

# STRATEGIC BALANCE, LLC

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February 2, 2015

	<b>Strategic Balance Partners, LP</b>	<b>S&amp;P 500</b>
<b>January (estimate)</b>	<b>2.1%</b>	<b>-3.0%</b>

The information provided is historic and should not be taken as any indication of future performance. SBPLP returns are unaudited for this year and net of 1% management fee and 10% incentive allocation. Actual returns may differ due to differences in contribution date, fee structure and new issue eligibility. All returns are time weighted with dividends reinvested. S&P 500 returns are provided strictly for informational purposes to reflect general equity market performance. Fund Inception 8/1/03.

Dear Fellow Investor:

Our long positions added 1.3% to our capital, while our short positions added 0.9 % based on our estimates for January. The Swiss National Bank abruptly decided to abandon the franc's peg to the euro, the people of Greece told the EU to "take a hike" in their election, and earnings estimates are rolling over in quick fashion. All of these factors pressured most commodities (except the precious metals) and equities, while sending high quality bonds to record low yields as currencies gyrated. Being positioned for the inevitable loss of faith in the myths of the central planners worked for us this month. Our continued reliance on investment math may be tested by the ECB's commencement of QE in coming months as well as by the inevitable myth telling that accompanies these efforts. However, given the lack of success elsewhere and the limited risk-sharing among member nations, this EU money printing Ponzi scheme seems to be fighting an uphill battle from the start. Over time that fact and reality should help us.

We are 108% long and 33% short. Please call with questions and comments.

Sincerely,

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