

Bob Shallit: Folsom investment adviser launches new mutual fund

bshallit@sacbee.com

Published Tuesday, Jul. 12, 2011

A Folsom investment advisory firm has a big new backer – and a major change in strategy.

Van Hulzen Asset Management recently received a significant – but undisclosed – investment from West Coast brokerage firm **Wedbush Inc.**

Now Wedbush brokers are starting to sell Van Hulzen's just-launched mutual fund that aims to help investors profit during times of market instability.

Like now.

It's the same strategy Van Hulzen has used for a decade to serve a clientele of wealthy California investors; the firm's average account is about \$1 million.

But the mutual fund – called Iron Horse IRHAX – will be open to those of more modest means. The minimum investment is \$2,500.

"The big significance is it broadens availability (of our expertise) to investors of all levels," says **John Pearce**, a Van Hulzen managing director.

The fund began trading last week, with initial investments of about \$2 million. That number easily could grow to \$100 million by the end of the year, says company founder **Craig Van Hulzen**.

The fund specializes in the somewhat arcane area of "covered call options." The strategy evens out market fluctuations by buying promising stocks that will pay a dividend and generate "option income" even if they decline in value.

Van Hulzen's strategy has outperformed the S&P for nine years, the firm's founder says.

And Pearce says it offers a smart way to build in some protection to a portfolio in uncertain times.

He likens it to carrying a raincoat when skies turn gray.

"If it doesn't rain, you're no worse off," he says. "But if it does, you're sure glad you brought it."