



My View

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A Little Perspective Please!

For the first quarter of 2010 large domestic and international firms have been reporting their financial results. The verdict is in.... 77% exceeded analysts' expectations for the profit levels they actually achieved, while also surpassing industrial output and retail sales. These are real results that were created; not pipe dreams or emotionally based chatter, which seems to be currently playing havoc with our capital markets.

I believe that in making sound investment and business decisions you need to look at the facts, the fundamentals, not the hype or the noise.

So let's take a look at Greece.....home to such cultural wonders as the Parthenon, the origin of the Olympics and now recently, a case study on a country with too much debt. In recent months it has become painfully obvious that Greece has been above the mandated debt ratios set by the EU and was not in a strong position to weather the recent global recession. This realization has sent ripples of pure emotional based stock selling that has affected every index and market worldwide. It is almost comical how emotion can dictate investing patterns, and how media hype can greatly over exaggerate the situation and potential outcomes. Yes, Greece does have more debt than is recommended by the EU, and probably should not have been included in that fraternity. In saying that, neither should have Spain, Italy, Ireland, and Portugal. When you give bags full of money with very few strings attached to those who typically have not been very prudent in managing wealth, what should you expect? A lot of facts are overlooked by the media because it does not paint the same sensationalist picture that is necessary to create a story. Think of it this way; if all of the debt of the world represented a large stretch of sandy beach, the debt of Greece would represent about a tablespoon full. What is lost in the media coverage is that the EU is still a viable and fundamentally sound market, and will continue to be so for the foreseeable future. The sun will rise tomorrow and markets will always trend back to normalcy given the proper time to do so.

For the time being, our portfolio managers are seeking short term opportunities that are being created by this uncertainty to buy exceptionally profitable companies that, for whatever reason, are cheaper today than they were two weeks ago. When will some people learn to shut out the noise and focus on the fundamentals? Unfortunately, I do see this volatility continuing for a while yet, because, after all, we are still decoupling from the perfect storm of 2008.

In the meantime, enjoy the spring weather. If you should have any questions or concerns, please do not hesitate to give me a call directly at (403)244-7400. If you also have someone who could benefit from some insight, please feel confident that if you refer them, I will speak with them immediately.

That's my view

Victor

