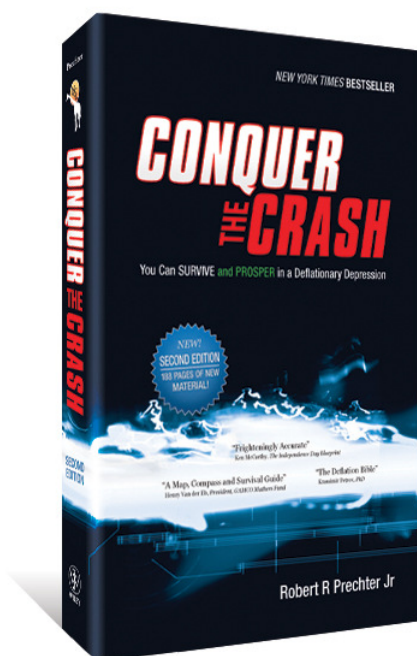


(New York Times bestseller) *Conquer the Crash:*
You Can Survive and Prosper in a Deflationary Depression

Robert R. Prechter, Jr. (b. 1949) is an American author and stock market analyst, known widely for his financial forecasts using the Elliott wave principle. Prechter has authored or edited 14 books, including *Conquer the Crash*, a *New York Times* bestseller. He has also published monthly financial commentary in the *Elliott Wave Theorist* since 1979, and is the founder of Elliott Wave International and New Classics Library. Prechter served on the board of the Market Technicians Association for nine years, and as the Association's President in 1990-1991. In recent years Prechter has supported the study of socionomics, a theory about the dynamics of human social behavior.



Prechter attended Yale University and graduated with a degree in psychology in 1971. His career as an analyst began when he joined Merrill Lynch as a market technician in 1975, where he learned much about the trade from Merrill's Chief Market Strategist, Robert Farrell (June 1982). There Prechter also learned of the Wave Principle and was deeply intrigued:

So I tracked down R.N. Elliott's original books. They weren't even in the Library of Congress. But I finally dug around in the New York Public Library and found a catalog card listing a copy of them on microfilm and had photocopies made. I was amazed to find that there was a wealth of information that had been lost to Wall Street.

Prechter has also said, "after I decided to make markets a career, I realized that mass psychology is what they're all about."

(Below, are two pages from *Conquer the Crash*, which give notable mention to Access Fund Management, LLC.)

Insurance-Based Manager Combinations

Well-heeled investors in the United States have an interesting option. Access Fund Management LLC (“AFM”) offers qualified purchasers multi-manager portfolios within private placement insurance products. AFM utilizes the Performex® Proprietary Analytical System, which maintains the track records of thousands of managers and among them profiles a number of theoretically idealized allocations.

With the aim of reducing risk, AFM has set up what it calls *market-neutral* strategies. Its methodology allocates assets among several equity and hedge fund managers, including those with a proven record of selecting securities to buy long and others with a proven record of selecting securities to sell short. The expectation is that those managers investing in the direction of the market do extremely well, while the other managers’ selection expertise mitigates losses on their counter-trend positions. Ideally, the market is thereby “neutralized,” so you get good stock selection on both sides without naked exposure to market-trend risk.

According to shifting market conditions, AFM will periodically alter the ratio of assets split between the short and long managers. AFM may also tilt the group by selecting additional managers on the long or short side so that you get more expertise working for you, thus reducing the risk of having one manager go sour. The big plus is that this is not an index fund where you must lose money if the market goes against you or make only so much money if the market goes your way. The best “bear” managers do better than the market when it’s trending down, and some of them have made money even in rising trends because they’re good at shorting the most vulnerable stocks. AFM has also identified a few individual “market neutral” managers who are adept at both the long and short side of stock selection. According to its reports, Performex®-based investment structures have had strong gains in both rising and falling markets during the last four years.

There are several attractive aspects of this option. One is that under current law some states provide asset protection from creditors within these insurance products. Best of all, the insurance products embodying multi-manager allocations provide tax

deferred growth for qualified purchasers. Although I am convinced that the safest insurance companies are in Switzerland, AFM says it chooses only North American insurance companies with high financial ratings. It further points out that each policy's assets are held in separate custodial accounts at stock exchange member firms utilized by the individual investment managers. These separate accounts are not subject to claims by general creditors of the insurance companies, increasing the qualified buyer's overall safety. This is a well-thought-out product. Just make sure that your specific arrangements meet your safety requirements.

The main drawback is that the minimum investment for this tax-favorable insurance alternative is high, at \$1,000,000. These portfolio structures are also available for taxable and retirement accounts (IRAs, 401Ks, etc.), which have a minimum investment level of half that amount. Access Fund Management LLC can be reached through the following means:

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