

STRATEGIC BALANCE, LLC

January 2, 2015

	Strategic Balance Partners, LP	S&P 500
December (estimate)	0.3%	-0.3%

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:

Happy New Year! We advanced a bit to cap what has been a good year for us. Our long positions added 1.1% to our capital, while our short positions subtracted 0.7% based on our estimates for December. Continued weakness in crude oil and talk of Greece abandoning ties to the Eurozone almost failed to get in the way of yet more hope that stocks can remain the only market detached from those issues as well as troubling global growth prospects. While the U.S. printed a nice headline GDP number, it contained a number of strange elements that do not inspire much confidence if one digs just a bit below the surface. The bond market seemed to agree with us as it finished a gangbuster year in strong fashion.

We are 119% long and 41% short. Please call with questions and comments.

Sincerely,

Scott E. Brown, CFA
scott@strategicbalancellc.com