



Claremont Financial Group, Inc.
Registered Investment Adviser

This message is in reference to Schwab accounts ONLY

Dear Valued Clients,

In our last e-correspondence on Friday 10/10/08 we wrote that the test of when and how to increase your stock exposure would, to a large part, be contingent upon what happened this week in the credit markets. The root cause of the current crisis is attributable to the credit markets and that until that situation is unclogged there would be little clarity in the markets.

For the reasons listed under "My Opinion" in the 10/10/08 letter, and further measures taken by the world's Central Banks over the weekend, we are now starting to see some thawing in the credit market freeze.

For example, the overnight bank-to-bank lending rate continued to slide (good news) with LIBOR on Thursday sharply dropping 5.09% and on Friday dropping from 2.47% to 2.18% (according to Bloomberg.com).

As a result, we saw a massive rally in stocks on Monday. It was one of the largest single-day percentage gains in market history. On Tuesday, however, stocks retreated after opening sharply higher. This was more or less expected as there was some profit taking from the recent surge.

We are now beginning the process of adding equities to the Wilshire Tactical Opportunities Portfolio starting tomorrow. Again, it should be noted that we will be proceeding cautiously. There are broader economic issues to consider in addition to keeping a close eye on the credit markets. You will be receiving trade confirmations.

In the mean time, for those of you who want to be more aggressive or more conservative than the plan defines, please contact us immediately.

Finally, we want to say thank you for all of your kind comments. They really brightened our days through this tough ordeal. On behalf of all of us at CFG, it is a pleasure serving you!!
Regards,

Gaetan and Nick Scalzo
Claremont Financial Group, Inc.