

# Quarter-at-a-Glance

3RD QUARTER 2008

As seen in Forbes\*



"Ten Most Dependable"<sup>TM</sup>  
Wealth Managers of Florida\*

## Program Summary

### Investment Objective

Current income with growth

### Portfolio Composition

A maximum of 60% fixed-income mutual funds and 40% equity mutual funds

### Risk Tolerance

Investors with a *moderate* risk tolerance looking for a higher level of current income, plus growth

### Benchmark

Standard & Poor's 500 Index; MSCI EAFE<sup>®</sup> Index; Lehman Aggregate Bond Index

### Inception Date

November 18, 2003<sup>1</sup>

### Minimum Initial Investment

\$50,000<sup>1</sup>

### Annual Management Fee

1.00%

### Recommended Holding Period

Three-to-five years

### Portfolio Manager

Steven P. Chapman,  
Vice President

## Weiss Diversified Global Income and Growth Program

### QUARTERLY HIGHLIGHTS

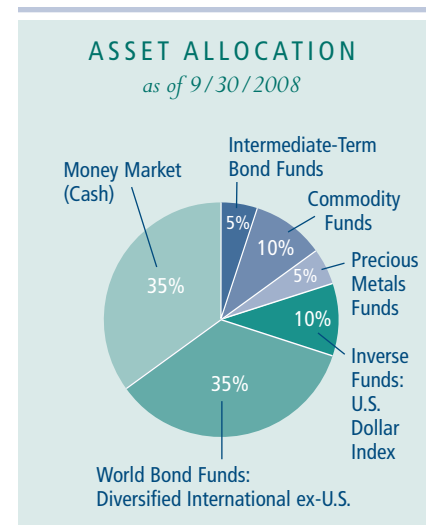
During the third quarter of 2008, we witnessed an absolute barrage of bad news about the financial markets and the economy. In fact, every time you look at CNBC these days you see some headline flash that reads: "Breaking News." And every time, we think, "What's Broken Now?"

Here's the answer: just about everything on Wall Street is "broken"—and there's probably no "quick-fix" either. Nearly every asset class declined in value last quarter amidst a total lack of confidence in the financial markets. At this point, the markets are broken and there is no transparency as to who owns what making it difficult to determine fair value and creates intense market swings.

This combination is a total "show-stopper" for a market that requires clarity, facts and accurate valuations to function properly and efficiently. Unfortunately, the markets will continue to be under stress — at least until conditions change for the better.

Perhaps you remember a popular old Beatles song that proclaimed, "Money Can't Buy Me Love." Well, if that song were re-released today, maybe we should add the new lyrics, "Money Can't Buy Me Confidence."

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### WEISS DIVERSIFIED GLOBAL INCOME AND GROWTH PROGRAM - Returns thru 9/30/2008

	3rd Qtr Total Return	YTD Total Return	1-Year Total Return	3-Year Annualized Return	Since Inception Annualized Return (11/18/03)	Since Inception Cumulative Return (11/18/03)
Weiss Diversified Global Income and Growth Program Net Returns <sup>1</sup>	-13.43%	-14.58%	-14.30%	0.55%	2.35%	11.95%
Weiss Diversified Global Income and Growth Program Gross Returns <sup>1</sup>	-13.22%	-13.95%	-13.47%	1.54%	3.79%	19.86%
S&P 500 Index	-8.37%	-19.29%	-21.98%	0.22%	4.45%	23.58%
MSCI EAFE <sup>®</sup> Index	-20.50%	-28.91%	-30.13%	1.58%	8.98%	51.94%
Lehman Aggregate Bond Index	-0.49%	0.63%	3.65%	4.15%	3.91%	20.51%

\*See page 4

<sup>1</sup> Prior to March 31, 2007 the Program's name was Weiss Miniature Diversified Income Program and the minimum initial investment was \$5,500.



## Portfolio Manager

Steven P. Chapman

At Weiss Capital

Management,

we're committed to

helping individuals

achieve their

investment goals

## WEISS DIVERSIFIED GLOBAL INCOME AND GROWTH PROGRAM

The Weiss Diversified Global Income and Growth Program is designed to generate a higher level of current income than a portfolio of U.S. Treasury Bills and Bonds, plus growth of principal. We seek to achieve this objective by investing in fixed-income and equity mutual funds. The Program's investments typically span the general U.S. and global capital markets, in addition to specific markets/sectors, depending on prevailing economic/market conditions and forecasts.

The fixed-income mutual funds included in the Program, which represent up to 60% of its assets, typically invest in bonds issued by U.S. and international corporations (both investment grade and high yield),

convertible bonds (bonds convertible into common stock), emerging markets, as well as the Weiss Treasury Only Money Market Fund.

The Program also invests in specialty stock funds that we believe offer the potential for capital appreciation. A maximum of 40% of the Program is invested in equity-based mutual funds, intending to take advantage of prevailing investment opportunities, as well as developing trends, both domestic and international. This allocation to stocks is included to help preserve your future purchasing power by offsetting inflationary tendencies that may erode investment principal over time. This program does, however, carry more risk as a result of its equity allocation.

## OVERVIEW

- The Program is designed to deliver a higher level of current income than a portfolio of U.S. Treasury Bills and Bonds, with the opportunity for growth of principal from an equity component.
- Each mutual fund is actively monitored and based on performance, market conditions, our economic forecast and other factors, we make substitutions as we believe necessary.
- Funds with greater price stability, lower volatility (risk) and fund expenses as compared to their peer group are preferred and included in the Program, whenever possible.
- As an investor in this program, you will not pay a sales load on any of the mutual funds used in this program.

## 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.

## Q U A R T E R L Y H I G H L I G H T S continued from page 1

The media reports that we are in the middle of a “liquidity crisis,” but that label is dead-wrong. Money is everywhere and, in fact, too much cheap & easy money was the main culprit. *NEW* taxpayer money is being pumped into the system at a rapid rate, but it is now being hoarded by banks and other financial firms to repair their damaged balance sheets. They want to keep this cash safely in their own vaults, rather than lend it to others.

It’s not a *liquidity crisis* that ails us. What we have on our hands is a *crisis of confidence* – plain and simple. The financial markets are frozen not because of a lack of money – it is a lack of trust in one another that’s at the heart of this crisis. And all the money pumped into this system by all the king’s horses and all the king’s men will not restore confidence again.

But we’re not the only ones suffering. We are even witnessing distrust and panic between financial institutions on a global basis that was borne from decades of out-of-control leverage and lack of proper oversight. Banks are probably still sitting on huge *unrealized losses*, but you cannot monetize those losses indefinitely. Recent calls for a repeal of mark-to-market accounting is proof positive of more pain ahead! But, allowing institutions to assign “make-believe” values to largely worthless securities will only prolong the distrust and lack of confidence in the financial markets that we are witnessing today.

We must let the system work as it was intended – to reward intelligent businesses and purge the foolish. In other words... let the chips fall where they may. Postponing the truth only prolongs the pain.

As a result of this unprecedented financial market stress, the *Weiss Diversified Global Income and Growth Program* declined 13.4% in the 3rd quarter ended September 30, 2008, compared with a loss of 20.5% for the MSCI EAFE Index, a decline of 8.4% in the S&P 500 Index, and a loss of 0.5% for the Lehman Aggregate Bond Index. These indexes are the program’s benchmarks.

Going forward, we have positioned the program in a defensive posture – with much higher cash levels than normal. We have also added inverse funds that are designed to rise in value as markets fall.

We remain bullish on select global bond markets, but are wary of an eventual return to inflation worries, due to massive government bail-out efforts. We also continue to maintain an allocation to precious metals as an inflation hedge. Finally, we are watching for an expected rebound in the extremely over-sold global bond markets, and intend to participate in near-term rallies, in pursuit of profit opportunities as they arise.

Moving through the next quarter, the *Weiss Diversified Global Income and Growth Program* will focus on bond positions of generally higher quality with greater exposure to U.S. Treasuries and other high-quality securities in this turbulent climate.

This material may contain forward-looking statements regarding intent and belief with regard to the program and the market in general. Readers are cautioned that such statements are not a guarantee of future performance and actual results may differ materially from those statements.

### Other Programs Offered by Weiss Capital Management

#### Core Investment Programs *Foundational to a well- diversified investment portfolio*

Weiss Balanced Program

Weiss Diversified  
Income Builder Program<sup>1</sup>

Weiss Diversified  
Income Plus Program

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<sup>2</sup>

Weiss Bear Strategy

WCM Sector Series

– ETF Sector Rotation:  
Concentrated Program

– ETF Sector Rotation:  
Diversified Program

<sup>1</sup>Name changed from Weiss Diversified  
Income Program on July 25, 2007

<sup>2</sup>Name changed from Weiss All-Star  
Growth program on July 25, 2007



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### 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 fund's foreign holdings, political risks, differences in accounting procedures, and the lesser degree of public information required to be provided by non-U.S. companies.

### Suitability

The Weiss Diversified Global Income and Growth Program is suitable for investors with a moderate risk tolerance looking for a higher level of current income, plus growth. 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 three-to-five year holding period is recommended.**

### Performance

Performance of the *Weiss Diversified Global Income and Growth Program* depends on the performance of the underlying mutual funds in which it invests. In turn, performance of the underlying mutual funds depends on the performance of equity, fixed-income and money markets.

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 S&P 500 Index is a capitalization-weighted index that consists of 500 large-cap U.S. stocks. The Morgan Stanley Capital International Europe Australasia Far East (MSCI EAFE®) Index is a capitalization-weighted index that monitors the performance of stocks from Europe, Asia, Australia and New Zealand. 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. These indices assume the reinvestment of dividends and capital gains, and exclude management fees, transactions costs and expenses. Although these indices were chosen because they represent a significant portion of the universe from which the portfolio manager may find value, the Program may invest in securities that are not included in these indices, and may select funds containing commodities, real estate, currencies, natural resources and precious metals. The Program may also utilize inverse-index funds, depending on market conditions. **It is not possible to invest in an index.** Index return data source: Bloomberg.

### Important Disclosures

As an investor in this program, you will not pay a sales load on any of the mutual funds used in this program. Fidelity's No Transaction Fee (NTF) platform allows our clients access to load mutual funds at no load. No-load mutual funds not included on Fidelity's NTF platform may be used in the Program. However, transaction costs will apply, and will be received by the custodian. **Weiss Capital Management, Inc. does not receive any special compensation or financial incentive from any mutual fund company for the inclusion of any mutual fund in our managed investment programs.**

Early redemption fees that may be assessed by some mutual funds included in the Program. Redemption fees may apply if fund shares are sold prior to a fund's stipulated minimum holding period. Redemption fees, if any, are assessed and received by the mutual fund itself and not by Weiss Capital Management.

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

The Weiss Diversified Global Income and Growth Program may invest in the Weiss Treasury Only Money Market Fund, 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](http://www.WeissFund.com).

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

\*Formerly the Weiss Miniature Diversified Income Program. The minimum investment was changed to \$50,000 from \$5,500 on March 31, 2007.