

ORANGE COUNTY AAIL MEETING 1/21/2006

2003 [+29%]

▶ WATCH

McDonald's [+51%]
Steel [US Steel +160%]
Housing [+15%]
President Bush [58% v 63% -- Fox]

▶ ACQUIRE

Patience
Used Cars
Stocks [+28% S&P]
TIPS [+17%]
Vanguard Balanced Index [+16%]

2004 [+9%]

▶ WATCH

High-end retailers [Nordstrom +34%,
Neiman +27%]
Gold [23%]
Jobs [flat]
Housing [+24%]
Democrats [lost]

▶ ACQUIRE

Humility
Good Money Market account – ING
Direct
TIPS [+7%]
Bigger, Value Stocks [+9%]
Foreign stocks [+12%]

2005 [+6%]

▶ WATCH

Theme Parks [FUN -13%, PKS +133%]
Disney [-8%]
Inflation

▶ AVOID

Bonds (Rydex Juno) [-5%]

▶ ACQUIRE

Biggest home-equity loan possible
Diversification [T. Rowe Spectrum
Growth] [+9%]
Cash [+3%]
Bigger stocks
Healthcare [EFTs: XLV [+6%], IYH
[+7%], VHT +3%]
Asia (Vanguard Pacific Index) [+22%]

▶ IF YOU MUST ...

Avalon Bay (upscale apartments)
[+36%]

2006 ??

▶ WATCH

Energy [Vanguard Energy – VGENX]
Mid-range retailers (Costco, Target,
CKR, Yum, JBX)
Ben Bernanke

▶ AVOID

Anything Real Estate – Builders, REITs,
Lenders ... even Home Depot

▶ ACQUIRE

Antacids
Ralph's MasterCard
CDs @ 4.9%
Bonds: Harbor Bond (Pimco) or [T.
Rowe Spectrum Income]
Value: Small [VBR, IWN] or if you must
... Large [VTV, IWD]