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Office Calendar

Aug 19	Bruce out of office
Sep 10	Bruce out of office
Sep 14	Bruce out of office in AM

This and That...

Portfolio Restoration

In light of the superb month of equity performance in July, virtually all asset category benchmarks that we follow had risen above their 12-month moving averages (MA12) by the end of the month, meaning that it was time to reestablish those positions that we had vacated when the benchmarks fell below those averages in the months prior. It was a shame that our first cycle with the MA12 risk management strategy was a “backfire”. Nevertheless, following the discipline I’m establishing, I’ve spent the last several days preparing trades that would restore all positions with the exception of developed foreign country equities, which were still below their MA12 at the end of July. It took some effort this time because existing allocation policies needed to be re-interpreted in light of a new portfolio asset categorization scheme and because so many categories had been “sidelined” that I needed to consider the positioning of different assets within multi-account portfolios. Future adjustments should be less difficult.



Wisconsin State Fair—August 5—15, 2010
Don't Miss It, Don't Even Be Late!



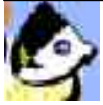
One of the Dale Chihuly glass sculptures incorporated into the gardens at the Frederick Meijer Gardebe and Sculpture Park in Grand Rapids, MI in a special exhibit that runs through September 30th. Definitely worth the trip!

I am forwarding the white paper I’ve prepared on this strategy along with the newsletters this month. If you have the appetite for it, please give it a read. You’ll note that one of the conclusions I reach is that the strategy has implications for fund selection, particularly for equity funds. As I’ve not had the opportunity to screen funds with the new strategy in mind, portfolio positions have been re-established using index funds. In order justify using actively-managed funds, with their attendant higher costs, I must satisfy myself that the active funds perform better during times when the strategy would require the category to be invested. In other words, a fund’s performance in adverse markets will be less important than if we intended to remain invested in declining as well as advancing markets.

Look for trade confirmations to arrive in your inbox within a few days. And if you have questions about the new strategy after reading the white paper, please give me a call.

Work Schedule

The office calendar shown above does not, I’m afraid, tell my whole story for the next couple of months. We are finally getting our landscaping project going and, as a consequence, I may be “out of the office” (i.e., working in the yard or supervising a landscaping crew) at times during the next few weeks. So if you phone and get the voice mail, please be patient. I’ll be checking for messages frequently and will try to return calls and email messages promptly. You can help by invoking whatever spiritual help you can summon in support of good weather and no injuries.



STICK IT!

Here's a partial list of what you can buy on a stick at this year's Wisconsin State Fair, August 5—15. Not sure it's "fair" listing lollipops... they're always on a stick. And how they do spaghetti and meatballs on a stick really has me wondering. If you want the complete list and to learn who sells what, visit the fair's web site and check out the "Food" tab.

- Apple Pie (Deep Fried)
- Bacon Wrapped Shrimp Tempura
- Bacon Wrapped Water Chestnuts
- BBQ Pork Chop
- BBQ Pork
- Brat
- Candy Bar (Frozen)
- Caramel Apples
- Caramel Apples
- Cheddar Cheese
- Cheese & Hot Dog
- Cheesecake
- Cheese Steak (Deep Fried)
- Cherry Pie
- Chicken Wings (Boneless)
- Chili Cheese Dog
- Chocolate Covered Bacon
- Chocolate Dipped Frozen Bananas
- Coconut Shrimp
- Cookie Dough
- Corn Dogs
- Corn Nuggets
- Cotton Candy
- Cow Pops
- Crueller (Chocolate Dipped)
- Deep Fried Crab Cakes
- Deep Fried Oreo Cookie
- Deep Fried PB & J
- Deep Fried Snickers Bar
- Frozen, Assorted, Mini Candy Bars
- Fruit Kabob with or without Chocolate
- Grapes, Frozen Drizzled with Chocolate
- Irish Stew
- Lamb Medallions
- Lollipops
- Macaroni & Cheese
- Meatballs
- Mickey Mouse Bars
- Mini Burgers
- Pork Shishkabobs
- Pork Tenderloin
- Ravioli (5-Cheese Deep Fried)
- Rock Candy
- Sausage Kabob
- Shish-kabob
- Shrimp Cocktail, blackened
- S'Mores
- Spaghetti & Meatballs
- Swiss and Colby Cheese
- Ultimate Cashew Rods
- Ultimate Pecan Rods
- Xango on a Stick (deep fried cheesecake)



Cliff's Theory of Intelligence...

"Well you see, Norm, it's like this... a herd of buffalo can only move as fast as the slowest buffalo. And when the herd is hunted, it is the slowest and weakest ones at the back that are killed first. This natural selection is good for the herd as a whole, because the general speed and health of the whole herd keeps improving by the regular killing of the weakest members. In much the same way, the human brain can only operate as fast as the slowest brain cells. Now, as we know, excessive intake of alcohol kills brain cells. But naturally, it attacks the slowest and weakest brain cells first. In this way, regular consumption of beer eliminates the weaker brain cells, making the brain a faster and more efficient machine. And that, Norm, is why you always feel smarter after a few beers!"

And, to take note of the PGA Championship to be played at Whistling Straits this month...

A Golfing Story

A fellow was getting ready to tee off on the first hole when a second golfer approached and asked if he could join him. The first said that he usually played alone, but agreed to the twosome. They were even after the first few holes. The second guy said, "We're about evenly matched, how about playing for five bucks a hole?" The first fellow said that he wasn't much for betting, but agreed to the terms.

The second guy won the remaining sixteen holes with ease.

As they were walking off number eighteen, and while counting his \$80.00, the second guy confessed that he was the pro at a neighboring course and liked to pick on suckers. The first fellow revealed that he was the parish priest.

The pro got all flustered and apologetic, offering to return the money. The Priest said, "You won fair and square and I was foolish to bet with you. You keep your winnings."

The pro said, "Is there anything I can do to make it up to you?"

The Priest said, "Well, you could come to Mass on Sunday and make a donation. And, if you want to bring your mother and father along, I'll marry them...."