



Claremont Financial Group, Inc.
Registered Investment Adviser

Greetings and Happy New Year!

We'd like to begin by thanking you for your support in '08. You made the job a rewarding one in challenging times.

As we head into 2009, we at CFG are cautiously optimistic about the opportunities that have been created as a result of last year's decline in the world's asset markets. We have already begun allocating your accounts accordingly. Please take a moment to read updates to the following strategies...

President Bush Signs H.R. 7327 Into Law

This means that for those of you over age 70 ½, you may be able to avoid taking a Required Minimum Distribution from your IRA for the tax year 2009. For details contact your local CFG office and ask for an advisor.

Wilshire Defensive Portfolio (Schwab Accounts)

We are staying defensive in this strategy, but you will be seeing some activity in these accounts as we begin to diversify this portfolio. Currently it is made up of approximately 80% U.S. Treasury securities, and 20% Large Company stocks. While we will not be increasing the overall stock weighting of the portfolio, we will be diversifying this portfolio into a broader array of holdings (12 asset categories) across both the stock and bond markets.

Wilshire Tactical Opportunities Portfolio (Schwab Accounts)

We are beginning to diversify this strategy as well. The plan for this portfolio, since its inception, has been to add more asset classes while gradually increasing equities to 60%. Currently we have diversified into 13 asset classes with 50% in equities and 50% in bonds/cash.

Variable Annuities and Mutual Fund Accounts

For those of you who own Variable Annuities and/or Mutual Funds directly (ex. John Hancock, Security Benefit, AXA....Oppenheimer Funds, American Funds, Delaware Funds), call your local CFG office to develop a plan to navigate you through 2009.

Again, we are cautiously optimistic about what lies ahead in the markets and feel we have designed a disciplined strategy to help restore your portfolio to profitability very soon. We hope you enjoyed the holiday season and Happy New Year to you all!

Gaetan and Nick Scalzo
CFG, Inc.