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Prosper! Dear Prudence, Won't You Open Up Your Eyes...
Investment Insights from Louis Boulanger

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Freethinking Investment Strategies

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Swimming Naked

"You only find out who is swimming naked when the tide goes out..."

- Warren Buffet
Investor extraordinaire and clairvoyant!

And boy-oh-boy, hasn't it been a sight to behold this year, as the first phase of the tsunami has taken its course! Even The Economist newspaper has come out with a tongue in cheek article about the year's embarrassments. "In 2008, the financial tide went out further than anyone expected, revealing a multitude of skinny-dippers. To help them cover up their embarrassment, Business.view is proud to announce the following winners of the 2008 "naked shorts" awards." To find out who won the awards, see: www.economist.com

Well, it's that time of the year where we really should look at the lighter side of things and keep hoping for the best for next year (which is easier to do, of course, if you've already planned for the worst). So, it is in that spirit that this final Issue of 2008 is presented to you. I hope you enjoy it!

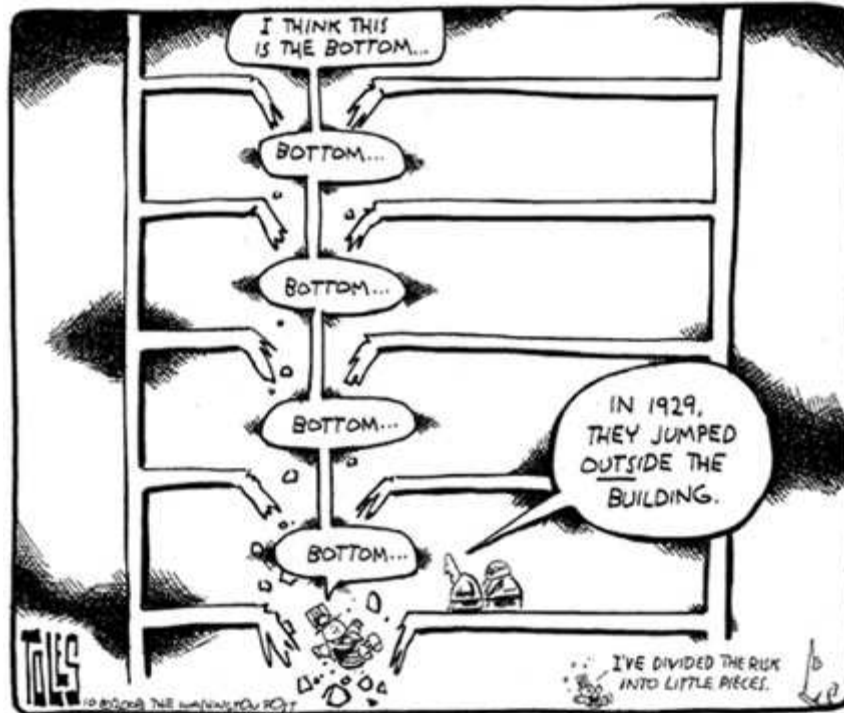


Of course, it's also that time of the year again...



Goldman Sachs' yearly profit is down more than 80%. Its shares are down about 70%. It has been forced to accept billions in capital from Warren Buffett and, of all indignities, Washington D.C. as well... They deserve a bonus, right? The poor guys have had a really, really tough year. Yohoho!

After all, we've surely hit the bottom by now; right? Surely, these guys are indispensable right now, if markets rebound from their lows. And greed could quickly replace the fear and outrage that now grips the minds of investors. Yeah, right!



Wall Street deserves a break. A good long break, that is. Take Merrill Lynch's example...



We must all take the time to live in the present and rejoice in what is truly there

in the here and now. Don't delve in the past and don't worry about the future. Be present. It's not called a present for nothing...

"The best thing about the future is that it only comes one day at a time."

*- Abraham Lincoln
(1809-1865)
Sixteenth President of the United States*

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Whatever It Takes

"The Fed is sending a message that it will print money to an unlimited extent until it starts to see the economy expanding."

*- William Poole
Former president of the St. Louis Fed, on Bloomberg News, 16 December 2008*

Now, isn't that nice? Just when we all need it most, the floodgates open so the economy can expand again! Like the sorcerer's apprentice, the Fed chairman Bubblicious Ben unleashes possibly the biggest bubble of all time. Greenspan, eat your heart out!

The Fed's decision to cut interest rates to between 0% and 0.25%, coupled with a promise to keep them there for an extended period (!!), and the threat to conduct even more unconventional operations in the longer-dated Treasury market (by buying the US government debt if nobody else wants to)... clearly signals that the next bubble is in US government debt.



Free money, at last! No worries. Get your share. There is no need to panic. There is plenty for everyone. Make sure you make the most of this unprecedented generosity. We truly live in a wonderful world at a wonderful time of abundance. M.I.C.K.E.Y. I.O.U.S.A!

Bailouts Explained

Are you looking to make sense of all the bailouts in the US? Well, look no further. I found a perfectly rational explanation. It's here: www.marketskeptics.com. Fred Thompson (yes, the same Fred Thompson who ran for US President earlier this year) has got it nailed down to a T... Actually, not one, but multiple Ts: it's a Truly Teasing Testimony of the Truth.

Light up a cigar and pour yourself a glass of cognac, or open a bottle of champagne, whatever; but make sure you watch the video. 'Cause the good times, they are a'comin for sure now! No doubt about it, there is and will continue to be plenty of money to go around. Hey, it's Christmas!

Crisis Explained

Now, seriously, if you really want to laugh, here is where you'll find a very funny explanation of the crisis. You'll quickly and easily understand exactly what has been going on and is still going on in our beloved financial markets. It's a treasure of knowledge. It's a wonder it's free! It's in two parts, each less than 10 minutes: [Part 1](#) and [Part 2](#).

So, you see, it's all very simple really: normally one can't make money out of nothing (any idiot knows that...). But these are such extraordinary times that the banking and financial establishment, in which we all put our faith when we invest in financial securities, believe they might have finally resolved the mystery of the philosopher's stone. Simply awesome! Let us all rejoice in these times of plenty.

"Currencies do not float, they sink at different rates."

- Clyde Harrison

A former pension fund consultant, who's had partnerships with both Jim Rogers and Carl Icahn. He's now the president of Brookshire Raw Materials Fund.



Your freethinking investment strategist, signing off for 2008 and wishing you and your loved ones a very Merry Christmas, much Joy during the festive season and a Prosperous New Year!

Louis Boulanger, CFA
Louis Boulanger Now Ltd.

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