

Leigh Baldwin & Co.
Investment Brokerage

112 Albany Street
Cazenovia, NY 13035
www.leighbaldwin.com

NEW!

**LEIGH BALDWIN TOTAL
RETURN FUND**

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“Breakfast on Wall Street”

Listen to Leigh Baldwin and Ken Iselmoe every week as they host “Breakfast on Wall Street” each Sunday morning at 8:00 a.m. on WKXZ 93.9 FM or at 10:00 a.m. on WHEN 620 AM. They will take a look at the week on Wall Street in their own inimitable style.



The information herein has been obtained from sources we believe to be reliable but is not guaranteed and does not purport to be a complete statement of all material facts. This newsletter is for informational purposes and is not a solicitation of orders to purchase or sell securities.

**Leigh
Baldwin & Co.
Investment
Brokerage
Newsletter**

Fourth Quarter, 2008

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“Oh, and while the King was looking down, the jester stole his phony crown...”

Unfortunately for stock investors, cash has been king for the past ten years. Even with the help of gaudy up-years in 1998 and 1999, and five straight years of gains (2003-2007), stocks have failed to perform better than plain old cash. Cash is king. Money markets have a ten year annualized return of 3%, while the S&P 500 is about unchanged over the same time period. The recent historic free-fall in stock prices and the resulting investor fear has now driven cash yields down to their lowest levels in history. The three month T-Bill is currently priced to yield zero percent, or as close to zero as you can get. The ten year Treasury bond is at the lowest yield level in fifty years, or 2.6%. What does that mean for investors going forward?

The Treasury market, with yields just above zero, is telling us that a massive deflationary spiral is coming, a financial melt-down is coming, or more likely, some combination of both. To combat the risk of deflation, the Fed has and will continue to flood the bond markets with cash. This should eventually weaken the US dollar as they over compensate for this ugly deflation. For investors, there will be opportunities in asset prices, like oil, steel, gold, and other physical “things” as the dollar falls and inflation returns. For bond investors, the spread between zero interest rate (t-bills) choices and 20% high yield (junk bond) choices will contract as government rates begin to rise and the financial crisis lessons. High grade corporate bonds, tax-free bonds, and dividend paying common stocks should be purchased now in measured increments. These could be the investments that define your successful portfolio for years to come.

Here are the cards that we have been dealt. Investors are in the midst of a generational economic and financial crisis. The next few months are going to be rough for investors as there will be many stops and starts. Bear markets are known for tremendous rallies within. Stock and bond investor’s that have a moderate term time frame and that are relatively debt free should continue to build positions and take advantage of investments that have become dislocated with regards to price. The near term outlook for our economy is grim and the headlines will be gruesome. That being said, very bad news has been priced into stocks already and the Jesters that gradually and with discipline invest in quality stocks and bonds for the long-term will steal the phony crown of the cash King.

We recently launched the Leigh Baldwin Total Return Fund (LEBOX) and in this newsletter we will officially introduce it. The Fund’s stated goal is to generate income and return from stock investments in three ways, appreciation, dividends, and from collecting option premium. We also hedge a majority of the stock positions in order to define our maximum loss in the event of market sell-offs. Originally funded on July 30th of this year, the Fund has certainly been tested to the downside since inception, and has succeeded in protecting assets as it generates cash flow. The Fund is designed to have returns that are similar to the long-term return of stocks with added downside protection. A LEBOX Fund fact sheet is enclosed and a prospectus is listed on our website, www.leighbaldwin.com. Have a healthy and prosperous New Year.

Leigh Baldwin Total Return Fund

Update 10-31-08

Managed by Leigh Baldwin & Co. An SEC registered RIA.

- Founded in 1991
- Our firm invests in businesses based on our fundamental research of their ability to increase profits and dividends.
- The parent company currently has over 100 investment professionals and over \$1 billion dollars in customer assets.

Fund Details

NASDAQ Symbol	LEBOX
Cusip	352005201
Inception date	July 30, 2008

Minimum Investment

Initial	\$1000
Subsequent	\$100

Management Fees

Fund Operating Expenses capped @ 1.75% (12B-1 fee of 1% included) There is a deferred sales charge to the client for any sales within the first year, no deferred sales charge thereafter).

Investment Objective

- Long-term total return

Investment Strategy

- The Fund's primary strategy is to purchase public companies based on fundamental research and simultaneously sell covered call options to generate income.
- Additionally, the Fund will purchase out-of-the money put options as a way to limit the risk of the portfolio.
- Finally, the Fund will purchase securities that it believes are special situations and that offer superior investment potential.

The Fund's investment objective, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Fund, and it may be obtained by calling 1-866-659-8044 or by visiting www.leighbaldwin.com. Please read the prospectus carefully before you invest or send money.

Investment Advantages

- The Fund is designed to generate income while simultaneously defining risk by the use of stock options.
- Small Fund Size: The size of our Fund and lack of big company administration allows us to be agile and take advantage of investment opportunities found in quality companies of all sizes. These companies may not be on the radar of larger money managers whose research is sometimes limited to those firms followed by traditional equity research providers.
- Concentration: We allow more flexibility in the Fund's position sizes for a strict focus on securities we believe to be the most attractive.

Portfolio Characteristics* As of September 30, 2008

Statistics

Number of issues 26

Top Sectors

Miscellaneous Amusement	15.01%
Petroleum Refining	12.66%
Rubber & Plastics Footwear	10.91%
Grain Mill Products	4.57%
Electronic & Other Electrical	4.16%

Top Ten Holdings

Walt Disney Co.	15.01%
Exxon Mobil Corp.	12.66%
Nike Inc.	10.91%
Kellogg Co.	4.57%
General Electric Co.	4.16%
Aberdeen Asia Pacific Fund	4.09%
Powershares Financial Preferred	3.34%
Google Inc.	3.26%
Yahoo Inc.	2.82%
Sanofi-Aventis	2.68%

*Percentages are based on total portfolio and are subject to change at any time. For information purposes only and not to be considered a recommendation to purchase or sell any security.

Manager

Leigh Baldwin

Leigh Baldwin is the manager of the **Leigh Baldwin Total Return Fund (LEBOX)** and has been the manager since its inception. The manager has been involved in the investment business since 1989, starting his own Broker-Dealer in 1991, which he continues to run to this day. Leigh Baldwin is a 1983 graduate of Colgate University, having achieved a BA in economics. Mr. Baldwin is also the majority owner of Huss Services, Inc., another registered Broker-Dealer, with a focus on institutional bond and equity trading. Since the year 2000, Leigh Baldwin has been a minority owner of the Syracuse Crunch, the primary affiliate of the NHL Columbus Blue Jacket hockey team. Leigh has been married to his wife Susan for over twenty years and they have three children, Ashleigh, Alan, and Annie.

Average Annual Total Returns*

	1 month	3 month	Inception
Leigh Baldwin Fund as of 10-31-08	-6.99%	-8.2%	-8.2%
S&P 500	-16.8%	-23.11	-24.12%

*All performance reported after fees. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

Performance data quoted represents past performance as of October 31, 2008 and does not guarantee future results.

The investment return and principle 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. You may obtain performance data current to the most recent month-end by calling the Fund at 1-866-659-8044 or visiting our website at www.leighbaldwin.com. Returns include investment of any dividends and capital gain distributions.

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Investment products — Not FDIC insured — No bank guarantee — May lose value