

2nd Quarter 2009

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Kingsbridge Private Wealth Management, Inc.

9505 Hillwood Drive, Suite 100, Las Vegas, NV 89134

www.kingsbridgepwm.com

Phone: (702) 947-5160 Facsimile (866) 825-8820

Quarterly *Update*

"Be bold and mighty forces
will come to your aide."

—Basil King

Special points of interest:

- 1 Year anniversary of Kingsbridge Private Wealth Management, Inc.
- Family Office services
- Kingsbridge PWM Partners Fund, Limited Partnership
- Market Watch
- CPWASM designation— page 2
Chartered Private Wealth Advisor ^(SM)

Kingsbridge Private Wealth Management, Inc. Celebrates 1 Year!



David J. Dunn,
CIMA[®], CPWASM
Managing Director

March 17, 2009 marked the one year anniversary for Kingsbridge Private Wealth Management, Inc., an SEC Registered Invest Advisory Firm located in Las Vegas, Nevada.

I founded Kingsbridge PWM to focus on providing my clients with personal investment management advice and family office services free from the distractions and the conflict of interests that are abundant throughout traditional Wall Street firms.

As we have built out our capabilities, we have focused on giving clients complete transparency in the organization, reporting, and performance measurement of their wealth.

- We have teamed with Black Diamond Reporting to provide comprehensive reporting and performance measurement of both liquid and illiquid investment assets that is available online daily to every client.
- Our menu of Family Office Services has been expanded to include; producing Annual Net Worth Statements, tax planning coordination, trust and estate planning coordination, philanthropic consult-

ing and administration, and personal administrative services.

- Our in-house asset management capabilities have been expanded and now include:
 - ⇒ Tax efficient equity index replication strategies
 - ⇒ An opportunistic undervalued residential mortgage backed securities fund, The Kingsbridge PWM Partners Fund, LP.

2008 was a challenging year for us and our clients, but our capabilities and commitment to servicing the needs of our client families continues to grow and we are well positioned for the future.

Market Watch



To say that in 2008 investment assets have had a rough time, is possibly the understatement of our lifetime.

With U.S. Stocks down 34%, Global Stocks down 42%, Commodities down 37% and Hedge Funds down 19%, investors may be questioning the whole concept of asset allocation and more specifically, what hap-

pened to the downside protection diversification was intended to provide. The idea that asset classes are not perfectly correlated and that one part of the portfolio would pick up the slack when other parts of the portfolio were in a slump has been the cornerstone for why we diversify.

What we have seen in 2008, is

that as the entire financial system was put under tremendous stress, all asset classes became more correlated and there truly was no place to hide.

As we continue to wait for the markets to stabilize, the question of when to reallocate and what to reallocate to looms ominously.— **Continued on Page 2...**

David J. Dunn Achieves Advanced Financial Designation – Chartered Private Wealth Advisor ^(SM)

Las Vegas, Nevada — April 09, 2009 —

David J. Dunn, CIMA[®], CPWASM, Managing Director at Kingsbridge Private Wealth Management, Inc. recently obtained the Chartered Private Wealth Advisor SM designation.

The CPWA designation, delivered by the Investment Management Consultants Association (IMCA), is the only advanced designation designed for professionals who work with high-net-worth clients on the life cycle of wealth. Mr. Dunn founded Kingsbridge Private

Wealth Management, Inc. in 2008 and is responsible for providing comprehensive wealth management solutions and investment management to individuals and families of substantial wealth.

The CPWA marks identify those individuals who have met the experience requirements, have successfully completed coursework in advanced wealth management content, strategies and applied concepts at The University of Chicago Graduate School of Business, and have passed a rigorous

comprehensive examination covering the following areas: advanced tax planning, asset protection, executive compensation plans, stock options, tax-efficient portfolios, business planning, retirement planning, charitable planning and estate planning. CPWA licensees must also agree to meet ongoing continuing education requirements and to uphold IMCA's Code of Professional Responsibility, Performance Reporting Standards, and Standards of Practice.



University of Chicago Booth School of Business

Investment Management Consultants Association is the owner of the certification marks "CIMA[®]" and "CPWASM," the service marks "Certified Investment Management Analyst," "Chartered Private Wealth Advisor," "Investment Management Consultants Association," and "IMCA." Use signifies that the user has successfully completed IMCA's initial and ongoing credentialing requirements for certification.

Market Watch—continued from page 1

In a normal market environment we would take funds from the asset classes that have outperformed and reallocate that money to the asset classes that have underperformed. This reallocation process forces us to sell high and buy low which has tended to lead to good results.

However, the magnitude of the current market dislocation and the systematic stress we have seen as the world economy deleverages, forces us to reevaluate this approach in the short-run.

Investors need to prepare themselves for the idea that it may take a prolonged period of time for markets to return to normal. In order to give the markets time to recover, limit any further

losses and facilitate necessary distributions from investment assets we recommend adopting a three pronged approach.

- Accumulate **cash reserves** so that up to two years of foreseeable cash needs are set aside.
- Continue to be overweight in **municipal bonds**. Municipal bonds have become a larger percentage of most portfolios and you should keep it that way for now. Municipal bonds provide contractual cash flows, and have tax advantages which will become even more important as marginal tax rates increase.
- Become more **opportunistic** with your discretionary wealth. Once you have set aside enough capital in cash and municipal bonds to facilitate your lifestyle, look at putting some money to work in assets that have been severely beaten down in the current dislocation. When the majority of the world is deleveraging and getting out of debt, investors with permanent capital, (money that is not needed in the short-run), may be able to purchase assets from distressed sellers at once in a lifetime values.

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