TIGER 21

TIGER 21 Releases Asset Allocation Report

Member survey of peer-to-peer learning group shows portfolios have not returned to the allocations seen in 2008, and certain shifts may be long term

New York, February 28, 2011 – TIGER 21, the premier learning group for high net worth investors, released its Asset Allocation Report, providing a snapshot of how America's affluent investors position their portfolios for wealth preservation. Based on a survey of its membership, the current report represents investment exposure as of the fourth quarter of 2010.

The report shows that while allocation to some categories has been restored to pre-downturn levels, certain shifts in Member asset allocation may be more long term, reflecting a continued concern of the overall health of the world economy.

Among some of the report's highlights:

- Member exposure to public equity at 21% remains low compared with historic standards in the 30-35% range. Towards the end of 2008 Members' public equity exposure was at 31%. "While the markets have certainly come a long way from the doldrums of the recession, members remain wary about whether we are in the clear or there will be more bad news," explained Michael Sonnenfeldt, chairman and founder of TIGER 21.

- Holdings in cash and cash equivalents are still at historically high levels. From 2008 to 2009 Member allocation increased by three percentage points in this category and it remains high at 14%. "While high net worth investors traditionally had 5-10% in cash to weather a downturn through the period it took to recover, TIGER 21 Members have been registering levels of cash in the low teens for a few years and in the mid-teens for the last two years indicating deep concerns about the recovery and not wanting to get caught with too little cash if there is another downturn," according to Sonnenfeldt.

- "Our prior surveys indicated that Members were living on approximately 3% of assets when their total sources of income were passive investment returns and a 12% cash allocation was a reserve of four years of expenses. Now with members tightening their belts, and with living expenses suggested at just over 2% of assets, a 14 % cash allocation is really a reserve of more than five years of expenses, which is still at an historic high," Sonnenfeldt explained.

- For TIGER 21 Members real estate at 23% and private equity investments at 9% combine for nearly a third of members' portfolios. "Good advice for any investor, is to stick with what you know, and TIGER 21 members take that to heart. A large proportion of TIGER 21 Members have expertise in these two areas and they know that superior returns can be earned when investing in sectors that they are knowledgeable about," said Sonnenfeldt.

- Member allocation to hedge funds, which had seen a four percentage point increase between 2008 and 2009, remained steady over the past year at 9%. "Hedge funds have regained some of their pre-2008 luster, returning to almost 10% of portfolios. Historically they had been in the 10-12% range in

the last half-dozen years but fell dramatically in the 2008 downturn from losses sustained. This was amplified by liquidations as Members were seeking to limit risk and build cash. Some Members may now perceive additional opportunities for alternative investments to outperform the public markets," according to Sonnenfeldt.

"The overall report shows that we have a prudent membership that does not make drastic changes to their holdings, rather they make informed decisions that best position their portfolios for the long haul," said Sonnenfeldt. "However, the near catastrophic events of a few years ago remain fresh to many Members and may well be game-changers. This is just one of the many reasons that belonging to TIGER 21 is invaluable to our Members."

TIGER 21, whose approximately 170 members nationally maintain investable assets of approximately $15 billion, collected member data measuring aggregate asset allocation exposures based upon members' Portfolio Defense presentations. The data is collected over the course of the year and presented in a year-over-year format.

TIGER 21 includes a cross-section of serial entrepreneurs, Wall Street professionals, money managers and corporate executives who meet monthly in small group settings to share investment ideas and personal experiences. Groups conduct regular Portfolio Defenses ™ whereby members share with one another their investment choices – because we believe that no one person is as smart as the "collective intelligence" ™ of the group. Members also tap into a secure online forum where they can pose questions and obtain information from other members on investments and lifestyle issues – including real-time exchange in response to market gyrations and other events.

Please follow this link for access to the full report:
http://image.exct.net/lib/fef412727d6c07/m/1/TIGER+21+Asset+Allocation+4Q2010.pdf

About TIGER 21
TIGER 21 is the nation's premier peer-to-peer learning group for high net worth investors. Building on shared collective intelligence, TIGER 21 members seek to enhance investment returns while limiting their investment risks to acceptable levels. There are currently sixteen TIGER 21 learning groups, representing more than 160 investors, with investable assets over $10 billion. Founded in New York, TIGER 21 now has investor groups in New York, California, Florida and Texas. For more, visit http://www.tiger21.com.