The ASIC Wealth Management Report

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Funds Owned	Percent
Fid Capital & Income	75%
Fidelity Emerging Markets	10%
Fidelity Communications	10%
Cash Reserves (MM)	5%
Last 12 Month Total Returns	%
S&P 500 Equity Total Return	-20%
Warren Buffet (BRK.A)	-15%
Jean Eveillard (SGENX)	-6.7%
American Shareholders	+15%
Fid Capital and Income	+1%
Matthews China	5.7%
Vanguard Global Equity	-26%
Fid Inter T Bond FIBIX	6.7%
Merk Hard Currency	-3.2%
Inflation Protect Bonds	-1.2%
Fid Emerging Markets	-29%
Fidelity Energy	-39%
Fid Com, Equipment	-7.5%
Fid Strategic Income	+6.7%
Fid Convert Securities	-21%
Case Shiller Home Index	-17.1%

The T Theory Forecast is very Bullish into 2010

For the first seven months of 2009 the key S&P total return equity benchmark is up 10.97%, a good improvement based on signs the economic decline is likely bottoming and turning up for the future. ASIC's network accounts were up 21.4% during this same period before a typical 0.7% deduction for management fees resulting in a net client gain of 20.7%year to date. Our current emphasis is still to keep ahead of all benchmarks for the duration of this new bull market by mainly staying with our three lower risk positions which we currently favor.

As you can see from the listing at the upper left we are currently 95% invested plus 5% in Cash; 75% is invested in Fidelity's Capital and Income Fund, plus 10% positions in Fidelity Emerging Markets and Fidelity Communications Equipment.

During the month we rebalanced our holdings on the assumption that a low growth recovery greatly favored the large 75% position in Capital and Income. It has a current income yield of about 9% which makes it a very conservative long term holding. At the same time its price also has strong appreciation potential, producing a total return of 22% over the last three months which is well ahead of the S&P’s return of 14% for the same period.

Looking further ahead, it seems likely that true growth funds like Emerging Markets and Communication Equipment will produce the greater gains once investors become more confident. For this eventuality we have started these two positions at a modest 10% each. Both funds are doing well over the last 3 months; up 32% and 20% and could be expanded at a later date. We prefer Emerging Markets because it has lagged greatly, still down some 29% over the last 12 months, perhaps giving it better recovery potential over the next year.

Finally we are pleased this year’s gain has put our accounts well above their 2007 all time highs. *Terry Laundry*

For further details please contact Paula Burke as noted above.