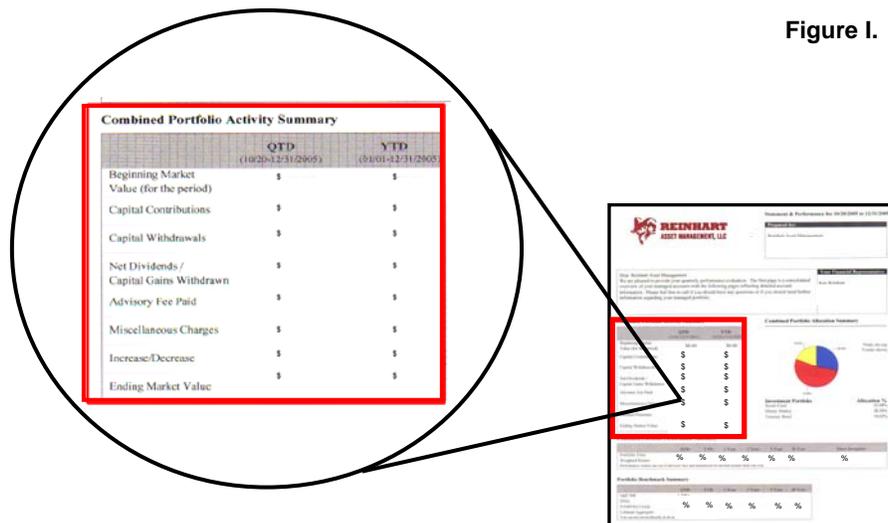


Quarterly Performance Statement – Guide to Understanding

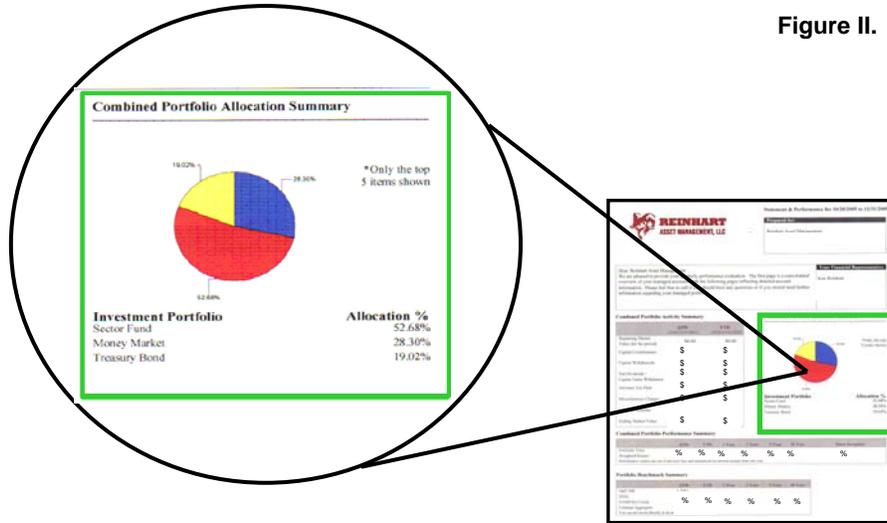
Let’s move onto the (QPS) that you received. These reports are an added advantage to being a Spectrum Client. This quarterly statement will allow you to follow the performance of your accounts and track items such as deposits, withdrawals, and transactions. It also gives further breakdowns which will be discussed later in this commentary.

This goes further than the average monthly statement which simply shows holdings and dollar amounts. With the QPS you will have the ability to know exactly what is taking place in your accounts and how it is performing. To help you interpret the statements this section of the commentary will break down the statement, to help you have a better understanding of what the information reflects. This will allow you to fully identify what your accounts are doing and where they are positioned.



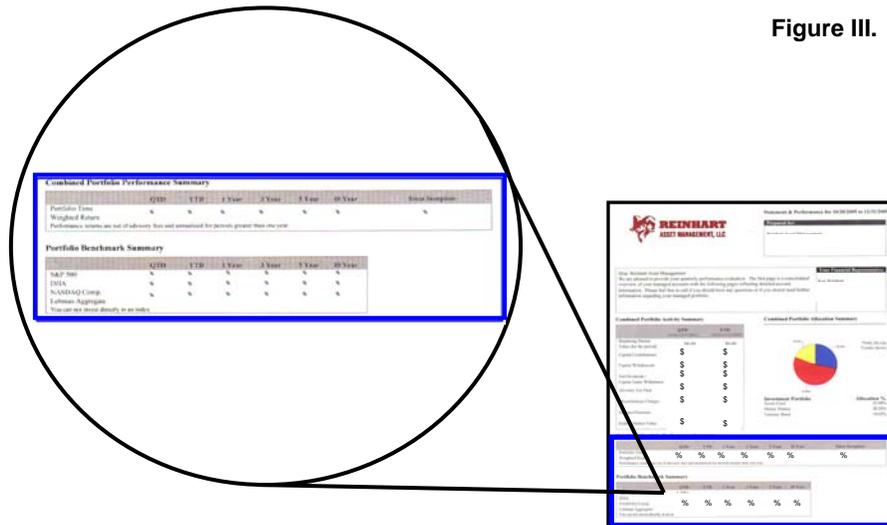
Please look at figure one. This section of your QPS highlights and summarizes the activities of your portfolios. (Note; if you have more than one account with us the first page will be a combined assessment for all the accounts. If that is the case the following pages of the statement will break down each account.) In this portion you can see the activity during the quarter. It gives you the quarterly data in column one and the yearly data in column two. If you begin at the top you will see the beginning value of your portfolios. Moving down you can see any contribution, withdrawals, dividends, and fees that took place during the quarter. The final breakdown shows how much your portfolios increased or decreased and last shows the ending market value. Again, if you have more than one account this is a combined summarization and each account will be shown on the following pages in a similar fashion.

Figure II.



To the right of the portfolio activity part is the portfolio allocation summary. Figure II illustrates this section of the QPS. The same fashion applies if you have more than one account in this section as well. This summary gives you a quick view to see how your portfolios are allocated. At a glance you can see the makeup of your portfolio by looking at the pie chart. To get exact allocation percentages simply look below the chart. This section allows you to see where your portfolio is being positioned whether it be cash, sectors, equities, or inverse funds.

Figure III.



Finally on the first page of your QPS is the actual performance summary of your portfolio as well as a summary for the benchmark indices. If you look at figure III this indicates where it is located on the page. This portion of the statement will allow you to compare your performance to those of the major indices like the S&P 500 and the Dow Jones. Again this will be a combined performance if you have more than one account.

