Weekly Commentary
April 25, 2011

The Markets

If 50 is the new 30, then silver is the new gold.

Gold gets most of the headlines, but silver is the precious metal that has really been on a tear. Just last week, silver prices rose 9%, according to Bloomberg. Over the past 10 years ending April 21, 2011, silver prices rose 937% compared to a rise of ñjustò 469% for gold and 7.5% for the S&P 500 index, according to Bespoke Investment Group. Of course, past performance is not guarantee of future results. The fast price swings of commodities will result in significant volatility in an investorôs holdings.

Like gold, silver is often viewed as an alternative investment asset class and is benefiting from concerns about the weak dollar and sovereign-debt issues, according to Bloomberg. The mention of gold and silver is for illustrative purposes only and not meant as a buy or sell recommendation.

Sovereign-debt issues flared up again last week as Standard and Poorôs lowered its outlook on U.S. government debt to negative from stable and said thereôs a 1 in 3 chance the U.S. will lose its coveted AAA within two years, according to *The Wall Street Journal*. Ouch!

Overseas, credit woes in Greece, Portugal, and Ireland went from bad to worse last week. The yield on those countriesô two-year notes rose to 23.3%, 10.9% and 10.8%, respectively, according to Bloomberg. By comparison, the yield on the U.S. two-year note was a paltry 0.7%. So, even though we have our own debt problems, investors have not lost faith in our countryôs credit to the extent they have in Greece, Portugal, and Ireland.

While soaring precious metals prices, sovereign debt problems, and double-digit interest rates in euro-zone countries are fascinating to financial professionals, these issues may also have real-world impact on you. Weôre doing the best we can to try and profit from these macro situations and to help shield you from their potential negative effects.

Data as of 4/21/11	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	1.3%	6.3%	9.9%	-1.2%	0.4%	0.9%
DJ Global ex US (Foreign Stocks)	2.0	5.5	13.3	-3.6	1.1	5.3
10-year Treasury Note (Yield Only)	3.4	N/A	3.7	3.7	5.0	5.2
Gold (per ounce)	1.9	6.6	31.6	17.9	19.3	19.1
DJ-UBS Commodity Index	2.1	7.3	29.1	-6.4	-0.7	4.9
DJ Equity All REIT TR Index	1.6	9.0	20.4	1.4	2.7	11.8

Notes: S&P 500, DJ Global ex US, Gold, DJ-UBS Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT TR Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.
Sources: Yahoo! Finance, Barronôs, djindexes.com, London Bullion Market Association.
Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable or not available.

IS IT BETTER TO KNOW A LITTLE ABOUT A LOT or a lot about a little? Turn on the TV or the blogosphere and theyôre filled with experts who make predictions about whatôs going to happen in the economy or the financial markets. Generally, these experts have deep knowledge about a particular area and strong convictions in their forecasts and predictions. Unfortunately, their accuracy is no better than dart-throwing monkeys, according to Philip Tetlock, a professor at UC Berkeley and author of the 2005 book, *Expert Political Judgment: How Good Is It? How Can We Know?*

Tetlock conducted a long-term study of 284 experts who made their living ñcommenting or offering advice on political and economic trends.ò Over the course of two decades, he tracked the accuracy of the 82,361 forecasts made by these experts.

The results are startling.

Here are some of the highlights as reported in an article by Louis Menand in *The New Yorker*:

- The better known and more frequently quoted an expert is, the less reliable their guesses about the future are likely to be.
- People who stay up-to-date on current events through regular reading and watching the news can guess what is likely to happen about as accurately as the experts quoted in the papers and on the news shows.
- Experts tend to fall in love with their ideas and display a double standard, i.e., they accept information that supports their position much more easily than information that contradicts their position.
- After the fact, experts tend to claim a higher degree of accurate forecasting than they actually achieved.

While experts may not be so ñexpertò after all, there is hope. Tetlock discovered that when it comes to making predictions, itôs better to know a little about a lot than a lot about a little. He said people who had a broad understanding about many things tended to be more flexible and willing to stitch together diverse information to reach an opinion. By contrast, experts tended to try and expand their deep expertise in one area into other areas that were not really relevant.

In other words, be well-readé like Leonardo da Vinci.

Weekly Focus – Think About It

ñEach man should frame life so that at some future hour fact and his dreaming meet.ò

--*Victor Hugo*

Best regards,

Todd and Gillette

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

* This newsletter was prepared by Peak Advisor Alliance.

* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

* The DJ Global ex US is an unmanaged group of non-U.S. securities designed to reflect the performance of the global equity securities that have readily available prices.

* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

* Gold represents the London afternoon gold price fix as reported by the London Bullion Market Association.

* The DJ Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.

* The DJ Equity All REIT TR Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

* Past performance does not guarantee future results.

* You cannot invest directly in an index.

* Consult your financial professional before making any investment decision.

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