

Global Financial Advisors Equity Fund I, LP
Performance Report and Analysis

October 2008

"Our favorite holding period is forever." ~ Warren Buffett

I. Performance Overview

During October, the Global Financial Advisors Equity Fund (GFAEF) declined with the market, yet still out performed its weighted benchmark by 1.3%. The Fund declined 16.3% compared to the 17.6% decline of the weighted benchmark of 80% S&P 500 and 20% Russell 2000 indices. We continue to find good holdings for the Fund, with the Fund 39.8% actively managed. We are increasingly adding to our portfolio and looking for opportunities as market conditions offer good companies at attractive prices.

During the month, we increased our allocation to individual stocks and out of sector spiders. We purchased Procter & Gamble (PG) and International Business Machines (IBM) which finally came into our valuation range. These two stocks are attractively priced, have good earnings growth, but have increased substantially the average market capitalization of Fund holdings. We also sold Timberland which has not met the themes and expectations on which it was originally purchased. We feel that PG and IBM are good value at current prices and they meet our rigorous investment criteria. We have been working on our sell discipline and have begun to track key metrics used when considering the decision to sell.

Table 1: Portfolio Returns as of 10/31/2008

	October	QTD	YTD	Return Since Inception
GFA Equity Fund	-16.3%	-16.3%	-33.9%	-23.5%
Actively Managed	-8.0%	-8.0%	-31.8%	-17.2%
% Actively Managed	39.8%			
Benchmark (1).	-17.6%	-17.6%	-32.1%	-20.6%
Relative Performance	1.3%	1.3%	-2.9%	-2.9%
S & P 500	-16.8%	-16.8%	-32.8%	-20.1%
Russell 2000	-20.8%	-20.8%	-29.0%	-23.1%

Note: The benchmark is weighted 80% S&P 500 and 20% Russell 2000

Note: The Portfolio was not fully invested in ETFs until May 23, 2006. For the purpose of this Fund, portfolio performance was changed to begin at the close of trading on May 31, 2006. The first actual stock purchase was April 6, 2006. Performance data quoted represents past performance and may not necessarily be indicative of future results.

Performance Report and Analysis

In the current down market we have been able to increase our percent of actively managed assets. Currently 39.8% of our total portfolio is actively managed, up from 38.2% last month. We currently have nearly full allocations in four of the nine sectors of the Fund, and are looking to expand the active portion of the Fund into the remaining sectors: energy, financials, industrials, materials, and utilities.

The actively managed portion of the Fund has performed well. It outperformed its benchmark by 963 basis points in October and we remain ahead of the benchmarks since inception (+0.4%), but we still lag YTD (-6.11%). Being ahead of the benchmark since inception is very positive, especially considering the impact of our earlier positions in AIG and Ambac.

The Fund was designed to minimize risk while giving our analysts an opportunity to develop stock selection, portfolio management, and client reporting skills. Overall, the Fund is maintaining a residual standard deviation (the standard deviation of the excess returns over the weighted benchmark) of 1.2% over the last twelve months versus the weighted benchmark and 5.3% for the actively managed portion of the Fund. While returns have been volatile, Fund risk has been maintained within established and acceptable limits.

Following are portfolio statistics for the actively managed portion of the Fund:

Prospective Price Earnings	14.3x
Price to Book value	4.1x
Dividend Yield	1.5%
Weighted Market Cap.	\$70.6 billion

II. Economic and Political Analysis

The economic turmoil continued into October as the Dow Jones Industrial Average index dropped to near 8,000, indicative of the state of nervousness among investors. The Treasury, headed by Henry Paulson, has changed its previous intentions and plan of a \$700 billion bailout (named the Troubled Assets Relief Plan) for troubled/toxic assets in financial institutions, toward a less controversial and more appropriate stimulus plan. The Bush administration said it will focus its financial bailout fund on making direct investments into financial institutions and shoring up consumer credit markets. The new plan is to create an increased availability of student loans, auto loans and credit cards. The Treasury intends to do what banks are currently not doing: lending money. With the interest rate now down to 1% (the funds rate has not been lower since 1958 when Dwight D. Eisenhower was in office) the Fed continues to urge banks to lend, but to little or no avail. Despite feelings of anxiety among many involved in the financial markets, the government remains optimistic that changes will be made such that a resolution will be reached.

The regulator for the two largest U.S. mortgage finance companies, Fannie Mae and Freddie Mac, unveiled a plan to cut payments for hundreds of thousands of

homeowners behind on their payments. That plan, however, would not touch the many loans held by mortgage investors. The nation's largest banks continue to change roles, merge, and close areas of previous success. Credit Suisse has closed Credit Suisse Bond Fund (Luxembourg) as a result of the lack of liquidity in the global markets, making it impossible to sell assets to meet redemption requests. This tightening of liquidity is a universal condition throughout the world.

With President-elect Barack Obama two months from inauguration, the markets will need to begin to prepare for significant and perhaps drastic changes in taxation, healthcare reform and changes to nationwide employment. While we support the President-elect, we are curious as to his key themes for his presidency. The economy is expected to struggle, though expectations for the time duration range from quarters to just under a decade, depending on who you talk to.

III. Industry Analysis

We expanded our active portfolio into consumer staples this month, which was the second best performing sector during October. As expected, all industries were down significantly for the month (see Table 2). Our portfolio performance decline for the month is directly related to the holdings we have that follow these sector funds.

Table 2: Sector Returns as of 10/31/08

Sector	Returns		
	MTD	QTD	YTD
Consumer Discretionary	-19.3%	-19.3%	-31.2%
Consumer Staples	-11.1%	-11.1%	-15.3%
Energy	-18.0%	-18.0%	-33.5%
Financials	-22.7%	-22.7%	-46.7%
Health Care	-11.8%	-11.8%	-23.7%
Industrials	-18.9%	-18.9%	-37.1%
Information Technology	-17.8%	-17.8%	-37.5%
Materials	-22.2%	-22.2%	-39.9%
Telecommunications Services	-9.5%	-9.5%	-38.2%
Utilities	-11.9%	-11.9%	-31.5%
S&P 500 Total Returns	-16.9%	-16.9%	-34.0%

We are currently looking at companies in the consumer staples, consumer discretionary, and even some technology firms that have been beaten down.

IV. Company Analysis

During the month the group took an active approach at analyzing more companies. Our outlook on the market is that there are many good investment opportunities in large stable companies that are severely undervalued. We believe

that these companies will be able to weather the storm and it is a matter of getting in when they are relatively cheap. In the month of October we bought into two stocks (PG, and IBM), and sold out of one (TBL).

Apollo (APOL) continues to be our star in the group returning a gain of 17.2% in the month. This is in comparison to the Consumer Discretionary sector which was down 19.3% for the month. The Team feels that in times of recession, people are more motivated to go back to school, particularly alternative education centers where the scheduling is flexible. We are currently analyzing our sell strategy with regards to Apollo and are deciding whether to sell some of our investment to lock in profits. The key themes still remain intact, but the stock is coming up in the 80th percentile with regards to the Pricing Tool, which indicates a major selling point.

We continue to also hold Checkpoint (CHKP) which outperformed its sector by 6.7% and Johnson and Johnson (JNJ) which outperformed its sector by 0.3% during October. Both these positions have been held for over a year and will be analyzed during the semester. Our current goal is to search for companies in other industry sectors where we currently have no active allocation.

Boston Scientific (BSX) was the biggest mover of the month, earning a negative return of 26.4% with the Health Care sector down only 11.8%. We are currently running an analysis on BSX to see if their key themes are still intact, or if we feel there are better companies to invest with this money. It hit our Sell Strategy percentage, and after another analysis, we sold out on November 18.

Proctor and Gamble (PG) was our first addition of the month. Some of the major themes were that they are diversified, have proven to be an industry leader in innovation, and are very transparent in their business model. We purchased 500 shares at an average price of \$59.40. The stock has already produced a return of 8.7% since our purchase, and we believe it to be a strong deep valued company to hold onto in this market.

IBM was our other purchase for the month. Their business model has been proven and we see them as a leader in the Information Technology sector. Our original worries included their ability to obtain global financing and their current risk exposure. After further analysis we concluded that these were not necessary concerns and decided to buy 320 shares at a price of \$90.95/share.

Timberland (TBL) was our only sell during the month. We feel that the company remains too faddish and trendy, especially with a struggling economy and less disposable income to be spent. The themes on which we originally purchased TBL were not realized.

V. Outlook

With the extreme volatility that has been exhibited throughout the month the Team has continued to be bearish on the markets. We have stayed clear of any single asset in the financial sector and we foresee that trend to continue into the next several months. We have been focusing in on macroeconomic trends and are looking for companies with low betas and strong track records in recessionary periods. With a new administration coming in at the beginning of the year, we are also looking into how the different presidents can affect various industries, specifically the energy sector.

This month the Team has gone to great lengths to keep record of key metrics and other indicators associated with a buy/sell decision. We are using this information to monitor our holdings and to base our sell decisions on these metrics. This will help us continue to recognize why we hold current assets and if any of these indicators changes the Team will re-analyze the company and present a hold or sell decision to the Fund.

Each team continues to monitor the individual stocks in their respective sectors. This gives us more oversight and will help in securing any gains that any one stock may have had in any given holding period. In particular, a Team will be reviewing the potential of Apollo Group (APOL) as it has had returns in excess of 90% and is above 80% on the Pricing Tool. We will determine how we can lock in some of these gains and assess the potential growth of the stock in our portfolio.

Thank you for your interest in the Global Financial Advisors Equity Fund I. We appreciate your help and support, and all that you do for the analysts, the Marriott School, and Brigham Young University.

Sincerely,

Jeremy Jones
Trevor Maddux
Spencer Stradling
Christian Nava

Steve Myers
Brad Melchin
Colby Heiner
Scott Smith

James Lee
Jon Beckstead
Brad Schram
Trent Call
Christian Kikumoto

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VI. General Support Documents

The following support documents should be read in conjunction with this report.

- Exhibit 1. GFA Equity Holdings by Industry Segment and Security
- Exhibit 2. GFA Total Portfolio and Active Portfolio Returns