BLUE WATER'S Market Perspective

July/August – 2011

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We welcome back all of our long-term readers, and we extend a warm welcome to those who are new readers. We will present our usual review of the economy (authored by Wilson), market trends (authored by Sivalingam), followed once again by a brief discussion of a special topic (authored by Wilson). This time the special topic for discussion will be **"When the Bear Growls at Your Window, Opportunity Often Knocks at Your Door."** We hope that this issue's offering will prove useful to a wide range of investors and will help explain more completely our opinions on what should be done under current market and economic conditions. For new readers, please note that each issue going forward will feature a special topic for more detailed examination, plus a bi-monthly economic and market review. There will only be room for a brief discussion of each topic, so even the busiest reader ought to be able to glean something from this report with a minor time commitment. Please feel free to send us an e-mail or call with questions, comments or suggestions.

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VOLUME VI, NUMBER 7/8 July/August 2011

Economic Summary: Global Slowdown May Become Great Recession Phase Two

By Kevin M. Wilson

Overview: From Crisis to Crisis

There are two components to the current market sell-off: 1) a global economic slowdown that is stoking fears of a recession; and 2) the government debt crises on both sides of the Atlantic, which are raising fears of another systemic financial crisis that some think might be similar to the Lehman Brothers bankruptcy in 2008. Profligate spending by well-meaning but irresponsible governments has led to debt levels that cannot be expected to ever be repaid in some cases, such as Greece, Portugal and Ireland. The combination of an economic slowdown and the ongoing damage from the 2008 global financial crisis has brought these problems back into focus, and in spite of many bailouts the situation is again deteriorating. The Economist reported recently that net government debt in Greece is now 124.8% of GDP, while it has reached 127.8% in Japan, 100.6% in Italy, 75.5% in Portugal, 70.0% in Ireland, and 74.8% in the U.S.

Perhaps more importantly, GDP growth (less the cost of financing all of that debt) has fallen to -19.3% for Greece, -13.8% for Ireland, -16.7% for Portugal, -2.5% for Italy, and -0.8% for Japan. Irrespective of debt service, the U.K. has suffered a

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Global Slowdown (Continued)

cumulative loss of GDP of -14.5% since 2007, comparable to cumulative losses of -17.7% in the Great Depression.[1] Thus the worst four of these net GDP rates, including the U.K., are now approaching Great Depression levels. Rounding out the bad news, bond yields in Europe have risen dramatically in the last few weeks, with 2-year government bonds in Greece set at a yield of 44.59%, and those in Ireland and Portugal set at 7.57% and 12.13%, respectively. These rates are making it increasingly unlikely that sovereign defaults can be avoided; in fact there is a 100% chance of Greece defaulting within a year, and some market analysts expect it much sooner than that.

As might have been expected from the sad record of financial history over the last 800 years,[2] widespread bank losses in the rolling global financial crisis were transferred to the public sector in most countries, or will be soon, and together with already very high budget deficits this has put serious pressure on government finances. The problem is that, as researchers Carmen Reinhart and Kenneth Rogoff have written, trust in the financial system is a matter of faith, and the loss of faith that results in a market collapse or a default usually comes with very little warning. Contagion is now the fear in some European markets, and there will only be a short window of opportunity for Europe's politicians to restore confidence to more normal levels before that fear turns into something worse. All of this is following a pattern recognized by Reinhart and Rogoff in their research on financial crises, and recently summarized by author Barry Ritholz in The Washington Post. After examining scores of crises in dozens of countries, they identified a standard sequence of events for balance sheet recessions and their associated financial crises.

The only real difference this time is that many governments, including ours, have been involved for decades in massive intergenerational transfers of unfunded liabilities for government benefits.

What they found is that although each crisis seems unique to the participants, it is in fact never very different; each country's financial crisis looks much like another's, even if decades or even centuries separate the two events. The normal sequence in modern times is 1) credit bubble inflation, usually via a housing boom; 2) asset markets collapse, with housing dropping an average of 35% over six years, and stocks dropping an average of 55% over three years; 3) unemployment increases by 7% over four years; 3) government debt explodes by 86% on average, caused mainly by lost tax revenues as consumers and local governments deleverage, although liability transfers from the private sector are also important; and 4) a sovereign debt crisis ensues when government debt service becomes too onerous. All of these calamities should sound strikingly familiar to readers, since these average losses are almost exactly the economic costs we have experienced in the U.S. since 2007.

4-Week Moving Average of Weekly Unemployment
(Source: www.dshort.com)

The only real difference this time is that many governments, including ours, have been involved for decades in massive intergenerational transfers of unfunded liabilities for government benefits. These are in effect welfare/retirement Ponzi schemes, and their financing has become unsustainable in many countries, including the U.S. Politicians are now caught in a trap of their own devising, wherein they find themselves with only bad options going forward. This has made the debt crisis much worse in terms of potential long-term effects, but the normal sequence has still been followed, just as Reinhart and Rogoff said it would be. It is therefore no shock that, because of human nature, our fate may be the same as that of the Greeks or the Irish or the Portuguese. If the demise of the current European system occurs within the next one or two years, as it possibly could, we will at least benefit from seeing them go

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Global Slowdown (Continued)

through it before we do, but it is up to us to change the pattern.

The economic fate of countries that succumb to financial crises normally involves one of three terrible choices: 1) outright sovereign default; 2) massive devaluation of the currency in order to service the debt; or 3) hyperinflation that allows for a reduction in the actual debt owed by diminishing its value. The only hope we have of breaking the long-established Reinhart-Rogoff pattern in Europe is for leaders to summon the courage to deal permanently and soon with the debt crisis and associated problems with the Euro, rather than proposing yet another set of ad hoc temporary measures. The same is true for the U.S., except our issues may have to include reforms of Social Security, Medicare, and Medicaid. It seems foolish now to have tried to use the debt ceiling vote in August for the purpose of settling this hugely important debate about the future economic well-being of our country. The Administration's budget was the proper format for this debate, but it just didn't happen, which may have something to do with why it was defeated 97-0 in the Senate. Next year's budget, and the 2012 election, will now have to provide the format needed to carefully examine the issues.

The U.S. Debt Crisis in Context

Economist Lawrence Lindsey published an article in the Wall Street Journal recently[3] that really puts the debate in a different light. He pointed out that the debt problem in the U.S. is much worse than people believe. The current average cost of federal debt is only 2.8% due to low rates and short maturities, and this situation is assumed by Washington politicians to continue forever. However, rates will naturally increase as the recovery continues or resumes. Normalization of the interest rates paid to the long-term average of 5.7% would cost $700 billion/yr. more than currently assumed by the year 2020, for a cumulative additional cost to taxpayers of about $4.9 trillion over the next 10 years. The good news, if there is any, is that this normalization could be artificially held back by the Fed if they began buying Treasuries again, especially those that are farther out the yield curve.

In addition to this massive change in the assumptions about the levels of federal debt, the assumed rates of GDP growth in CBO forecasts are apparently way too high (4.2% assumed on average vs. only 2.5% likely, according to the current Wall Street consensus). If we adjust downwards from this overly optimistic GDP forecast, Lindsey believes costs would have to rise by another $4.0 trillion over 10 years. Finally, it now appears that the so-called "ObamaCare" healthcare reform cost estimates were also pretty optimistic, and that they will actually cost about $750 billion more than the CBO has estimated, over the next 10 years. So if we tally this all up, we get an increase in the estimated federal debt of about $9.65 trillion above previous CBO estimates over the next 10 years. This does not count the off-balance sheet losses we will have to pay for, that were incurred by Fannie, Freddie and Sallie in the last few years. That would add another $250 billion to the total, for a grand total of about $9.9 trillion of additional costs that is not even part of the public debate yet. Add that in to the $14.2 trillion cumulative debt of the U.S., and we have a total shortfall of $24.1 trillion by 2021.

It is in the interests of the country to be accurate about what huge debts we are facing, but I don't think either party has been realistic so far. There is a huge amount of denial prevalent in Washington. The fact is, we are going to face a horrendous level of debt service over the next few decades, easily equivalent to the crushing levels now seen in Greece, and equally catastrophic for the economy if left to grow at the rates just discussed. Once again we are seeing Congress and the Administration making ridiculously optimistic forecasts about the debt we face, and even then seemingly unable to deal with the potential threat. Will we see a catastrophe in our immediate future? Probably not. Is it worth a lot of trouble to fix this? Of course it is – the future of the country depends on us acting responsibly now. We should cut spending drastically, revise the tax code to include more payers (recall that 48% of the people don't even pay any

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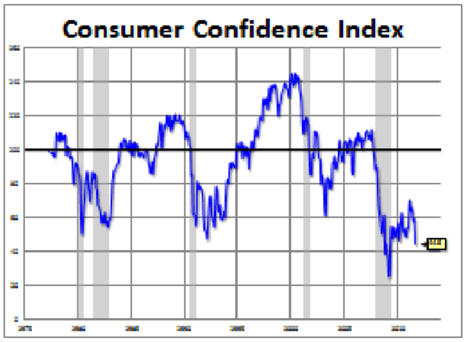
Global Slowdown (Continued)

taxes now), and raise tax rates a bit as well. In other words, we should take a non-partisan approach to solving this problem.

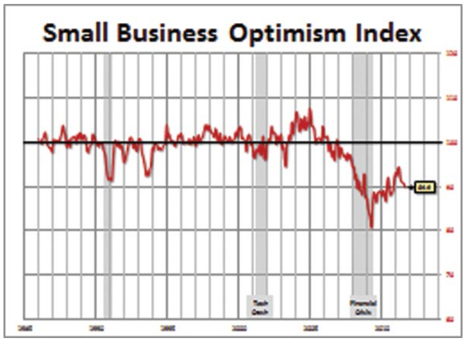


Consumer Confidence (Source: www.dshort.com)

Recession Indicators Flashing Red As Federal Reserve Prepares To Respond

Some workers have suggested that instead of a recession, all we really face is a mid-cycle slowdown of typical form. They are in fact a common occurrence. The argument for a mid-cycle slowdown is supported by an analogy with the 1995 Kobe earthquake in Japan. After that catastrophe the U.S. ISM manufacturing survey dropped by 5.9 points, which is exactly the amount that it has dropped this time, through June (but note that it continued to fall in July and August). On the employment front, the 1995 Kobe earthquake was followed by 12 months of reduced Non-Farm Payrolls (NFPs) in the U.S., with the average drop coming in at 177,000 per month. Given our baseline of about 110,000 jobs per month added in the year prior to the 2011 Tohoku earthquake/tsunami, under the 1995 Kobe analogy we should expect to see very low or even negative NFPs for much of the rest of this year. Lakshman Achuthan of the Economic Cycle Research Institute (ECRI) has suggested that the global slowdown will be "pronounced, persistent, and pervasive," but he doesn't believe that a recession is in the cards. Time will tell, but I am convinced that although the Kobe analogy is a valid way to look at the slowdown, as far as it goes, it nevertheless doesn't fully explain what we are now seeing. There is also a component of the downturn that is due to the oil price spike caused by the Libyan civil war. But even that addition no longer explains all of the data, probably because it looks like a recession may now be starting.

Long-time readers of this newsletter may recall that I made a recession call last summer at this time, stating that there was a 75% chance of a recession within 12 months. The onset of the recession was probably delayed by QE2. I don't know if we are already in a recession now, in keeping with my year-ago prognosis, or if we will see one begin later this fall, but some of the data would support that interpretation of an August 2011 onset. Indeed, a wide range of econometric recession indicators are already flashing red. For example, fund manager John Hussman's (www.hussmanfunds.com)[4] Recession Warning Composite, which has always been observed in every recession since 1950, and has never given a false warning so far, has now been fully activated since early August. Year-over-year GDP has dropped to 1.6%; in 10 of the last 12 times that has happened, a recession has followed. The precipitous drop in the University of Michigan Consumer Confidence Survey for August to 54.9 was the lowest reading since 1980, when Jimmy Carter was president. The IBD/TIPP Sentiment Survey dropped in late August to a reading of 35.8, indicating a U.S. recession has probably already begun, according to Investor's Business Daily. A recent Gallup poll shows 55% of Americans rate the economy as poor, and 80% think it is getting worse. There is little correlation between sentiment surveys and actual retail sales results, but these extreme low readings are ominous. The global data indicate that a severe slowdown is being experienced, especially in manufacturing and trade, but so far recessions are occurring only in Japan, Greece and Egypt, with near-term potential recessions possibly indicated for the U.S., the U.K., Ireland, Spain, Norway, Denmark and Australia. Naturally, if some of these latter countries go into recession, they will take the rest of the world along for the ride.



Small Business Optimism (Source: www.dshort.com)

The dilemma of what to do to get things going again is vexing many a government technocrat, and sending fear through the ranks of politicians in many countries. Unfortunately, in many of the more important economies, the political class has utterly failed to deal with the financial crisis in meaningful ways, leaving the entire burden to the major central banks (primarily the Fed and the ECB). Although this is expected behavior, the price for it may be unacceptably

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Global Slowdown (Continued)

high. Fiscal tightening is now rampant but probably premature, but meanwhile the notion that banks still need special favors from government is unsupported by the data for the U.S. On the other hand, global markets are still highly volatile due to increasing fears about the sovereign debt and banking crises in Europe, and sharply declining economic indicators from around the world. There is now rampant speculation that "Uncle Ben" (Bernanke) will yet again jump to the bidding of Wall Street and provide another broker's stimulus package. Goldman Sachs and others estimate that QE3 (the third round of quantitative easing) is already partially discounted by investors, who now expect an announcement at the Fed's meeting on September 21. There is no question that the so-called "Bernanke Put," a look-alike, modern version of the "Greenspan Put," is what markets have grown used to and continue to expect. This phenomenon is simply the de facto operation of a put option (stop loss) on the markets provided by the Fed over the last 15 years, whereby the Fed intervenes with monetary easing whenever U.S. markets feel some serious pain. It is important to remember however that that Bernanke Put did not prevent a 58% meltdown in the stock markets in 2008-2009.

The effect of these market-pleasing monetary easing steps is to give speculators and investors (but almost never consumers) an escape route whenever dangerous conditions arise in the markets. Hence in the Great Recession and its aftermath, the Fed did very well by the denizens of Wall Street in an attempt to stabilize the system. The big banks and hedge funds reacted to various monetary easing steps (QE1, QE2) by borrowing money in order to speculate on stocks, commodities, and other risky assets, as the Fed wanted them to do. This did solve the Fed's problem with potential deflation risk, but it also raised the cost of living for millions of middle class and poor consumers. It had another very bad effect on the middle class: it simultaneously lowered the yield on the bonds, CDs and savings deposits which are the source of most people's retirement income. The net effect of all these Federal Reserve interventions over the years has been to inflate multiple asset bubbles since 1996, which when they burst forced the Fed to take drastic emergency measures to save the system, and accidentally to provide big rewards for asymmetric (government-backed) risk-taking on Wall Street. The effect has been to also unintentionally punish saving, investing, and other forms of financial prudence.

Unfortunately, in many of the more important economies, the political class has utterly failed to deal with the financial crisis in meaningful ways, leaving the entire burden to the major central banks (primarily the Fed and the ECB).

Many are now speculating on what form the QE3 easing will take. The Fed seems likely to avoid buying more net bond assets for its balance sheet, at least until more evidence of deflation appears. However, if the Fed were to keep its balance sheet frozen at its current size, but change the composition of the bonds it holds, it could effectively ease monetary conditions without printing money. The idea, as discussed by Goldman Sachs and others, is for the Fed to sell some of its shorter term bonds and replace them with longer term bonds. This could have the effect (in theory) of dropping rates along the entire yield curve, but especially the long end. This would theoretically raise economic activity just as QE1 and QE2 supposedly did, and would perhaps give the markets a boost as well. There is a belief prevalent that since the fiscal authorities (governments) are incompetent and/or immobilized, the Fed and the ECB must do something. I think it would take great courage for the Fed to throw the ball back into the collective laps of Congress and the Administration, where it belongs. However, I can't really picture the present Fed being willing to take the blame for "causing" further downgrades to sentiment, when we may already be facing a recession. They are now so ensnared by the economic and market situations now extant, that I believe they will act even though their remedy is considered by many to be unlikely to work over the long term. A lasting solution will necessarily be political in nature, but so far one is not yet visible.

Market Summary:

The Tactical Response to a Probable Bear Market

By Dheenu V. Sivalingam and Kevin M. Wilson

Recently we have received signals of marked contraction in domestic industrial activity from the Fed's Empire State, Philadelphia and Richmond surveys, as well as less dramatic softening from the Dallas survey. The non-farm payroll (NFP) total was unchanged in August, in contrast to expectations for a moderate gain; this is a dismal performance in an economy that needs to add 150,000 jobs per month just to stabilize at the current 9.1% unemployment rate. Gains in U.S. consumer spending have historically been driven by ever-expanding credit and by the Fed's accommodative monetary policy in the absence of wage growth and job creation. Recent contractions in consumer sentiment measures reflect this lack of organic demand catalysts. The overwhelming volume of the existing housing inventory will continue to put pressure on prices, with national averages trending lower for the foreseeable future. Meanwhile, the continued contraction in industrial activity measures, reflecting moderating demand from the developing economies, will provide plenty of support for the glass-half-empty narrative on growth as the summer ends.

The Fed stated after its last meeting its intention of keeping the policy rate at near zero for two more years, and its willingness to maintain its balance sheet at its current huge scale for the foreseeable future. Given the recent weak economic data and the rising concern about chronic slow global growth, one cannot rule out any policy options, however radical. To fight this global economic slowdown the most likely action, as already discussed, will be for the Fed to announce a lengthening of the average maturity of its balance sheet. The consensus expectation is for the Fed to sell treasury securities that mature over the next two years and purchase treasuries that mature between 10- and 30-years, which will not increase the balance sheet but will extend the duration. We are starting to see world central banks make similar moves to those made during the 2008 financial crisis. This week Brazil's central bank interrupted its tightening cycle and slashed the Selic rate by 50bp, lowering it to 12.0%. In early September we have the ECB making its decision as well, which perhaps will also be a cut.

A brief review of our technical indicators is in order, so as to determine where we are in this current market environment. It is also a good idea to look at the potential risk versus reward of being exposed to each asset class. We pay attention to the technical indicators because "the markets can remain irrational longer than you can remain solvent," which is why we always combine our economic view with the more standardized technical indicators in order to confirm turns in the market. When we look at the daily chart of the S&P 500 in late August it's telling us a story of consolidation, in which the recent wild swings are being terminated in a "triangle" pattern, which for us shows the lack of follow-through on either market direction. Consolidation typically results in a directional break at some point, but often the direction is unknown for some time. However, right at the end of August we interpreted the data to imply an impending downward shift. Thus we have taken a substantial short position in some portfolios as an allocation/hedge position against our longs. At the same time, the long end of the treasury curve is showing us a complicated pattern, and since we don't like to expose our conservative portfolios to wild volatility swings, we have temporarily exited our positions in long duration treasuries and now only hold mid-duration treasuries in most portfolios. However, expecting equities to sell off now, we have over-weighted treasuries and cash relative to bull market norms in a substantial way, which should provide some useful hedging against downside risk.

We will implement some hedging strategies if we see a prolonged economic slowdown and the greenback strengthens due to the fear trade.

Looking at the currency market, the Euro currency has been showing some strength, but that strength suddenly declined in the last week of August. We are also closely watching the Greenback, which has continued its decline throughout the year. The U.S. dollar index started the year at 79.12 and is now trading at 74.72 for a 5.56% decline. As the crisis in Europe worsens, the dollar may reverse and start to climb due to its safe haven status. We will implement some hedging strategies if we see a prolonged economic slowdown and the greenback strengthens due to the fear trade. However, the long-term trend may well continue downward. This favors having exposure to currencies which are strengthening against the dollar. We have now allocated a strategic position to local emerging market bonds with direct exposure to local currencies.

As asset managers it is not really our job to catch the exact bottom or top in the market, which is good since that is not possible. Our job is to manage risk in the specific portfolio allocations we make and to minimize losses during downturns while capturing gains during rising markets. We try to strip out the daily "noise" from price volatility and media coverage, and use fundamental and technical analysis to better determine when and by how much to adjust each portfolio. We intend to buy individual stocks at pre-set target prices based on valuations and potential as the markets continue to sell off, thus avoiding making an exact call on where the bottom may be, yet still benefitting from the sell-off. Historically the bottom should be down around 950 on the S&P 500 Index, as discussed in the Special Topic below. But well before that level some of our stock buying target prices will be hit, and we will thus endeavor to buy low and sell high for our clients. ■

Special Topic:

When the Bear Growls at Your Window, Opportunity Often Knocks on Your Door.

By Kevin M. Wilson

Given that a bear market is generally defined by a 20% drop, we appear to have entered one, at least for the Russell 2000 (small cap stock) Index in the U.S. As I write this, we are right on the edge of a being in a bear market with respect to all of the other U.S. stock indices. The sell-off was even worse almost everywhere else globally in the last four weeks, with bear markets officially beginning in Brazil, Argentina, China, India, France, Germany, Poland, Denmark, Norway, Sweden, Netherlands, Switzerland, Austria, Czech Republic, Italy, Turkey, Greece and several other countries. Recent evidence of a worsening global economic slowdown has challenged the widespread belief that the slowing over the last few months was probably transient. Although much of the slowing can be attributed to the Japanese earthquake in March and the spike in oil prices in the spring, there must be other factors at work as well; I would suggest that the main other factor is the lack of resolution in the perpetual European and U.S. debt crises.

The simple fact is that people are losing confidence in governments everywhere in the developed world. The ongoing European debt crisis and the artificially induced American debt crisis have left many with weakened faith in the system. To make matters worse, investors have been forced to digest the bad news that Standard & Poor's has downgraded U.S. debt to AA+ status; there is even a threat of another downgrade in November. S&P's reasoning provided a revealing commentary on the dysfunction inherent in our federal government's budget process, and the failure of our leaders in both parties to put the interests of the country first. Unfortunately, the solution in Europe must be a political one, and given their very weak leadership, the crisis will probably keep going on its present path. In the U.S. the situation is not as dire, but the perception is widespread that nothing is working in boosting U.S. growth or employment. The U.S. debt problem is again one where the solutions will have to be political, which is not very encouraging.

Economic data are still (in general) degrading rapidly, although there are exceptions like the July surge in industrial production which are more positive. In any case a host of econometric recession indicators are already flashing red. As mentioned above, fund manager John Hussman's (www.hussmanfunds.com) Recession Warning Composite, which has always been observed in every recession since 1950 (i.e., it has high sensitivity), and has never given a false warning so far (i.e., it has high selectivity), has now been fully activated since early August. Year-over-year GDP has dropped to 1.6%; in 10 of the last 12 times that has happened, a recession has followed. The global data indicate that a severe slowdown is being experienced, but so far recessions are occurring only in Japan, Greece and Egypt, with near-term potential recessions possibly indicated for the U.S., the U.K., Ireland, Spain, Norway, Denmark and Australia. Naturally, if these latter countries go into recession, they will take the rest of the world along for the ride.

The opportunity to buy great stocks at reasonably cheap prices will come.

Returning to the subject of the markets, we have seen a very sharp rally off the low reached on August 9, and amazingly, many investors are still bullish, as evidenced by various investor surveys. That suggests that a bottom has not yet been reached, since investor sentiment is a reverse barometer in general, and usually must reach extreme pessimism before a market bottom can be found. Observers like John Hussman, the people at Bespoke Investments, analyst Mark Hulbert of www.marketwatch.com, and others believe that this has been a typical fast, furious and prone-to-failure counter-trend rally which should be used to unload unwanted stocks. Indeed, as I write this the rally has just failed and a new down-leg has begun. Others are buying now based on perceived cheap valuations, and there could be merit in that for those with strong stomachs. There will probably be several of these rallies on the way down to an eventual market bottom. Of course we could be wrong, and markets could completely recover without going lower (as some are hoping), but if we are wrong it will be an amazing departure from most of market history. Indeed, I know of no examples where, based on new information, markets first anticipate a recession with an historic and extremely violent sell-off, but then discount it away again a few days later, with very little positive economic data in support of the change. Even the bear market that included the 1987 stock crash took three months after peaking to reach a bottom, and 18 months to recover, even though most of the losses occurred in just two days.

Thus we at Blue Water now expect the low to be at or below 950 for the S&P 500, which would be a drop from the mid-August close (at 1,193) of over 250 points or about an additional 21%. We expect this because we believe that markets are now in a bear phase that will deliver typical bear market losses. Famous market analyst Jeremy Grantham of GMO is of the opinion that 950 is fair value, so of course markets could sweep past that level on the way down in an excess of fear, but for now we are guessing that at the very least, 950 will be taken out. Between the present value for the S&P 500 and this projected bottom investors will have a golden opportunity to take risk again, with great upside potential, and we plan on taking advantage of that opportunity in a big way. We are eagerly anticipating valuations with average P/E ratios of around 10 and cheap prices based on other parameters such as price/book value. However, investors would be wise in this situation to focus on large cap growth stocks with clean balance sheets, low debt, and strong dividends. The opportunity to buy great stocks at reasonably cheap prices will come, and those who look for opportunity amidst the fear will be rewarded in the long run. ■

Please Share Our Newsletter or Refer Others to Blue Water to Help Them Preserve and Grow Their Wealth

We encourage you to share our newsletter with business associates, friends and family. Let them know what we have done for you to preserve and grow your wealth. We would be glad to help your contacts benefit as well. We are not a "stay the course" or a "do nothing" type of firm. We are actively researching, analyzing, and managing risk every day. We do not take our fiduciary responsibilities lightly. We work hard on your behalf to anticipate economic trends and take action accordingly based on our assessment of risk and potential returns. We have made significant investments in our business to make sure we have the best information and people that are capable and intellectually equipped to make important and timely decisions managing your wealth. **Also, please visit our website at www.bluewatercapitaladvisors.com, and our weekly blog at http://bluewatercapital.wordpress.com.**

Please attend our next "Monthly Market Forum" if you can; we'd love to see you, your relatives, and your friends there. Scheduled meetings will be held at 5:00 pm - 6:30 pm on September 15, 2011 at The Kitchi Gammi Club, Duluth; and October 20, 2011 at a Location TBD. If you can attend in September or October, please RSVP to Blue Water. Business casual attire suggested.

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