

# Lowes Wealth Management May 2008 - Performance Update

I hope that you are well.

A later than usual performance update this month due to travel schedules. As a result, this month's update will be brief – considerably more in depth analysis will follow in early July.

After strong rises in April, global markets were mixed during May. If anything, market activity during the month seemed surprisingly sanguine, given that inflationary pressures are becoming more and more apparent and oil continues to hit new highs.

The worry is now that the credit crunch has morphed into a new phase. No longer confined to sub prime mortgages, the widening implications of restricted credit are now being felt across broader sections of business and society. The feeling that investors are sleepwalking towards a cliff is difficult to shake off. Much more on this next month...

## Performance for May 2008

In May, the best performing index was again the Nikkei which increased by 3.53%. In Europe, the German DAX was up 2.13%, followed by the French CAC with 0.36% whereas the UK FTSE fell by -0.56%. The US S&P 500 was up 1.07% while the Dow Jones was down -1.42%.

The LWM portfolio continued its steady progress by returning 0.46%. Since the start of the year we have continued to vastly outperform all major markets. Our daily performance (plus YTD figures) can be compared against world markets by visiting [www.loweswealth.com/performance](http://www.loweswealth.com/performance).

Our best performing stocks in May were Cimarex Energy Co. (9.4% US), Latecoere (8.0% Europe), Kyocera Corp. (6.0% Asia) and Wm. Morrison (2.1% UK).

Our worst performing stocks were Fremont General (-68% - US), BMW (-9.7% Europe), Aero Inventory (-3.5% UK) and Korea Electric Power Corp. (Asia). Fremont General – in the front line of the sub prime meltdown – has been hit so badly that it now makes up less than 0.1% of our portfolio.

At LWM we operate according to a strict value-based investment methodology. We focus on undervalued tangible assets, established companies and strong dividends. By purchasing companies at a substantial discount to their intrinsic value, we reduce risk and maintain the possibility of generating superior returns. Since launch we have outperformed all major markets.

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Please forward this to any friends or colleagues for whom you feel this may be of interest. If this has been forwarded to you and you would like to receive monthly performance updates, please let me know.

Kind regards,

Justin

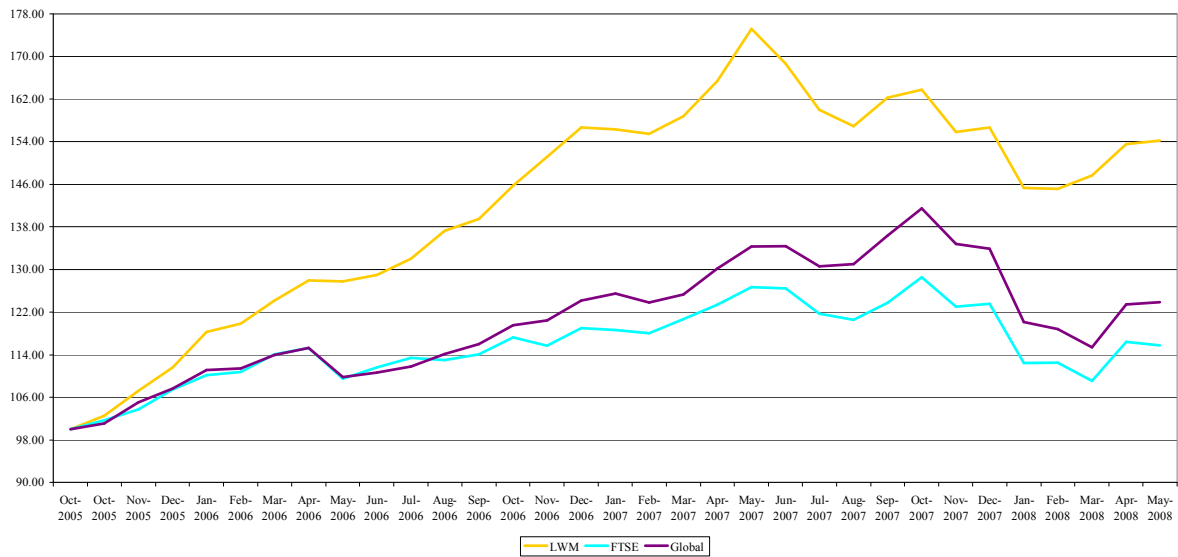
[www.loweswealth.com](http://www.loweswealth.com)

Lowes Wealth Management End of the Month Performance Table

2005	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
	-	-	-	-	-	-	-	-	-	2.52	4.56	4.08	11.56
2006	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
	6.00	1.30	3.61	3.10	-0.17	0.94	2.36	3.97	1.61	4.52	3.70	3.65	40.41
2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
	-0.21	-0.53	2.10	4.21	5.92	-3.78	-5.09	-1.93	3.39	0.96	-4.86	0.53	0.02
2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
	-7.23	-0.13	1.76	3.93	0.46								-1.57

## LWM vs. FTSE 100 & Global Composite Index

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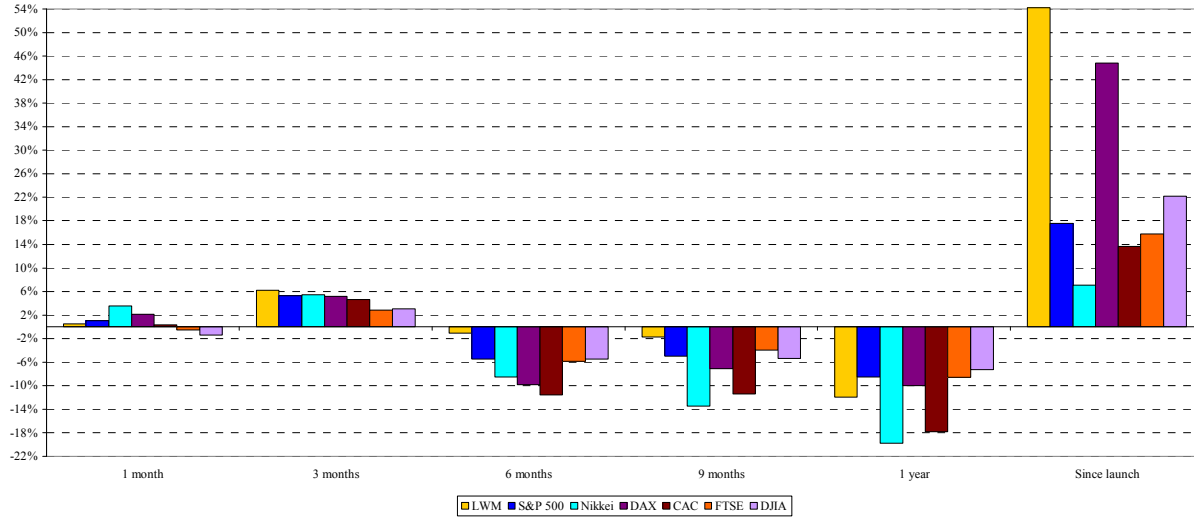


The global index is made up in the following way:

S&P 500 (US)	40%
FTSE 100 (UK)	20%
DAX (Germany)	10%
CAC (France)	10%
Nikkei (Japan)	10%
HSI (Hong Kong)	10%

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Performance as of May 31, 2008



	LWM	S&P 500	Nikkei	DAX	CAC	FTSE	DJIA
1 month	0.46%	1.07%	3.53%	2.13%	0.36%	-0.56%	-1.42%
3 months	6.24%	5.24%	5.41%	5.17%	4.66%	2.87%	3.04%
6 months	-1.04%	-5.45%	-8.56%	-9.83%	-11.57%	-5.89%	-5.48%
9 months	-1.73%	-4.99%	-13.46%	-7.09%	-11.45%	-3.96%	-5.39%
1 year	-11.98%	-8.51%	-19.79%	-9.97%	-17.85%	-8.58%	-7.26%
Since launch	54.21%	17.54%	7.04%	44.81%	13.63%	15.79%	22.17%

## Key

LWM	Lowes Wealth Management
S&P 500	US Standard and Poor's Index
Nikkei	Japanese Index
DAX	German Index
CAC	French Index
FTSE	UK FTSE 100 Index
DJIA	US Dow Jones Index

## **An explanation of how we derive our performance figures.**

The performance figures that we quote are the returns on our entire equity portfolio. Thus, it measures the performance of all stocks that we have bought on behalf of our clients. This is a gross return (no charges are calculated) and is expressed in US Dollars, the currency most commonly invested by our clients. We measure only the performance of the equities that we hold – we do not factor in any cash that is held.

Whilst this is, therefore, an accurate measure of the performance of our portfolio, each individual client's returns will be different due to charges, the cash that we hold on their behalf and depending upon when and in which currency they invested.

Please note: As always, I've tried to ensure that this will go out only to those who will be interested in this information. If you don't want to receive this in future please let me know and I'll take you off the list immediately.

### *Disclaimer*

*Stated performance reflects equity gains, exclusive of any fees.*

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