



Schorpp Capital Management, P.C.

623 Georges Rd.  
North  
Brunswick, NJ  
08902

Volume 2, Issue 3

3rd Quarter 2006

## Dead mutual funds continue to haunt us. They are the living dead of the Wall Street.

Halloween has become big business these days. After reading a great article by Paul Farrell on MarketWatch I wanted to pass along to you the goulsh details about how recently dead and long dead mutual funds skew performance of the living funds.

### *Investing Tip of the Quarter*

*This tip is a little out of the box, how do you develop a strategy for giving? We've done a little research on the subject and the experts recommend that you pick out a small number of charities and send almost all of your annual contributions to them. Look for charities that cover your specific interests or reflect your personal values. You can then check out the charity on the net. Look for form 990 which has more info then you probably need on the charity. You can also go to Guidestar.org to find basic info like how much the charity pays its directors, how much they pay for administration and how much they devote to the actual charity.*

### **2nd quarter performance of Various Asset Classes**

<i>SPY (S&amp;P500)</i>	- 2.0%
<i>QQQQ (Nas100)</i>	- 7.5%
<i>DJIA</i>	- .58%
<i>Russell 2000</i>	- 5.23%
<i>Hang Seng</i>	1.88%
<i>10yr. Treasury Interest Rate</i>	7.26%
<i>Oil Futures</i>	11.26%

## What a difference three months make, not really!

This past quarter was challenging to say the least. Markets worldwide were down significantly. It's quarters like these that make our clients very weary of equity investing. In last quarter's

newsletter I talked about expectations. The situation has changed 180 degrees with the markets underperforming historical norms. When we are experiencing equity markets like we have this

year I believe more strongly then ever that it is impossible to predict short term market moves. Invest in a diversified portfolio for the long term using fixed income to reduce volatility.