

THE WALL STREET TRANSCRIPT

Questioning Market Leaders For Long Term Investors

Global Total Return Investing



PAUL SUTHERLAND, President of Financial & Investment Management Group, Ltd. (FIM Group), has worked in the investment and financial advisory business since 1975. As a Senior Portfolio Manager, he has been managing global total return investment portfolios (under the “investing without borders” style) for more than 23 years. In 1984, he formed the Financial & Investment Management Group, Ltd. — a Traverse City, Michigan-based registered investment adviser that manages investment portfolios on a discretionary basis for individuals, trusts, foundations and retirement plans. Beyond his extensive investment experience, Mr. Sutherland is the author of numerous books on financial planning and money management, including *Zenvesting: The Art of Abundance & Managing Money*, *12 Steps to a Care-Free Retirement* and the *AMA Guide to Financial Planning*. Mr. Sutherland began his writing career in 1979 with an article on international investing

that was published by *Physician’s Management Magazine*. Over the past 27 years he has had academic and consumer articles published in magazines, newsletters and other publications on subjects such as benchmarking global portfolios, asset allocation, retirement investing, income investing, forecasting and global investing. His work has been published in *Business Ethics*, *Financial Planner*, *Dental Management* and *NAPFA News*. He is a regular columnist for *Spirituality & Health* magazine and has been interviewed by *Bloomberg News*, *Barron’s*, *The Wall Street Journal*, *The Wall Street Transcript*, *Investors Business Daily*, *Investment News*, *Money Magazine* and others. Mr. Sutherland received his MBA from Lake Superior State University. In addition, he is a Certified Financial Planner and has completed the College of Financial Planning’s Advanced Studies Course: *Investment Strategies and Portfolio Management*. Individuals and corporations from across the United States have sought his advice on estate and tax planning, retirement and investment management. He has spoken to professional groups nationally and internationally — including Singapore, Beijing, Sydney and Toronto — on topics such as international investing, investment economics and portfolio management. Mr. Sutherland is co-Founder of the Children of the World Foundation, past Chairman of the Traverse City Rotary Club’s World Community Service Committee, past Chairman of Safe Passage and current Board member, as well as Founder and Chairman of the Board of the Utopia Foundation.

TWST: Would you start with an overview of Financial & Investment Management Group, Ltd., and your responsibilities there?

Mr. Sutherland: The FIM Group was founded in 1984 by me to manage money under a global absolute return style to help people achieve their financial goals. I had always loved investing and had a desire to be a manager, but in my young to mid-20s I felt like

I needed more experience. So I studied the great investors like John Templeton, Chuck Royce, Peter Lynch, Bill Sams, Warren Buffett and read like crazy investment, business and finance books. I worked for a broker dealer and we would refer out the management of client funds or used mutual funds. It seemed even back then that most investors and investment managers would just buy stocks or bonds, diversify and leave their portfolio to the whims of the market and

economy. So investors would end up on this roller coaster up and down to nowhere. John Templeton, who had great consistent returns, always championed that it was common sense to invest globally, common sense to have long-term preservation of capital as a goal, and silly to own an investment that was speculatively valued based on price. So we were founded on a disciplined philosophy that I sat down and wrote out to work as our guide.

Our philosophy statement really is the same now as it was then. Now it seems that global investing, total return investing and actively managed value investing is the rage. Really it is just common sense, but it takes skill and talent, not just a brochure that says you do it. We believe our job is to make money and not lose it. We are not indexers. We believe that excellence is worth pursuing. Without a doubt, our track record proves that. Of course potential clients have to decide whether our performance is luck or skill, discipline, talent or style.

“When we manage money, our goal is to give our clients a livable, consistent long-term dependable income stream from interest, dividends, and realized capital gains. Our internal goal for portfolios is to have the returns over time be the inflation rate plus an average 6% return. Like our yield income separate account portfolios, our Utopia Yield income portfolio is an actively managed global income and growth oriented strategy.”

We are a strictly fee-only firm; we do not receive any commissions, and we are not affiliated with any banks or brokerage firms. We are completely independent and consider ourselves value-added managers. We are not passive in any way, as we believe that a passive approach to asset management is irresponsible. We now have over 40 people working with the same philosophy to help serve our clients.

TWST: Tell us about the Utopia Funds.

Mr. Sutherland: About three years ago, we started the Utopia Funds because, as global managers, it was often difficult to effectively diversify a client portfolio valued under \$250,000. Smaller investors had trouble investing with us. The Utopia Funds allow people to invest modest amounts so people like my son, for example, can invest as little as \$25 a month into his Utopia Growth account. The Funds also enable us to manage 401(k) plans and IRAs where investors might put away \$50 or \$1,000 monthly, for example. The Funds allow investors to get the same management style as we do for our large private, trust, personal, foundation, corporate or retirement trust accounts. The Utopia Funds are no-load, and there are no 12b-1 fees, hidden fees or back-out charges. Investors can come

directly to the Funds or they may invest through Schwab, Fidelity, TD Ameritrade, their 401(k) provider and other discount brokers.

There are four Utopia Funds: Utopia Growth Fund, Utopia Core Fund, Utopia Core Conservative Fund and Utopia Yield Income Fund. The difference between the Funds lies in the risk factors and in allocations. The Growth and Core Funds are suited for investors who are five to 10 years away from accessing the money, are patient investors, who don't need current income from their portfolio. The Core Conservative and Yield Income Funds are for the more conservative investors who want less volatility or who could possibly already be retired and want to live off the income generated from their portfolio. All Utopia Funds' portfolios are managed for long-term performance and, over the years, much of that performance for our clients has come in the form of income, dividends and interest.

TWST: Tell us about the Utopia Yield Income Fund.

Mr. Sutherland: The Utopia Yield Income Fund is designed for the investor who wants consistent lifetime income with very little worry. These investors realize that markets are cyclical, that interest rates are going to fluctuate and that any specific retirement or income strategy needs to embrace the fact that things change and a portfolio must change with it. All retirement portfolios, due to cycles, inflation and the dynamic nature of the financial markets, must have a very long-term view. If you are going to retire at age 60, 65 or even 70, your strategy must be to make sure you won't outlive your money. When we manage money, our goal is to give our clients a livable, consistent long-term dependable income stream from interest, dividends and realized capital gains. Our internal goal for portfolios is to have the returns over time be the inflation rate plus an average 6% return. Like our yield income separate account portfolios, our Utopia Yield income portfolio is an actively managed global income and growth oriented strategy.

If we think interest rates and the prospects of currency gains are better in Australia, Canada, Switzerland or Singapore, for

example, we will invest in those markets through bonds or other investments. We have a myriad of high-yield, income-oriented stocks throughout the world. As I mentioned before, all the money we manage is global. We prefer portfolios that focus on income-oriented stocks, because history shows that over time the income component of stock dividends enhances performance. Many foreign companies pay better dividends than you can find in the US. In the USA, most companies tend to either reinvest most of their money in growth opportunities, let it pile up on the corporate balance sheet or use profits to buy back shares, with little going to pay shareholders dividends. While this lack of dividend payout is changing in the USA it seems like companies overseas feel more kinship with their investors and pay the profits out as dividends rather than using them to manipulate their stock's price. When a company has much of its profits paid out as dividends, it is especially helpful for retirees who want to live on the income of their portfolio, not the principal. In retirement investing, you want to live on the eggs and not the chicken.

“We believe that price is key and want to make sure that our clients feel as comfortable owning every investment in their portfolio as if they owned the whole company. We often invest in companies that have a large amount of insider or management ownership to ensure that their goals align with ours.”

TWST: What is the investment climate like at this time for your Income Fund? Are there a lot of opportunities?

Mr. Sutherland: Yes. As a result of the current market volatility, a lot of traditionally income-oriented investments have become bargain-priced. When you look at the real estate investment trusts throughout the world, which generally yield 2% to 10%, in some cases they have doubled or nearly tripled what they were paying in dividend returns even a year ago. Their share prices were very expensive last year and have since come down considerably, to prices we think are compelling. There are some great bargains in the real estate arena, so we have been buying REITs and real estate oriented investments in Japan, Singapore, Malaysia, Europe, New Zealand, Canada, the United States, with properties all over the world. The yields on some of those REITs have been as high as 11%.

TWST: Are they structured the same as American REITs?

Mr. Sutherland: They are very similar. We like growth and growing income so we will tend to favor the REITs that are managed for consistent good income, yields and some positive growth. The bottom line is that with good income, potential for growth and rising income, and potential for inflation, we think that REITs are attractive and we are buying them because they are bargain-priced.

TWST: What other areas are producing good yields at this time?

Mr. Sutherland: We like some of the newspaper companies throughout the world, because the media industry traditionally has more solid businesses that are mature and stable. Their income, instead of growing like it had for years, is now stabilizing. The companies tend to pay out more of their profits in dividends, so many of those companies like **Independent News** in Ireland, **The New York Times** (NYT) and *USA Today's* owner **Gannett** (GCI) sport yields above 5%.

TWST: Tell us about your investment process for selecting the stocks and about specific criteria that you would look for in addition to dividends?

Mr. Sutherland: There are a number of things that we look for in our investment prospects. First, we make sure that the company has a solid product and product strategy, because that, along with good management, makes a great company. The num-

bers, in some cases, are the easy part, and we tend to select companies that have good solid balance sheets with flexibility. We also prefer companies that have significant free cash flow that they can reinvest in growth opportunities, accumulate at the company level or pay out as dividends.

We tend to avoid companies that we think are not sustainable. We also prefer not to invest in tobacco companies or companies that make products that are detrimental to people. We believe that price is key and want to make sure that our clients feel as comfortable owning every investment in their portfolio as if they owned the whole company. We often invest in companies that have a large amount of insider or management ownership to ensure that their goals align with ours.

TWST: What are some of the themes that you've been exploiting over the past 12 months?

Mr. Sutherland: We see a very positive future for the energy industry and are making significant investments in various energy stocks. We especially are interested in companies that are involved in the solar, wind and natural gas businesses.

We are also interested in companies that take on a proactive role in helping people with energy conservation and efficiency. It appears that energy prices will remain quite high, so we feel it is impor-

tant to invest in some of the more traditional natural resources and energy companies. We are more inclined to buy Canadian and European oil and natural gas companies because they pay better dividends and seem like bigger bargains than many in the United States.

TWST: How many stocks generally do you have in your Fund?

Mr. Sutherland: We feel that between 80 to 160 different investments should be the average, but at times we have acquired as many as 200.

TWST: Then it is very well diversified?

Mr. Sutherland: It is very well diversified. If we like an area, the energy area, for example, then we look at that particular industry. Typically what occurs in the market is that when one energy stock is inexpensive, there are numerous others available at similar bargain prices. Rather than attempting to pick the best stock out of a hundred, we consider which stocks have the characteristics that best fit our investment criteria and then purchase many of those stocks. For example, if we think refiners are bargain-priced, we may invest in as many as four or five companies that are in that area of energy for example.

Today, we are finding that many windmill manufacturing company stocks are quite expensive, but we still monitor those companies in the event we may buy them back if the price is right. We do own a couple of wind park companies in the wind energy industry because, they pay good dividends, are growing and we like the future of this group. **Babcock & Brown Wind Partners** and **Viridis Clean Energy Group** are more like utilities because they sell the wind-generated energy they make to utilities and consumers.

The aging population also provides opportunities for us, so we look at that area in great detail. Baby boomers worldwide will place demands on health care as they age. Another area we like is telecommunications. Prices for these companies have come down from their former highs and we are finding companies like **Hellenic Telecom** (OTE), **France Telecom** (FTE), **Deutsche Telekom** (DT) and a few others in this space attractive as investments. We are buying stocks in these global phone companies, in Europe, because they sport good dividend yields and should have positive growth. Most of these phone companies have operations in Eastern Europe, Asia and Latin America too.

“There are some great companies in Singapore, Malaysia, Taiwan and even India and China, but to refer to them as emerging markets is exaggerated. These countries are powerful, have great work forces, a significant middle class, decent education systems, and functioning financial systems. We don’t like to cast countries as developing; every country is developing, even the USA, Germany and Japan.”

Two larger energy companies we own are **Royal Dutch Shell** (RDS.A), and **BP** (BP). Both of these are major companies that pay good dividends and have well-diversified operations. We also own **Babcock & Brown Wind Partners** and other non-fossil-fuel-based energy investments.

TWST: What shifts in emphasis have you made in the portfolio as a result of your looking for themes in the market?

Mr. Sutherland: We monitor approximately 10 to 15 very significant themes that we like. And since each theme has a significant amount of counter trends, we must examine those as well. In the energy industry, especially, you need to know which companies are the counter trends and which are the bargains. Therefore, when we examine a theme, we identify and distinguish the counter trends from the bargains. For example, when the solar energy stocks are expensive, avoid them for a while. Everything is cyclical and people get disenchanted or impatient, even with great themes like solar energy, so the solar stocks will get to bargain prices again, and we will most likely buy them.

TWST: What is your emerging markets exposure? Is there a mandate limiting that?

Mr. Sutherland: The Funds have no mandate, except to deploy our client funds carefully, responsibly, prudently and wisely of course. We don’t believe it is beneficial for investors to have to invest anywhere or in any one class of investment all the time. To do that is silly and speculative. Investments need to be made in the current opportunities we see. I’m not sure what I would consider an “emerging market.” There are some great companies in Singapore, Malaysia, Taiwan and even India and China, but to refer to them as emerging markets is exaggerated. These countries are powerful, have great work forces, a significant middle class, decent education systems and functioning financial systems. We don’t like to cast countries as developing; every country is developing, even the USA, Germany and Japan.

We have no borders in our investment style. We don’t discriminate and will look anywhere for investments, but there are certain political risks we must consider. The United States has its own

set of risks. Our government has a history of changing tax laws quite dramatically, creating politically motivated trade policies both of which can influence companies' profits. All countries have shortcomings in the way they treat their companies. Chavez highlights one risk, Castro's behavior another, and Putin's policies require an investor to look carefully before investing. On the flip side, many countries have better systems of corporate governance and are more shareholder and corporation friendly than the USA. All investing has risk and you must make sure you are compensated for investing in an investment in the USA just like any country.

"At least for 2008 we are with a disciplined, judgment-based methodology managing these bonds to profit from this volatility. Oversimplifying, when the bonds retreat in value to a price that we think will give us a good payoff, we buy them. When they have rallied, we have sold them off."

TWST: Have the Funds been impacted by the credit crunch and the economic slowdown of the past six months or so, and is that reflected in the composition of your portfolio?

Mr. Sutherland: Thank goodness we did not own any SIV-oriented investments at all. I often will review a great investor's portfolio and see what they don't own! I remember Warren Buffett being criticized for not being "with it" in the Internet mania of the 1990s and buying into the speculation. His investors were well rewarded. Thankfully my colleague Suzanne Stepan and I have a long enough history in this field to know what a credit bubble or bad investment looks like; we decided that the mortgage, finance and banking industry was not compensating us to take on the risk embedded in that industry, so we avoided that area last year. I remember team member Zack Liggett bringing a list of possible shorts to an Investment Committee meeting. They were pretty much in the mortgage area. Naturally if a group looks like it should be shorted, you don't want to be long that group. Thankfully, last year we also felt that REITs were unstable and were also generally too expensive. As a result, we didn't own many securities in those areas in 2007, which helped our portfolios. Obviously, my history goes back to the Mike Milken era and I know what the downside of a mispriced junk bond is. So we had very minimum exposure to the junk bond or the SIV market, the more high-risk area, last year, with less than a few percent at the most. In conjunction with minimizing our exposure to that area, it made high-grade governments and international governments the natural fixed income buy. Consequently, when the market downdraft volatility came and prices

decreased significantly on BBB to AA investment grade corporate and preferred stocks, we were able to sell our government bonds and purchase those investment grade securities that at better prices provided much better yields. I believe that's one reason why we've had good performance in our portfolios.

TWST: What is your outlook for the fixed-income markets through 2008?

Mr. Sutherland: I think there is going to be somewhat of a bipolar market. Government bonds will probably behave much differently than corporate bonds. You will see a lot of supply in the

corporate bond area that will probably keep yields up and restrain bond prices.

The government bond area, I think, is going to be more influenced by currency and inflation and how deep our recession becomes. I don't see interest rates increasing or decreasing significantly. Interest rates will most likely be volatile, within 1% to 2% of where they are now.

TWST: Have you been altering your maturity dates at all?

Mr. Sutherland: Yes. Because of this volatility, we have leaned toward extending maturity quite significantly on Treasury Inflation Protection Securities (TIPS). As I mentioned earlier, we feel bonds, at least for now, are going to be in a narrow volatile channel, which means to have excess investment returns they will need to be actively managed. We have been quite active in managing our TIPS. Suzanne and I have joked that we are renting our TIPS. It's been interesting how TIPS have behaved so far in 2008. The fear of inflation, government intervention, currency problems and a bad recession has, I think, made investors a bit manic, which has created profitable opportunities for disciplined investors with knowledge and experience.

So at least for 2008 we are with a disciplined, judgment-based methodology managing these bonds to profit from this volatility. Oversimplifying, when the bonds retreat in value to a price that we think will give us a good payoff, we buy them. When they have rallied, we have sold them off. We maintain a very active long-term oriented managing style that emphasizes value but believes you've got to look at the technical aspects of investing too, even if it is just for a "gut check." So right now we find boring old TIPS interesting.

TWST: Do the volatility of the equity market and the volatility for the fixed-income market have differences and, if so, how are you managing them?

Mr. Sutherland: Yes, the volatility is managed differently. You have to be very specific to the different markets, because you always want to look at the downside and the correlating risks. The risk, for example, of a government bond is much more modest than the risk in an emerging market income stock, and you have to assess those risks very specifically. The job of a money manager is to manage risk.

“Currently, we are buying quite aggressively. Last year, when everybody was buying, we were selling off positions and trying to be conservative. People tend to buy what’s going up instead of buying what is priced to do well in the future.”

TWST: You have stated: “People hire us to make money, not to lose money. We always keep that in mind as we try to control risk.”

Mr. Sutherland: That’s right, exactly. However, that is easier said than done. Our team closely examines downside risk and we consistently try to think “whole-brained.” We look at all potential investments critically to ensure that we are making the right choice. We really have a strong belief in the idea that price matters. If you buy a dollar bill for \$10, you can lose \$10; if you buy a dollar bill for 50 cents, you can lose 50 cents. I would much rather buy a dollar bill or a dollar’s worth of assets for 50 cents, since there is a lot less risk than if you pay \$10 for that dollar bill. Psychology has such a huge influence on prices. People become afraid, like they are now, and they sell everything off. So today I believe we are able to more easily buy a dollar’s worth of investments for 50 cents.

Currently, we are buying quite aggressively. Last year, when everybody was buying, we were selling off positions and trying to be conservative. People tend to buy what’s going up instead of buying what is priced to do well in the future.

TWST: What about the actual sell discipline for the equities? Do you set sell targets?

Mr. Sutherland: We have more informal sell targets. We continually review our portfolios and decide when to sell. There are basically two main reasons that we sell a stock or investment: first, when it reaches a price that we think is overvalued and/or near overvalued; and second, when we find something we like better. In markets like this, where there are great economic disparities, it may be more advantageous to sell something that you like in order to buy something that you love.

TWST: What is the split between fixed-income and equities in the Utopia Yield Income Fund at this time?

Mr. Sutherland: Right now it’s about one-third equities and two-thirds fixed income or preferred. The equity securities tend to be special situation or income-oriented.

TWST: Does that split change according to market conditions?

Mr. Sutherland: Yes, it changes. It can change quite dramatically actually. The risk characteristics of the portfolio can change differently based on how we assess the risk of the current market. In some cases,

there is a lot less risk in the market, which allows investors to own more equities on longer-dated investments. During high-risk times, when markets are more expensive and you have trouble buying a dollar’s worth of investments for 50 cents, you want to be more conservative. The terminology we use is the speed limit. If you are on driving on a highway with a 55 mph speed limit, it’s a sunny afternoon, and the roads are clean and straight, there is less risk driving at 65 or 70 miles per hour. Driving on that same highway during an ice or rainstorm becomes a risky endeavor, and most likely you would actually have more risk with ice on your windshield wipers and snow on the road if you drove at 25 miles per hour. Most investors try to drive at 55 miles an hour all the time and wonder why they crash or get mediocre returns. Investing is situational and complex; you can’t go on cruise control and expect good consistent results. There are times when capital preservation should be emphasized.

We think that investing is situational and specific to the world environment in the global economy. Optimally, you want to be compensated for the risk of each investment you are making. During times when investments are priced well, like today, people tend to be hesitant. However, that is when you can usually invest with a lot less risk than you can when people are optimistic about everything.

TWST: Utopia Funds appeal to a wide range of investors, but who is the Utopia Yield Income Fund designed specifically to attract?

Mr. Sutherland: The Utopia Yield Income Fund is designed primarily for investors who want an actively managed, complete, long-term global income oriented investment solution. It is most attractive to investors who are retired, near retirement, want current income and have a modest ability to handle much portfolio volatility. It is for delegators or do-it-yourself investors who want to

delegate competently to someone who is passionate, disciplined and has a track record of success in making the tough decisions about how a portfolio should be constructed and managed.

We've also seen financial advisers use the Fund as a more income-oriented component of their asset allocation systems, because it has fared very well when other types of asset classes have not. For instance, some advisers may have a portfolio that is comprised of various stock indexes, so they put the Yield Income Fund in that portfolio to enhance its overall return, and reduce risks and volatility. The advisers use the Fund to reduce risk of their portfolio, thus making it the income portion of their asset allocation systems. The Fund has also been used when the manager or the client wants more global exposure for their portfolio, because we are global managers after all and are thus not just investing in the USA but rather are focused in international bonds and international income investments.

TWST: Would you tell us about other differentiators that distinguish your investment process?

Mr. Sutherland: We differentiate ourselves from other, more income-oriented total return funds because we invest globally. Many portfolio managers focus their investments domestically and advise their clients that global investing is hot, so they attempt to become a global fund when they really don't have any expertise. All we have ever done is manage global portfolios. As an investor, you want to see a team of people who understand how foreign currencies and political situations influence investing, how capital flows differently in other countries and how companies are managed differently.

Accounting systems tend to be similar but can still be very difficult for advisers who don't have global expertise. Cultural attributes also need to be taken into consideration. One key to our success is to have managed only global and income portfolios for an extended amount of time. For instance, Zach Liggett, one of our Portfolio Managers, lived in Japan for seven years as an analyst, and Suzanne Stepan managed hedge convertible portfolios before joining FIM Group/Utopia. We have got a good team, and we remain in business after 20 plus years. I think that's what differentiates us.

We have no mandate that dictates whether or not we invest 100% US or foreign. We invest where our research tells us to invest. We don't hold international investments because that's what our policy says, we hold them because it is the right thing to do. Every international investment we hold is well-researched and is more profitable than other investments we could find in the United States at that time. We aren't there because we have to be there; we are there because we think we should be there. And that's a big difference. We are holistic.

TWST: How do you measure your performance and what's your track record?

Mr. Sutherland: Our performance is detailed in the Utopia Fund prospectus, and on our FIM Group and Utopia Fund Website.

TWST: Looking ahead, are there any challenges or potential problem areas that you think investors should be wary of at this time?

Mr. Sutherland: Yes, I think that complacency is the first thing that investors should be concerned about. As I said previously, we believe that the market is cyclical, so all of the problems we have today will eventually subside and make most investors complacent. Another area of concern is the popularity of ETFs. Investing in exchange-traded funds is probably going to be one of the next bubbles. With ETFs and indexing, people think that they've discovered a new way of investing that is the next nirvana or the next Holy Grail of investing, and you see a lot of advisers and investors going to ETFs and index funds. We think that those models are set to fail.

Like I said, we are traditional investors. We understand that things change and you have got to think holistically about the way you invest. There is no system that consistently works except hard work and skilled, careful, wise active management.

TWST: Are you concerned about the short term?

Mr. Sutherland: Yes. There are investors who are trading very aggressively, often without understanding the risks of the day trading or they are trading very aggressively on a week-to-week, month-to-month basis.

At the other end, there are so-called long-term investors who are passive and stay with a bad investing strategy, which is a major cause for concern. As an investor, you want to make sure that you are continually analyzing your investments and asking the question, "Do I own this investment today for the right reasons?" If an investor doesn't have the time to do that, then he or she needs to hire a manager who scrutinizes every investment, decides whether or not a particular investment is right for this climate and makes sure that their portfolio is structured in the most ideal fashion. Due to complacency and poor management, investors have lost literally trillions of dollars in the market.

TWST: Is there anything that you would like to add?

Mr. Sutherland: The FIM Group is a value-added manager; our job is to provide excellent return for our clients. We believe in excellence and try very hard to ensure that we are building portfolios that are optimal for the future. We are hard-working, common-sense investors who get the job done.

TWST: Thank you.

Note: Opinions and recommendations are as of 5/20/08.

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Name	Total Annual Fund Operating Expenses	1 Mo	3 Mo	YTD	1 Yr	2 Yr	Inception* To Date Annualized	To Date Cumulative
Utopia Growth Fund	1.76%	1.72%	3.19%	(0.89)%	(1.52)%	5.35%	5.52%	13.86%
Utopia Core Fund	1.71%	1.01%	1.41%	0.50%	(0.26)%	5.69%	5.64%	14.17%
Utopia Core Conservative Fund	1.66%	1.04%	1.43%	2.21%	4.97%	7.11%	6.85%	17.36%
Utopia Yield Income Fund	1.65%	0.86%	0.67%	1.93%	5.42%	6.71%	6.39%	16.15%

Performance as of 03/31/2008. *The Fund's inception was on December 30, 2005. Performance data quoted represents past performance. Past performance does not guarantee future results. All performance assumes reinvestment of dividends and capital gains. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end may be obtained by calling: 1.888.886.7423.

An investor should consider investment objectives, risk, charges and expenses carefully before investing. Please call toll free: 1.888.886.7423 for a Utopia Funds prospectus which contains this and other information. Read the prospectus carefully before investing or sending money. An investment in the Funds involves risk, including possible loss of principle. Paul Sutherland is a registered rep of ALPS Distributor, Inc.. FIM Group is not affiliated with ALPS Distributors, Inc., Distributor for Utopia Funds UTO000261 | 05/31/2009

As of April 30, 2008 the holdings mention include:
Holdings are subject to change.

Holding Name	Utopia Growth	Utopia Core	Utopia Core Conservative	Utopia Yield Income
Independent News & Media PLC	1.38%	1.09%	0.63%	0.53%
The New York Times	0.76%	0.71%	0.39%	0.32%
Gannett Co., Inc	0.92%	0.61%	0.45%	0.32%
Royal Dutch Shell PLC	0.87%	0.75%	0.63%	0.53%
BP PLC	0.91%	0.91%	0.77%	0.48%
Babcock & Brown Wind Partners	0.98%	0.78%	0.51%	0.35%
Viridis Clean Energy Group	0.60%	0.49%	0.27%	0.31%
Hellenic Telecommunications	0.50%	0.51%	0.38%	0.36%
France Telecom SA	0.56%	0.46%	0.41%	0.41%
Deutsche Telecom	0.42%	0.43%	0.38%	0.38%