective investors reach a purchase decision only after careful consideration with their financial, legal, accounting, tax and other advisors regarding the suitability of structured products in light of their particular circumstances. Structured Products typically pay an interest or coupon rate substantially above the prevailing market rate. Structured products also frequently cap or limit the upside participation in the reference asset, particularly if some principal protection is offered or if the security pays an above-market rate of interest. Attendant risks may include loss of principal and the possibility that at expiration the investor will own the reference asset at a depressed price. In addition, some principal protected products may end up with no returns at all for the life of the note, representing a substantial opportunity loss to the investor. The indices mentioned in the report are unmanaged. Investors can not invest directly in an index. Past performance does not guarantee future results. This is not an offer to buy or sell securities. The information contained in this report has been taken from trade, statistical services, and other services, which we deem reliable. We do not represent that it is accurate or complete, nor should it be relied on as such. Any opinions herein reflect our judgment at this date and are subject to change. The company, its principals, or affiliates, may from time to time hold shares of issues mentioned. Always ask for and examine an advisory agreement (SEC Form ADV), along with a prospectus before investing. Additional information available upon request.