



The Polar Letter

Issue May 2009 - 6

“The goal is that our government will emerge from this process having a better ability to not only manage the banking system, but also to manage the whole economy with better control.”

Mr. Obama’s Treasury Secretary, Tim Geithner



COMMODITY TRADING ADVISOR 999

For significantly in excess of thirty years, this commodity trading advisory firm attained average annual returns of in excess of 16%, or about twice the return of the Standards and Poor’s 500 over the course of the same time frame.

Naturally, past performances are not necessarily indicative of future results, and not all forms of investment are suitable (or even available) for all individuals.

Most of our readers are aware that the firm specializes in several different areas, one of which is the use of various forms of managed futures programs in the construction and management of client portfolios. Presently, the firm has relationships with numerous commodity trading advisory (CTA) firms and is able to offer well researched and cost effective alternatives to traditional investments as a means of portfolio diversification. Managed futures programs may also be utilized in retirement accounts such as pension plans, IRA and 401K accounts. Many studies have demonstrated that the addition of a managed futures component to a traditional investment portfolio will both enhance returns and reduce volatility. There is probably no better example of this than 2008 when the S&P 500 declined in excess of 35% and the Barclay CTA index was a positive 14.09%. It is also interesting to note in the past twenty-eight years, the Barclay CTA index has experienced only three losing years, and of these three years the average decline was less than 1%. How was your money invested last year?

In recent letters, we had spoken of the probability of a bear market rally in the US equities. That rally materialized and today, we believe that it has most probably run its course. Therefore, the US equity market is to be avoided, other than on a trading or short sale basis. Additionally, we are convinced that intermediate and longer term interest rates will rise significantly in the coming years diminishing the value of longer-term bonds. We recommend keeping necessary fixed income investments under two or three years in maturity, except in special situations.

In a recent letter we spoke of the probable strength in the Australian and Canadian dollars (versus the US dollar). We believe that the Canadian dollar will once again achieve parity with its US counterpart. However, this time, it is our opinion that the move will be more sustainable, which in itself presents several investment opportunities for more aggressive portfolios.

Please call us for a consultation concerning your situation. Initial telephonic consultations are complimentary.



Michael C. Jordan
President

Please visit Polarinvest1.com – [President's Corner](#) for prior letters.

Polar Investment Counsel Inc is a federally registered investment advisory firm and broker dealer, which manages customer accounts on a fee or commission basis. The firm's senior principal, Michael Jordan has nearly thirty-five years of industry experience.

Polar Investment Counsel, Inc.

Member: FINRA, NFA, MSRB, SIPC
Broker-Dealer / Investment Advisory

Home Office: Thief River Falls MN 56701 218.-681.7344 * 218.681.1329 [fax]
www.polarinvest1.com

The views expressed above are those of Michael C. Jordan and not those of PICI nor necessarily those of PICI's independent contractors, brokers or advisors.

[Click here to OPT OUT of future publication](#)