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Quarterly Communication – March 31, 2009

RegentAtlantic is a fee-only wealth management firm. We define wealth management as the integration of financial planning and investment management. Our clients are individuals, retirement plans, foundations, corporations, trusts, not-for-profits and endowments. We manage approximately \$1.2 billion of assets. Our clients outline their goals and are guided by our knowledge and solutions in order to meet those goals. Some differentiators for our firm include:

- We have a deep bench of financial professionals. Among our 38 employees, we have 16 CERTIFIED FINANCIAL PLANNERS™, 5 Chartered Financial Analysts, 10 MBAs, 2 CPAs, 2 JDs, 2 with MS degrees, 1 ChFC, 1 CDFAs, and 1 CLU. Our culture fosters teamwork and collaboration, so that each client of the firm has access to the expertise of any and all of our financial colleagues.
- When we begin a relationship with a client, we first seek an understanding of that client's goals and financial situation. For individuals or families, examples of those goals can be retirement, planning for education funding for our client's children, charitable giving, estate planning, or buying a second home at the shore. From the information provided, we analyze with our client what steps will likely be necessary to achieve our client's financial goals, and when appropriate, what tradeoffs our client may have to consider to achieve those goals. These steps help us to recommend a diversified investment portfolio for our clients to consider.
- Our firm's investment discipline is based upon the principles of Modern Portfolio Theory. We use globally diversified, multi-asset class portfolios which we believe, over the long term, have the potential to increase return while limiting the risk taken to achieve that return. Of course, as recent events have shown, all investments have risk, including the risk of loss of money invested.

To give you a sense of our relationship with our clients, we recently sent the attached correspondence to clients with their March 31, 2009 Quarterly Statements.

If this letter arrives at a time when you are evaluating your financial future, we would welcome the opportunity to talk with you.

Not every seed germinates. And not all that germinate reach maturity. Some seeds are imperfect from the start, and others that are perfect will fail because of poor soil, drought, pests, and other risks. These are among nature's hard facts. We humans tend to be optimistic, and now that so

few of us are farmers most of us forget this harsh truth. With beautiful flowers and tempting fruits and vegetables readily available all year long, we don't stop to think about the trillions of seeds that didn't make it. Farmers, on the other hand, pay close attention to germination rates and carefully calculate how many seeds they need to sow to reach their desired yields per acre. Further, in regions where rainfall is unpredictable and irrigation impractical, farmers often sow seeds of multiple species to have a better chance of at least some of them having good characteristics for each year's weather.

To investment professionals like us, the reality that many seeds won't make it sounds a lot like the principles underlying portfolio diversification. We believe that having exposure to thousands of securities across about 10 different asset classes increases our clients' chances of reaching their desired rates of return, knowing that many of the individual investments won't pan out for any number of reasons. And then there are periods like the past 18 months of turmoil and chaos in the world's financial markets, when vast clouds of locusts descend, and there are "heavy clouds, but no rain." Fortunately, unlike farmers who are often helpless against nature's onslaughts, the world's peoples can look to their governments to intervene when normal market systems fail and hope those governments succeed in changing the weather and banishing the locusts. Again, however, the rule prevails that not every well-intentioned effort will succeed.

We are now watching the world's governments spread a lot of seeds to restore confidence and optimism, get credit markets functioning again, and change our course from economic contraction to the expansion we're used to. The seeds being sown by governments all over the world take many forms of monetary and fiscal stimulus. Just as the Federal Reserve is showing extraordinary creativity in flexing its muscles, foreign governments are taking steps unprecedented in their own histories to shore up weak financial institutions, provide assistance to key industries, and keep the deflation bogeyman at bay. Not surprisingly, each country has its own techniques for fostering economic growth; the type and scope of efforts are varying widely by country and region. Media pundits and other commentators at the G20 meetings have been focusing on the differences in solutions and contribution efforts by each country.

We hear almost daily about the Europeans' greater focus on regulatory reforms and their reluctance to embrace the pedal-to-the-metal stimulus being tried in the U.S. In our opinion, the pundits are missing the point! On a global basis we are witnessing a historic level of combined collaboration, coordination, and contribution to solving the challenges we face. Americans have a hard enough time agreeing on the appropriate solutions for our one nation; adding the world's other 19 largest economies into the conversation only increases the opinions, and plenty of countries that matter aren't in the G20. While many will fret about the seeds that fail to germinate, we keep hoping that enough different seeds are being spread in enough places that we'll enjoy a harvest before we taste famine.

Just as adverse weather tests a farmer's fortitude, this year's first quarter administered a harsh test of any investor's commitment to equities. The market optimism seen in December faded quickly in January as the S&P 500 index declined 8.4%. Frustration and pessimism regarding the Obama administration, and specifically Treasury Secretary Geithner's inability to provide a detailed plan to remove toxic assets from banks' balance sheets, helped the index decline a further 10.6% by the end of February. March opened with no respite, as the S&P 500 fell

another 7.9%; by the close on March 9, the index had declined 24.6% since January 1. Then just as suddenly as rain clouds can pass and the sun emerge, the market turned up sharply in the last three weeks of March.

Although we can't be certain, the initial catalyst for the remarkable turn on March 10 appears to have been a leaked memo to Citigroup employees from CEO Vikram Pandit stating that -- excluding markdowns of assets -- Citigroup had revenues of \$19 billion in the first two months of 2009. We do not believe this fact should have come as a big surprise to the market. The core business of banking should be very profitable when you can borrow money at 1%/year and lend it out at 5%. When you do that with a few hundred billion dollars, you can actually make serious money. The problem with our banks is not their core business, but their "troubled assets," i.e., the assets on which they not only won't make 5%, but will lose some of their principal.

Details of the Treasury's public-private solution for removing the troubled assets from banks are finally out. The program as explained by Secretary Geithner already has its champions and its critics. The main question in our opinion seems to be whether banks will actually sell their bad loans at the prices offered by the public-private funds; if the prices at which the loans are sold are lower than current marks on the banks' balance sheets, it will cause further erosion of their capital. There are also concerns about whether private investors will bear enough risk considering the potential return. The Treasury program has two parts, one to deal with loans and the other for securities. The Federal Reserve will be a participant in this program, and will also continue its own initiatives, such as the recently launched purchase of \$300 billion of Treasuries on the open market in an effort to drive their yields lower and make other bonds more attractive. These programs and others, combined with the \$787 billion stimulus package enacted in February, amount to various kinds of seeds being sown in vast quantities. Some are likely to sprout, while some may fail to take root; what matters is that we start seeing enough sprouts to mean that the credit system is regaining its footing and the economy is turning around.

We've also been spreading quite a mixture of seeds in our clients' portfolios in an effort to arrest the declines and return to growth. As already noted, the first quarter of 2009 continued to be a difficult time for most stocks and alternative investments. Bond returns were generally mixed; corporate, municipal and inflation-indexed bonds were positive, but Treasury bonds were negative. Junk bonds were actually the best performing asset class for the first quarter of 2009. Despite the inevitable articles now appearing that claim Modern Portfolio Theory has proven outdated, we remain convinced that our approach to spreading many kinds of seeds on the investment horizon (have you heard us say "diversification"?) is a sounder approach than relying on only one or two kinds of seeds.

In our view, this historic bear market has had two different phases. The first ran from mid-September to mid-November, when institutions needing to delever caused all asset classes except Treasuries to decline. During that first phase, diversification couldn't work; all asset classes were being sold indiscriminately. Many investment entities all over the world didn't have the luxury of choosing which of their assets to sell; they had no choice but to sell whatever was liquid, i.e., their publicly traded stocks and bonds. The second phase began after the prior market low on November 20, 2008, as we saw investors begin to exhibit varying preferences for different asset classes. Although it's been a rough ride since late November, investors are once again making

considered choices about which assets to hold, sell or buy. We believe that this necessarily translates into different patterns of returns for different asset classes and heralds a rebirth of the benefits of diversification. During a horrible drought no seeds germinate, but as soon as the first rain arrives some seeds start to spout. Many seeds may remain dormant until the soil is thoroughly moist, but enough respond to that first taste of water to start the next crop.

Asset Class	Index	11/20/08 - 3/31/09	12/31/08 - 3/31/09
Short-Term Corporate Bonds	BarCap 1-3 Yr Corporate	3.21%	1.47%
Inflation Indexed Bonds	BarCap US TIPS Customised 10+	12.91%	4.38%
International Bonds	BarCap Global Agg USD Hedged	3.23%	-0.01%
High Yield Bonds	BarCap US Corporate High Yield	13.94%	5.98%
US Large Cap	S&P 500 Index	7.21%	-11.01%
US Small Cap	Russell 2000 Index	10.56%	-14.95%
International Small Cap	MSCI EAFE Small Cap Index	3.29%	-9.52%
Emerging Markets	MSCI Emerging Markets	23.05%	0.69%
Domestic Real Estate	FTSE NAREIT Equity REITs	5.10%	-31.72%
Foreign Real Estate	FTSE NAREIT/EPRA ex US	5.69%	-14.89%
Commodities	DJAIG AIG Commodity Index	-6.53%	-6.37%
Hedging Strategies	Credit Suisse Blue Chip	-3.55%	-1.14%

Source: Bloomberg

We cannot predict if the investment markets hit bottom on March 9, 2009. It's possible, but it's also possible for the markets to decline again past those levels to new lows. There is still a great deal of uncertainty about the number of government policy seeds as well as private initiatives that will germinate. We remain confident that over time the world's economies will blossom again and bear fruit, but the timing is far from certain. There's one prediction we can make, however: over the next few weeks hyacinths and daffodils will hoist their gorgeous colors to the sky, and the dogwood, cherry, apple, and pear tree buds will open to paint our neighborhoods and fields with almost impossible beauty. These have been very trying economic times for everyone. Please take some time to get outside as much as you can and enjoy this spring; while Copernican astronomy eliminated its mystery, it remains that most magical season of rejuvenation and growth. We believe we could all use a little spring right about now. And, as the market continues its volatile path, to the extent you have any questions or concerns related to your diversification and your account holdings, please give us a call.

Sincerely,

RegentAtlantic Capital, LLC

Important Information:

Please remember that past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this letter will be profitable, equal any corresponding indicated historical performance levels, or be suitable for your portfolio. The information and opinions stated in this letter were accurate as of the date of publication, but are subject to change. Moreover, you should not assume that any discussion or information contained in this letter serves as the receipt of, or as a substitute for, personalized investment advice from RegentAtlantic Capital, LLC. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to their individual situation, they are encouraged to consult with the professional advisor of his/her choosing.

The market index results shown on the chart above are not reduced by any fees as an index is unmanaged. Further, securities contained in an index will vary from those in an actual client account, and performance results for individual accounts will vary from the information shown in this chart due to timing of investments, market conditions, account objectives and restrictions, and other factors. Please also note that the period shown is very short, and the performance of these assets classes over the longer-term could vary greatly from that shown.

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