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Steve Weinstein, *President of Altair Advisers*, opened the conference by reviewing the third quarter market results. Some of the more noteworthy characteristics of the third quarter, Steve pointed out, were the outperformance of large-cap stocks, particularly the so-called “mega-cap” companies, and the continuing surge of real estate investment trusts (REITs). Bonds posted strong returns for the quarter as the Fed paused in its rate-hike campaign, and commodities fell sharply led by a decline in oil prices. Steve also discussed the potential implications of the mid-term elections, (which subsequent to the Forum, resulted in a shift in Congressional control to the Democratic Party.) He cited a study which dispelled the conventional wisdom that political gridlock would be good for stocks and said that conversely, history indicates that stocks have performed better during periods of political harmony, with less volatility.

Brett Rentmeester, *Senior Consultant, Altair Advisers*, provided an overview of the recent Altair Investment Commentary on commodities. Brett described how commodities markets have evolved from a business market to the vast financial market of today. He stated that historically, the returns on commodities futures have been similar to equity returns, and with similar volatility, but that the two asset classes are very un-correlated in their return patterns. Because of those characteristics, commodities are worthy of consideration as a component of an investor’s long-term allocation.

Doug Hepworth, *Director of Research, Gresham Investment Management*, spoke about investing in commodities. He first showed how one cannot gain true exposure to commodities by investing in companies that explore and produce them, due to their lack of correlation to the price of the related commodities. He also pointed out that actively trading individual commodities does not provide diversified exposure to this asset class. Doug stated that the reason commodity and equity returns are not correlated is that they each perform best during different economic cycles, with commodities returning the most during late expansion and stocks returning the most during early expansion. Inflation protection is another key rationale for investing in commodities, Doug reminded us.

Ganesh Ramachandran, *Senior Vice President, Lazard Asset Management*, spoke about the investment opportunities in the emerging markets. Ganesh described the evolution of these less developed markets and illustrated their volatile history, but provided some reasons why future returns may be more stable. One important reason, he noted, is that very few countries still have their currency pegged to the U.S. dollar, allowing local currencies to move freely with market forces. Ganesh also cited improved governance in many of the emerging economies as a positive factor. However, he reminded us that several potential risks remain, including dependence on local commodities, trade friction, and geopolitical factors to name a few.