



## Portfolio Manager

**Steve Chapman**  
Vice President

Mr. Chapman has over 30 years of institutional, retail brokerage, financial and securities experience with some of the most recognized and respected firms in the industry. Mr. Chapman is a graduate of Florida Atlantic University and holds FINRA Series 7, 24, 53, 63, and 65 securities licenses.

## Program Summary

**Investment Objective**  
Current income

**Portfolio Composition**  
Income-producing mutual funds

**Risk Tolerance**  
Investors with a *moderate* risk tolerance looking for a higher level of current income

**Benchmark**  
Barclays Capital Aggregate Bond Index

**Inception Date**  
October 31, 2003

**Minimum Initial Investment**  
\$100,000 (Effective 10/12/09)

**Annual Management Fee**  
1.00%

**Recommended Holding Period**  
Three-to-five years

# The Weiss Diversified Income Builder

During the second quarter, equity markets struggled against the topping process that we believe has been occurring since May's "Flash Crash" in stocks. As a result, investor fear sent quality bonds, Treasuries, gold and the U.S. dollar advancing higher in another flight-to-quality trade.

The growing and notable spikes in volatility over the past two months indicate investors are worried future stock gains may be tempered. In my experience, sizable stock market drops have almost always been preceded by big, neurotic swings in volatility.

Consequently, we have been selectively and systematically upgrading the quality of the fixed-income holdings in the Diversified Income Builder strategy. Concerns about the viability of an economic recovery continue, raising

concerns about interest rate levels.

A more immediate concern for fixed-income investors is the credit quality of holdings rather than simply their length of maturity. The major ratings agencies have begun reevaluating and reducing credit ratings on many corporate issuers to more fairly reflect ongoing credit deterioration. In this cash flow strategy, we want to be invested in higher quality fixed-income funds such as Templeton Global Bond and Met West Total Return Bond. These two funds provide solid cash flow and, in our opinion, are more insulated from the negative impact of ratings downgrades.

Growing investor anxiety coupled with slower economic growth prospects converge to support a developing bifur-

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## The Weiss Diversified Income Builder Highlights

- ▶ Primary objective is to produce ordinary income yield in excess of 1.5 to 2 percent greater than the average yield for the 5-year U.S. Treasury note, with emphasis on principal stability.
- ▶ Moderate-risk program suitable for investors seeking income and global diversification.
- ▶ Invests in mutual funds that hold both domestic and international bonds, stocks, convertibles and many other income-producing securities based on the current interest-rate environment and where we see the greatest values.
- ▶ Because we participate in a 'no-transaction fee' mutual-fund platform, we have access to a wide universe of funds, and their managers, without paying a sales load to buy these funds.

Program Returns thru 6/30/10	2nd Qtr Total Return	YTD Total Return	1-Year Total Return	3-Year Annualized Return	5-Year Annualized Return	Since Inception Annualized Return (10/31/03)	Since Inception Cumulative Return (10/31/03)
Weiss Diversified Income Builder Net Returns	0.12%	3.24%	15.51%	0.18%	1.87%	1.91%	13.41%
Weiss Diversified Income Builder Gross Returns	0.34%	3.72%	16.59%	1.17%	2.87%	2.92%	21.16%
<i>Barclays Capital Aggregate Bond Index*</i>	3.49%	5.33%	9.50%	7.55%	5.54%	5.38%	41.82%

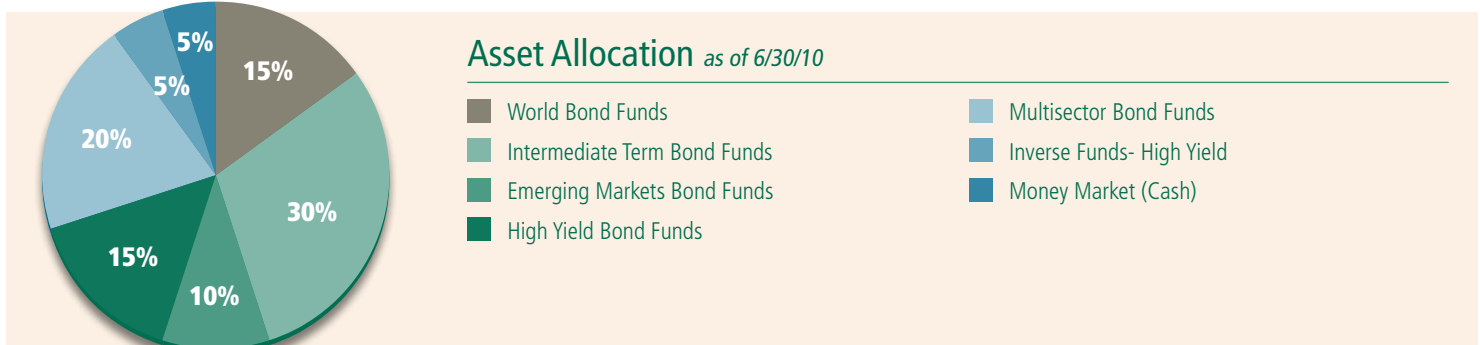
\* Benchmark name was officially changed from Lehman Aggregate Bond Index effective November 2008

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cation in the bond market between higher and lower quality credits. Should a situation develop where another “flight to quality” ensues, as we suspect it will, we want to own these higher quality investments and position ourselves to potentially reap the rewards of this activity. Simply put, we want to be well positioned ahead of time — owning what I believe other investors will flock to when those flights to quality take place.

Overall, this strategy is paying off for clients as it continues to produce consistent income despite low interest rates and a positive total return to date.

■ 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.



## Important Disclaimers and Disclosures

### Investment Risk

**Past performance is not indicative of future returns and there are no guarantees that the Program will achieve its stated objectives. It is possible to lose money by investing in the Program.**

**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 US dollar relative to the values of other currencies, custody arrangements made for foreign securities, political risks, differences in accounting procedures, and the lesser degree of public information required of non-US companies.

**Inverse and leveraged ETFs and mutual funds** are highly complex financial instruments that may be utilized in pursuit of the Program’s overall investment objectives. Due to the effects of compounding, their performance over long periods of time can differ significantly from their stated objectives.

### Suitability

The Weiss Diversified Income Builder Program is suitable for investors with a *moderate* risk tolerance seeking a high level of current income. Suitability of the Program for IRAs, 401(k)s and other retirement plans is at the discretion of the plan sponsor or fiduciary. **A three-to-five year holding period is recommended.**

### Performance

The Program’s performance depends on the mutual funds in which it invests. In turn, performance of the mutual funds depends on the performance of the underlying investments.

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 *Barclays Capital 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. It assumes the reinvestment of dividends and capital gains and excludes management fees, transactions costs and expenses. Although the index represents a portion of the universe from which the portfolio manager may find value, the Program may invest in regions and securities that are not included in the benchmark, such as emerging markets, global markets and high-yield bond funds. The Program may select funds containing commodities, real estate, currencies, natural resources and precious metals and may also utilize inverse-index funds. **It is not possible to invest in an index.** Index return data source: Bloomberg.

### Important Disclosures

In addition to the management fee charged for participation in the program, transaction costs are generated at an additional cost to the client. WCM does not receive any of these commission dollars. The mutual funds used in the Program may impose a minimum holding period to avoid redemption fees. Redemption fees, if any, are charged to the client and received by the mutual fund itself and not WCM. Mutual fund shares are also subject to expenses that are shared indirectly by all shareholders. **WCM does not receive any special compensation or financial incentive from any mutual fund company in this investment program.**

This program’s portfolio may be rebalanced as deemed necessary. **Rebalancing may generate additional fees to investors in the Program.**

- The Program’s name was changed from Weiss Diversified Income Program on July 25, 2007.
- Effective October 12, 2009, the new minimum investment for the Program is \$100,000.
- The Program’s portfolio manager, Steven P. Chapman, was named to the Rydex/SGI Dynamic Advisory Board in August 2009. Mr. Chapman may select from the Rydex family of funds in the management of WCM programs for which he is a portfolio manager. Mr. Chapman is not compensated for his role on the board and WCM does not receive commissions or any other compensation for choosing Rydex funds for its managed programs.

For additional program information, read the Firm’s ADV Part II before investing.