WEISS CAPITAL MANAGEMENT, INC.

Quarter-at-a-Glance

3RD QUARTER 2008

As seen in Forbes

GOLDLINE RESEARCH 2007 AWARD WINNER THE MOST DEPENDABLE

"Ten Most Dependable™" Wealth Managers of Florida*

Program Summary

Investment Objective
Long-term growth and income

Portfolio Composition
Primarily domestic dividend-paying common stocks, international equity mutual funds, and fixed income mutual funds

Risk Tolerance
Investors with a *moderate* risk tolerance looking for long-term growth and income

Benchmark
Weiss Balanced Composite Index[1]

Inception Date
December 31, 2001

Minimum Initial Investment
$150,000

Annual Management Fee
1.50%

Recommended Holding Period
Three-to-five years

Portfolio Manager
Sebastian Leburn, CFA

*See page 4

Weiss Balanced Program

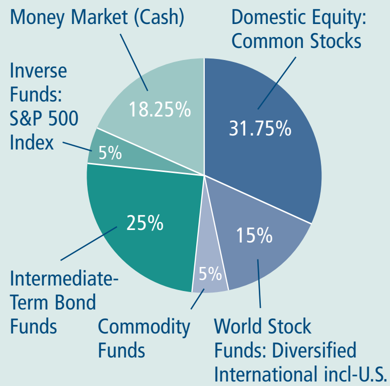
QUARTERLY HIGHLIGHTS

U.S. economic growth slowed significantly in the third quarter of 2008 as the deepest housing slump in at least 25 years resulted in a crisis of confidence in credit and equity markets worldwide. Investor's all but abandoned higher-yielding assets, such as stocks and bonds for the relative safety of short-term U.S. Government securities. In fact, in September, three-month U.S. Treasury bill yields dropped to the lowest levels since World War II.

In early October, Congress passed a $700 billion financial bailout package, designed to minimize the odds of a debt deflation and self-feeding collapse of the financial system. Even with this unprecedented stimulus, the global economy likely faces a long period of weak growth.

We attribute this latest sharp and swift sell-off in risky assets to the recognition by investors that the U.S. economy is in a recession (and probably other world economies are too). The broad market decline this quarter was made particularly worse as fears that the world was on the verge of another depression emerged. It was further exacerbated by lack of confidence in government bailout plans as we went to press. Such high stress levels resulted in 'panic' selling at intervals throughout the quarter. While the current credit crisis will result in the first consumer recession since the 1990-1991 down turn, and may rival the slowdown experienced in the mid 1970s, talks of depression seem overblown at this time

ASSET ALLOCATION
as of 9/30/2008



However, the challenges facing the economy and financial markets are real and are likely to create more strain and uncertainty. Given this outlook, the *Weiss Balanced Program* turned more defensive with its investment positions during the quarter. Our equity exposure was reduced and cash levels were raised. Specifically, we sold our equity allocation to emerging markets, based on our view that these economies, and their stock markets, may experience more difficulties ahead as Western economies continue to retrench.

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WEISS BALANCED PROGRAM - *Returns thru 9/30/2008*

	3rd Qtr Total Return	YTD Total Return	1-Year Total Return	3-Year Annualized Return	5-Year Annualized Return	Since Inception Annualized Return (12/31/01)	Since Inception Cumulative Return (12/31/01)
Weiss Balanced Program Net Returns	-7.96%	-12.10%	-12.43%	1.51%	4.78%	4.49%	34.50%
Weiss Balanced Program Gross Returns	-7.68%	-11.29%	-11.35%	2.75%	5.98%	5.56%	44.07%
Weiss Balanced Composite Index*	-7.64%	-12.13%	-12.31%	2.00%	5.22%	4.18%	31.85%

*Benchmark was changed from Moody's Equity Mutual Fund Balanced Index effective January 1, 2008

Quarter-at-a-Glance

Portfolio Manager

Sebastian Leburn, CFA

At Weiss Capital Management, we understand that your needs are as individual as you are

WEISS BALANCED PROGRAM

"Most investors need both stocks and bonds in their portfolios, but they are often not sure about how to allocate those assets. We provide that missing link with a carefully designed and professionally managed balanced portfolio."

- This program is appropriate for the long-term investor who has a moderate risk tolerance, and who desires to strike a smart balance between long-term capital growth and current income.
- We seek to provide our clients with solid long-term returns that outperform the Program's benchmark, without taking undue risks.
- The Program invests in the stocks of quality companies that have demonstrated earnings consistency and dividend growth that our research shows are attractively valued to the overall market, and thus provide the greatest potential for long-term returns.
- The Program also invests in top-performing international equity and fixed-income mutual funds to give our clients the opportunity for long-term outperformance.
- We perform careful, thorough, and stringent screening on all investments selected for purchase to help maximize the potential for growth while reducing risk.
- We proactively perform account rebalancing, as necessary, to assure that appropriate risk/reward equilibrium is maintained.

WEISS BALANCED PROGRAM OVERVIEW

- We believe the Program contains an appropriate combination of active account management and investment choices, ultimately offering managed risk, stable returns, and broad diversification.
- During down trends, we have the ability to adjust the portfolio's allocation by reducing equity exposure to minimize the impact of market declines on portfolio returns.
- In addition, we can take advantage of falling stock prices by investing in securities designed to appreciate in value during periods of market weakness.
- Risk management is a critical component of our money management approach. We proactively perform account rebalancing, as necessary, to assure appropriate balance of risk and reward.

WHY YOU SHOULD INVEST WITH WEISS CAPITAL MANAGEMENT

- Our portfolio managers and sub-advisor have managed money, on behalf of investors, through all market cycles – bull and bear markets – and their years of experience can be put to work for you.
- We offer investment programs with varied investment objectives and degrees of risk that are designed to potentially benefit in all market conditions – up markets, down markets and markets that are trendless.
- Our team approach to client relationships means there is always someone to assist you and answer your questions.
- As your financial profile changes, your Client Service Team will make recommendations to your overall investment strategy based on your new situation.

QUARTERLY HIGHLIGHTS

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Accordingly, the bulk of our equity exposure in the *Weiss Balanced Program* remains invested domestically in diversified, large-cap dividend paying companies whose stocks tend to perform better than the overall market during difficult times. In addition, we continued to hold a position in an inverse equity fund – designed to rise in value when the stock market declines. And, throughout the sell-off, this fund has provided some cushion by rising in value as equity prices declined.

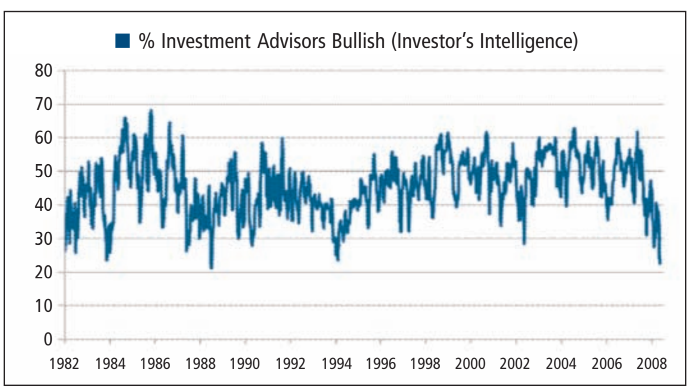
Fixed income markets have also not escaped the current crisis. In fact, the credit markets almost completely seized up last quarter with spreads widening significantly. According to Bloomberg news, September was the worst month in at least two decades for the bonds of even the safest of companies, as investors sold corporate debt on fears of escalating default risks and flocked to U.S. Treasuries.[1]

Faced with this treacherous environment, our fixed income holdings suffered somewhat, contributing to the difficult quarter's performance. It is critical to point out, however, that due to severe declines in corporate bonds, fixed income securities are now trading at levels that assume rates of default well in excess of what is likely to actually happen, in our view. As such, investors selling bonds (or bond funds) at current prices will likely be disappointed a few years from now, if not sooner.

Looking ahead, the final quarter of 2008 will prove to be challenging for the economy and financial markets. We anticipate the macro economy will continue to deteriorate well into 2009 as unemployment rises and housing prices decline further, adding further burdens to cash-strapped consumers. We recognize that this environment is scary, particularly given the intensity of recent market declines.

During times of uncertainty in the economy and markets, investors often make the mistake of trying to time the market; reducing their equity exposure or stopping regular, periodic contributions to their long-term investment holdings. These actions can prove costly to your long-term wealth. Instead, we recommend reviewing your portfolio to ensure your allocations are in line with your long-term goals and making regular contributions to your portfolio. These investing principles endure in all market conditions.

We leave you with what we believe to be a very positive sign from a contrary point of view. According to Investors Intelligence (a leading independent provider of research on stocks), a recent survey found that just over 20% of investment advisors were "bullish" as of early October.[2] *This low level of bullishness is among the lowest on record.* Such widespread pessimism has in the past marked important bottoms for the stock market. Historically, adding to your stock holdings when advisors were this bearish on the market's prospects has proven to be very rewarding over the long-term.



Source: Hussmanfunds.com 10/20/08, *Why Warren Buffet is Right (and Why Nobody Cares)*

If you're a long term investor and are interested in a balanced approach, call us to learn more.

[1] *Libor Soars, Commercial Paper Slumps as Credit Freeze Deepens*. October 2, 2008. Bloomberg

[2] Hussmanfunds.com 10/20/08, *Why Warren Buffet is Right (and Why Nobody Cares)*

Other Programs Offered by Weiss Capital Management

Core Investment Programs

Foundational to a well-diversified investment portfolio

Weiss Diversified Income Builder[1]

Weiss Diversified Income Plus Program

Weiss Diversified Global Income and Growth Program[2]

Weiss ETF Strategic Allocation Portfolio

Weiss Managed Treasury Program

Weiss Select Equity Portfolio

Specialty Investment Programs

Focused, supplemental strategies that strive to enhance returns

Weiss All-World Strategic Growth Program[3]

Weiss Bear Strategy

WCM Sector Series

- ETF Sector Rotation: Concentrated Program
- ETF Sector Rotation: Diversified Program

[1] *Name changed from Weiss Diversified Income Program on July 25, 2007*

[2] *Name changed from Weiss Miniature Diversified Income Program on March 31, 2007*

[3] *Name changed from Weiss All-Star Growth Program on July 25, 2007*

Weiss Capital Management, Inc.

7111 Fairway Drive, Suite 102
Palm Beach Gardens, Florida
33418

Toll Free: 800.814.3045
Local: 561.515.8558
Fax: 561.627.1011

Email: WCM@WeissCM.com

Web Site: WeissCM.com

As seen in Forbes

As seen in the October 8, 2007 issue of *Forbes*, Goldline Research criteria used:

- 10+ years experience
- Exceptional client references
- $200 M+ in assets under management
- 100+ active clients
- Comprehensive range of wealth management and financial planning service
- No grievances or lawsuits

After meeting this criteria for inclusion on the list, Weiss Capital Management contributed to the cost of publication in *Forbes*.

Important Disclaimers and Disclosures

Investment Risk

Past performance is not indicative of future returns, and as with any investment program, it is possible to lose money by investing in the Program. There are no guarantees that the Program will be able to achieve its stated objectives.

International investing presents certain risks not associated with investing solely in the United States. These include, for instance, risks related to fluctuations in the value of the U.S. dollar relative to the values of other currencies, custody arrangements made for the foreign securities, political risks, differences in accounting procedures, and the lesser degree of public information required to be provided by non-U.S. companies.

Suitability

This program is suitable for investors with a ***moderate*** risk tolerance. The suitability of this program for IRAs, 401(k)s and other retirement plans is at the discretion of the plan's sponsor or fiduciary. **A time horizon of at least three-to-five years is recommended.** The asset allocation of the Weiss Balanced Program is subject to change.

Performance

Returns are based on a composite of actual client accounts. Individual client returns may vary depending on, among other things, account opening date, contributions, withdrawals, and fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.

Net returns cited include actual management fees, commissions, and other similar fees charged on transactions, and reinvestment of dividends, income and capital gains. **Gross returns** cited exclude management fees and are net of actual commissions and other similar fees charged on transactions, and include dividends, income and capital gains.

Benchmark

The Program's previous benchmark, the Moody's Equity Mutual Fund Balanced Index, was discontinued by Moody's Investor Service on January 29, 2008. A new benchmark was instated as of first quarter 2008 and going forward.

The new benchmark for the Weiss Balanced Program is a custom blend of the S&P 500, MSCI All-Country World®, Lehman Aggregate Bond and the Dow Jones-AIG Commodity Total Return℠ indices. The benchmark consists of the following:

40% S&P 500 Index
15% MSCI All-Country World Index®
40% Lehman Aggregate Bond Index
5% DJ-AIG Commodity Index℠

We believe this is an appropriate index against which to compare the Program's long-term performance. Depending on market conditions, the Program may vary its exposure to these asset classes. As a result, the Program's returns may differ from the performance of the broad-market indices, particularly over the short term. This is not a standard balanced program. The portfolio manager of this program may invest outside the "equity/income" arena by selecting securities that invest in, but not necessarily limited to, commodities, real estate, currencies, natural resources and precious metals, with the objective of bringing value to the investors of this program. The Program may also utilize inverse-index mutual funds, depending on market conditions.

The S&P 500 Index is a capitalization-weighted index that consists of 500 large-cap U.S. stocks. The MSCI All-Country World Index® (MSCI ACWI®) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developing and emerging markets. As of June 2007, the MSCI ACWI® consisted of 48 country indices comprising 23 developed and 25 emerging market country indices. The Lehman Aggregate Bond Index is a market-value weighted index of taxable investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities. The Dow Jones-AIG Commodity Total Return Index℠ (DJ-AIGCITR℠) is designed to be a highly liquid and diversified benchmark for the commodity futures market. The index is composed of futures contracts on 19 physical commodities and represents a broadly diversified index of commodities. These indices assume the reinvestment of dividends and capital gains, and exclude management fees, transactions costs and expenses. **It is not possible to invest in an index.** Index data source: Bloomberg.

Important Disclosures

In addition to the management fee assessed on the investment in this program, individual stock-trading commissions are generated and are an additional cost to the client. Transaction costs, if any, are assessed and received by the custodian, not by Weiss Capital Management, or the particular fund family. For select mutual funds, transaction costs may apply. **Weiss Capital Management, Inc. does not receive any special compensation or financial incentive from any mutual fund company in this investment program. As the investment adviser, we do not receive any of these commission dollars.**

The mutual funds used in this program may impose a minimum holding period to avoid redemption fees. Redemption fees, if any, are assessed and received by the mutual fund itself and not Weiss Capital Management.

This program's portfolio may be rebalanced as deemed necessary by the portfolio manager. **Rebalancing may generate additional fees.**

The Weiss Balanced Program may invest in the Weiss Treasury Only Money Market Fund for which Weiss Capital Management, Inc., or its affiliates, provide advisory, administrative, distribution and other services, and receive compensation. **An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.** A prospectus can be obtained online at www. WeissFund.com.

For additional information, please read the firm's ADV Part II before investing.