December 1st, 2015

Dear readers,

We have just published a new report on our site that we think you'll find of interest. You will immediately notice that this is a different kind of report. It's an un-audited "DK Analytics model portfolio performance report" based on IRR (money-weighted) calculations. An IRR or internal rate of return-based performance tabulation is meaningful/representative of reality as long as the invested capital isn't materially altered by non-repeating or one-time cash inflows and cash outflows of outsized nature. As we expect our DK Analytics model portfolio's (also referred to as "model portfolio") invested balance to remain relatively stable over time, we have chosen the IRR methodology to indicate performance.

Some pertinent information as regards the "click here to view the report" link to the "theoretical" (we haven't actually put money to work in this manner) DK Analytics model portfolio performance report follows:

1. We commenced, via our talented webmaster, with the "construction" of the DK Analytics website late this spring. It's taken time to "come together." Over time, performance tabulations are vital "thermostats" for both readers and investors to consider as determinants of our "value-added," or there lack of. Given the "huge choices out there," we need to bring this aspect onboard, as has been the case with Dan Kurz's prior affiliations.
2. Our performance measurement kick-off date of October 30th is admittedly arbitrary albeit colored by the above. Moreover, a significant portion of the assets or "vertical market" (industry) investments we are recommending are down in price compared to where we have continued to recommend purchase, whether via this "DK Analytics" website or via earlier affiliations, including, but not limited to, our erstwhile Naples Asset Management association and our multiyear tenure at Credit Suisse.
3. Notwithstanding the aforesaid, we'd be remiss if we didn't state that an at least equally significant portion of the model portfolio assets or "vertical market" investments are either above or significantly above our "initial purchase" recommendation prices.
4. You will likely quickly note that 41.6% of the whole October 30th portfolio is comprised of physical precious metals (best held outside the banking system) and "secure" cash. In terms of the strategic part of the portfolio, fully 50% is. This is by "design," given what we continue to view, as per December 1, 2015, to be very substantial bond and stock overvaluations as examined/detailed in our recent posts, reports, and videos.
5. You will also note that we have allocated 16.7% of the portfolio to de facto "short positions," i.e., the bottom two tactical positions as of this date, which will rise markedly in value should high P/E stocks and junk bonds come under pressure.
6. Last but not least, you will notice that certain assets and vertical market investments are listed more than once. We've called them "tranches." The idea is to bulk up on perceived very attractively-valued allocations while facilitating "equal initial investment increments" on the one hand and allowing for partial "liquidation" of the involved asset(s) or vertical market exposure(s) as deemed "valuation appropriate" on the other hand.

We plan on sharing such a report with you on a quarterly basis (based on a calendar year) going forward. November's publication, our first, is based on a one-month (November) performance comparison both in absolute and relative to leading global indices terms. The resulting comparison offers little statistical relevance given the extremely short time period involved. Correspondingly, our intention here is not to highlight one month-based absolute and relative performance, but to begin the process of transparently quantifying our "investment calls" in a theoretical or model portfolio manner.

Before you click on the link below, allow us to ask you to kindly note just a few more brief items as regards our DK Analytics model portfolio performance reports, namely:

The model portfolio is not intended to offer adequate diversification nor can it be construed to be investment advice. Readers are strongly encouraged to seek registered investment advisors for encompassing and continuing portfolio advice/portfolio management that is tailored to unique individual investor needs, profiles, and risk tolerances while providing for requisite diversification. Past performance is not a guarantee of future results. Nothing in this model portfolio performance worksheet should be understood to be a solicitation to buy or sell securities. Information provided has been prepared from sources deemed to be reliable, but they are not guaranteed. Liquid securities can fall in value. Capital losses associated with the DK Analytics model portfolio positions may occur. Given the relatively low DK Analytics model portfolio diversification, model portfolio results will fluctuate significantly in both absolute and relative-to-indices terms.

Click here to view the new report!

Greetings,

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DK Analytics