

All In or Out -There is only one way to beat the market-

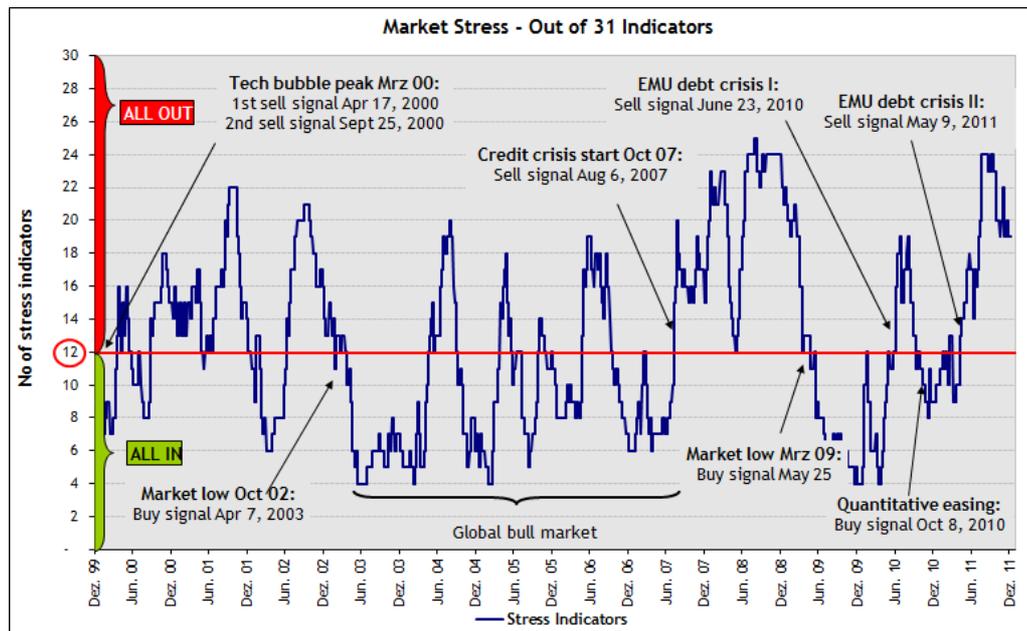
- You believe in tactical asset allocation
- You believe in history as a reliable indicator
- You are looking for a simple and transparent way to invest



Weekly wrap-up 9 January 2012:

ALL OUT since 9 May 2011

Week-over-week there has been no change and stress signals remain at 19.



Main instruments used during an ALL OUT signal*

ALL OUT	ALL OUT signal 09.05.2011	Current value 09.01.2012	Performance in ETF Ccy
CS ETF SBI Government 1-3yr CHF	96.03	95.68	-0.36%
CS ETF SBI Government 3-7yr CHF	95.56	99.81	4.45%
CS ETF SBI Government 7-15yr CHF	108.65	119.79	10.25%
CS ETF iBoxx EUR Government 1-3yr	101.15	103.02	1.85%
CS ETF iBoxx EUR Government 3-7yr	103.06	105.73	2.59%
CS ETF iBoxx EUR Government 7-10yr	104.49	107.26	2.65%
CS ETF iBoxx USD Government 1-3yr	103.16	103.67	0.49%
CS ETF iBoxx USD Government 3-7yr	109.27	115.94	6.10%
CS ETF iBoxx USD Government 7-10yr	112.37	125.65	11.82%
iShares Markit iBoxx Euro Corp.Bonds	150.07	146.65	-2.28%
iShares Markit iBoxx USD Corp.Bonds	105.97	105.27	-0.66%
db x-trackers iTraxx Cross 5yr Long EUR	125.71	114.75	-8.72%
db x-trackers iTraxx Cross 5yr Short EUR	80.28	87.19	8.61%
iPath S&P 500 VIX Sh-Term Futures USD	23.99	31.76	32.39%
iPath S&P 500 VIX Mid-Term Futures USD	52.06	57.09	9.66%
ZKB Gold ETF USD Class	1'495.30	1'604.54	7.31%
ZKB Gold ETF CHF Hedged Class	490.92	519.00	5.72%

*The table shows the returns for a number of instruments since the last ALL OUT signal

Stress signals

Categories	Number of Indicators	...currently stressed
Global Cyclicals	6	5
Interest Rate Curves	4	1
Credit Spreads	4	4
Commodity Indicators	4	3
Currency/Monetary Indicators	5	1
Momentum Indicators	8	5
Total Market Stress Indicators	31	19



ALL IN or OUT Performance Review 2011

“If you want to prosper for a year, grow rice. If you want to prosper for a decade, plant trees. If you want to prosper for a century, grow people.” Jon Miller

To start with, 2011 was a fantastic year in absolute as well as relative terms. I don't expect to repeat that kind of performance for 2012 but will try my best. The next two sections will review the performance of the

- model portfolio “all-In-or-Out Model Portfolio” and the
- actively managed “all-In-or-Out Portfolio”

Performance review of the “all-In-or-Out Model Portfolio”:

The table underneath illustrates the performance of the model portfolio. The model portfolio exclusively follows the ALL IN or OUT signals and is either 100% in cash during an ALL OUT signal or 100% invested in the MSCI AC World Index during an ALL IN signal. Further explanations:

- transaction fees are not taken into account
- returns from cash positions during ALL OUT signals (June to December) are not taken into account
- the ALL IN signal during January and February explains the same performance figure compared to the benchmark
- during March, April and May the stress signals fluctuated between ALL IN and ALL OUT which explains the performance difference compared to the benchmark

Portfolio	all-In-or-Out Model Portfolio		Strategy	Active Tactical Asset Allocation		Focus	MSCI AC World Index							
Portfolio Manager	all-In-or-Out Model Portfolio		Benchmark	NDUEACWF index										
Location	Zürich, Switzerland													
Fund Monthly Performance														
	Jan	Feb	Mrz	Apr	Mai	Jun	Jul	Aug	Sep	Okt	Nov	Dez	Year End	Relative
2011	1.6%	2.9%	-4.2%	3.1%	-2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	8.4%
BM	1.6%	2.9%	-0.1%	4.1%	-2.1%	-1.6%	-1.6%	-7.3%	-9.4%	10.7%	-3.0%	-0.2%	-7.3%	

In 2011 the model portfolio would have generated +1.0% versus the benchmark's performance of -7.3%. The relative outperformance would have been +8.4% with considerable lower volatility.

Performance review of the actively managed “all-In-or-Out Portfolio”:

The next table illustrates the performance of the “all-In-or-Out Portfolio” using the full spectrum of financial instruments available to me. The goal is to achieve a positive absolute performance on a rolling 36mth basis.

The two main reasons to choose 36mth rolling are

- First, financial markets don't care whether it is January or December or when banks start reporting their statements of assets to their clients.
- Second, 36mth allow an investor to implement a proper investment strategy. By that I mean that
 - a) the timing of a new positioning can be wrong for 6mth or even longer and the market goes against you. A 36mth rolling performance allows you to hold on to your positioning.
 - b) we all make mistakes. A 36mth rolling performance allows you to make up for mistakes.

The major difference to the model portfolio is that I can invest in the full spectrum of financial instruments available to me and not only the MSCI AC World Index. During an ALL IN signal I can be invested but don't have to be invested. During an ALL OUT signal there is only one investment constraint which is that the equity allocation is limited to 50% of NAV to “put on and unwind” trades. For further explanations please see the

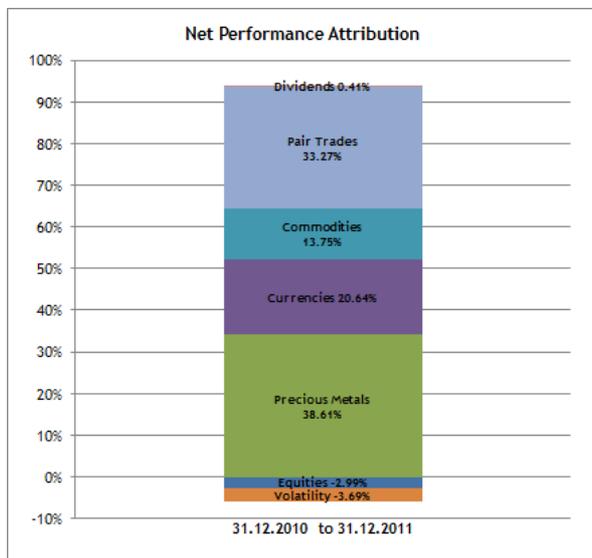


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weekly wrap-up of December 27 ("put on an unwind" trades added to the ALL IN or OUT concept).

Portfolio	all-In-or-Out Portfolio		Strategy	Active Tactical Asset Allocation				Focus	MSCI AC World Index					
Portfolio Manager	Heinz Rüttimann		Benchmark	NDUEACWF Index										
Location	Zürich, Switzerland													
Fund Monthly Performance														
	Jan	Feb	Mrz	Apr	Mai	Jun	Jul	Aug	Sep	Okt	Nov	Dez	Year End	Relative
2011	-0.7%	-0.9%	1.1%	0.3%	1.8%	0.0%	4.9%	3.8%	11.0%	-2.4%	4.2%	-2.0%	22.3%	29.7%
BM	1.6%	2.9%	-0.1%	4.1%	-2.1%	-1.6%	-1.6%	-7.3%	-9.4%	10.7%	-3.0%	-0.2%	-7.3%	

In 2011, the portfolio increased by +22.3% versus the benchmark's performance which was down -7.3%. The relative outperformance amounted to +29.7%. The chart "Performance Attribution" underneath shows the performance break-up during 2011.



The most important performance drivers were

- long gold positions
- short copper futures
- FRD trades EUR/CHF
- pair trade material stocks vs short industrial metal futures

Biggest missed opportunity

- volatility trade (wrong timing)

The next weekly wrap-up will be sent to you on January 23. Should you have any questions, please don't hesitate to contact me.

Kind regards,

Heinz Rüttimann
www.allinorout.com