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# Surgeons Diversified Investment Fund—Market commentary 3Q2008

Published with this article, for your information, is the Surgeons Diversified Investment Fund (SDIF) third quarter 2008 performance report for the period ending September 30, 2008 (see pages 37-38).

Severe market turmoil this past quarter reflected loss of confidence in global capital markets, deleveraging, and panic selling. Notwithstanding this scenario, SDIF continues to believe in its asset allocation as the driver of success for a long-term investment portfolio. SDIF believes that upon the conclusion of the present consumer-led global recession, the potential exists for higher real returns in particular from emerging markets, commodities, and energy asset classes. The discussion of sector allocations is designed to help investors better understand SDIF's investment objective. *Fund holdings and sector allocations are subject to risk and may change at any time.*

For the three-month period ending September 30, 2008, U.S. markets fell less than international and emerging markets contributing in large part to SDIF's underperformance relative to its U.S.-based benchmark

\*A plan of regular investing does not ensure a profit or protect against depreciation in a declining market. Since a dollar cost averaging plan involves continuous investment in securities regardless of fluctuating prices, you should consider your financial ability to continue purchases through periods of low price levels.

(the hypothetical, unmanaged, blended benchmark composed of 70 percent S&P 500 Index and 30 percent Lehman Brothers U.S. Aggregate Bond Index). During the third quarter period, SDIF had approximately 27 percent exposure to international and emerging equity markets versus the S&P 500 Index that contains no direct exposure to these markets. Thus, underperformance was driven by SDIF's exposure to non-U.S. equities. In addition, energy and commodities exposure affected SDIF negatively as a result of expectations for a global recession. SDIF's fixed income and real estate investment trust sectors were positive for the quarter, helping reduce its total quarterly decline of -10.11 percent versus the benchmark decline of -6.01 percent. Since inception, performance was -2.04 percent for SDIF and -1.29 percent for the benchmark.

Financial markets are always unpredictable, but investing for the long term and investing regularly (that is, dollar cost averaging\*) can even out the ups and downs of the market while keeping one fully invested. Furthermore, studies indicate that diversification and asset allocation are the most important determinants of a portfolio's long-term success. SDIF provides investors with a strong tool for such success.

If you have any questions, contact Savi Pai, SDIF President, at 312/202-5056 or [spai@facs.org](mailto:spai@facs.org); Tom Kiley, SDIF Vice-President, at 312/202-5019 or [tkiley@facs.org](mailto:tkiley@facs.org); or Dave Kelly, Business Development Associate, at 312/202-5485 or [dkelly@facs.org](mailto:dkelly@facs.org). You may also visit [www.surgeonsfund.com](http://www.surgeonsfund.com) or contact SDIF directly at 800/208-6070 for more information.

## Trauma meetings calendar

The following continuing medical education courses in trauma are cosponsored by the American College of Surgeons Committee on Trauma and Regional Committees:

- **Trauma, Critical Care, & Acute Care Surgery—2009**, April 6–8, 2009, Las Vegas, NV.
- **Trauma, Critical Care, & Acute Care Surgery 2009–**

**Point/Counterpoint XXVIII**, June 8–10, 2009, Atlantic City, NJ.

Complete course information can be viewed online (as it becomes available) through the American College of Surgeons' Web site at <http://www.facs.org/trauma/cme/traumtgs.html>, or contact the Trauma Office at 312/202-5342.