

## Sidoxia Capital Management, LLC

### Sidoxia in the News



[CLICK HERE FOR VIDEO](#)



Wade Slome, Sidoxia Founder, discusses saving tips with ABC News.

### Rumpelstiltskin Reform



Just like the Rumpelstiltskin character from the famous fairy tale, the U.S. government is attempting to spin gold as a way to escape a harsh financial predicament. The stimulative government strategy may work in the short-run, but ultimately could backfire in the long-run as it did for our wrinkly friend Rumpelstiltskin (the dwarf eventually loses his contract to obtain the miller daughter's baby, despite his gold-spinning prowess.) Today, our gold spinning wheel is



Wade W. Slome, CFA, CFP  
Author of *How I Managed  
\$20,000,000,000.00 by Age 32*

Mr. Slome is also the media go-to resource - he has been quoted in the USA Today, New York Times, Dow Jones, Investor's Business Daily, Bloomberg, Smart Money, among other media publications.

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### Why Sidoxia?



### Experience

Mr. Wade W. Slome managed one of the 10 largest growth funds in the country, at times exceeding \$20 billion in assets under management during his tenure.

Mr. Slome possesses a master's degree from Cornell University in business administration (MBA) with a concentration in finance.

Mr. Slome holds the highly regarded CFA (Chartered Financial Analyst) investment designation.

Mr. Slome maintains the

represented by the Fed, Treasury, and now the FDIC, which has also joined the debt manufacturing party in hopes of bailing the economy out of the financial doldrums.

Here is a peek into the methods recently introduced to help clean- up the toxic assets on the balance sheets of our troubled banks so that the fresh new capital can be redirected towards lending:



**PPIP (Public-Private Investment Program):** Stocks rebounded in late March on the heels of the Treasury department's announcement of the PPIP program. Banks are in the process of dressing up their swinish mortgage loans and toxic mortgage securities for purchase by private investors and the government. PPIP, the newest tool introduced by beat-up Treasury Secretary, Timothy Geithner (a.k.a. Rumpelstil-"Tim"), is the creative alteration of former Treasury Secretary Hank Paulson's original TARP proposal (Troubled Asset Relief Plan).

The PPIP is pouring up to \$1 trillion in to the pockets of cash starved banks by marrying public tax dollars from the Fed, Treasury, and FDIC, with private capital of hedge funds and institutional investors. This pile of money will be directed toward purchasing the stinky loans and tainted, AAA-originated, mortgage backed securities residing on the banks' balance sheets. Once completed, the PPIP program will shine a light on the health of the banks in conjunction with the Treasury's "stress-test" assessments, which will determine those banks that survive and those left to fail.



**Making Home Affordable Plan:** The \$275 Billion Home Rescue Plan was introduced with the goal of assisting nine million Americans with loan modifications (so homeowners can dodge foreclosures) and the aim of refinancing more affordable home mortgage rates (as low as 2%).



**TALF (Term Asset-Backed Securities Loan Facility) to the Rescue:** In order to heal the massive secondary market for consumer loans, the original \$200 billion TALF program was raised to \$1 trillion and expanded to include commercial mortgages and other types of mortgage backed securities. TALF will also be integrated into the aforementioned PPIP program.



**Treasury Bond Repurchase:** The Federal Reserve announced it will start buying long-term government bonds, with the goal of lowering interest rates and stimulating the economy. All told, the Fed will pump in more than \$1 trillion into the economy via bond purchases. More specifically, the Fed will buy as much as \$300 billion in long-term Treasury bonds and it will increase the ceiling on purchases of mortgage-backed securities guaranteed by Fannie Mae and Freddie Mac to \$1.25 trillion, up from \$500 billion.

## In the News



**Wall Street Witch Hunt:** Another \$30 billion of taxpayer money was recently injected into American International Group (AIG) - bringing the total to around \$173 billion. The subsequent disclosure of \$165 million in AIG executive bonus payments was the straw that broke the camel's back, leading to an avalanche of populist sentiment that spread through Congress and all media outlets. The controversy of government meddling ensued when a 90 percent tax proposal on

bonuses tied to bailed-out companies was introduced. David Brooks, a leading editorial columnist at The New York Times, called it "Perverse Cosmic Myopia," pointing out that these AIG bonuses

respected CFP® (CERTIFIED FINANCIAL PLANNER) certification.

Bloomberg identified Mr. Slome as the 2nd youngest manager among the largest 25 actively-managed U.S. mutual funds in 2005.

## Strategy & Focus

Sidoxia focuses on diversified, tax-efficient, and low-cost investment portfolios, with the goal of achieving superior after-tax, risk-adjusted returns.

## Seminars / Events

## Sidoxia Press

## More Articles - Links...

### **DISCLOSURE:**

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account for 0.001 percent of the annual GDP (Gross Domestic Product). I really can't disagree - let's try to recover the payments and move on.



**Put Up Your Dukes:** The gloves came off this month, when political satirist Jon Stewart pummeled hyperactive financial commentator Jim Cramer, charging him and his company CNBC as cheerleaders and accomplices to the global train wreck we are currently going through. Cramer's entertaining, clown-like crazy antics shouldn't be taken too seriously, and Jon Stewart, the king of comedy, should know that better than anyone. If Stewart's goal is to expose Cramer for the clown he is, then great...otherwise maybe Mr. Stewart should file a job

application at 60 Minutes?



**Housing Bounce:** After a fourth quarter slide of -6.2% in Gross Domestic Product (the steepest since 1982) and the announcement of 8.1% unemployment in February (still better than 1982 and 1991 peaks), we received positive news on the housing front. February U.S. housing starts increased by a 22% annualized rate over January - the biggest jump in 20 years. In addition, new-home sales climbed 4.7% in February, the first month-to-month increase since last July.



**High Profile Credit Penalties:** Due to the deterioration in its finance arm, General Electric (GE), an icon of stability, witnessed the stripping of its AAA credit rating by Standard & Poor's - the peak AAA rating had endured since 1956. Even Warren Buffett's Berkshire Hathaway company (BRKA) could not escape the scalpel of the rating agencies. Fitch cut its triple-A rating on Berkshire Hathaway on concerns about its equity and derivatives instruments and the succession risk associated with Mr. Buffett's 78 year old age.



**Merger Mania:** The word "mania" may be a tad overstated, but relative to the activity (or lack thereof) that we've observed over the last year or so, we're starting to see corporate America come back to the punch bowl and flirt with prospective partners. Most of the hustle and bustle has been occurring in the healthcare industry (in part due to political fears) with the \$68 billion merger of Pfizer Inc. (PFE) and Wyeth (WYE), and also the \$41 billion deal between Merck & Co., Inc. (MRK) and Schering-Plough Corp. (SGP). Add to that activity the Swiss pharma giant Roche's victory in its long battle to buy the 44% of Genentech (DNA) it didn't own for roughly \$47 billion. Outside the world of healthcare, in technology, IBM is in talks to buy Sun Microsystems (JAVA), in an estimated \$6.5 billion combination that would bolster IBM's heft in the high-end server networking equipment market. Perhaps all this merger activity will slow the masses of investment bankers lining up to collect unemployment checks? Large corporations are sniffing out bargains, but we'll have to see if small investors come join the purchase party next.



**All Eyes on G20:** The 20 largest countries will have their representatives gather in London on April 2nd in hopes of tackling the global economic crisis. Big strategic obstacles exist - especially between the U.S. and Europeans. Consider the U.S., which is throwing the kitchen sink at the problems versus the Europeans

whose disdain for fiscal stimulus is dominated by an agenda focused on heightened regulation as the silver bullet to the crisis. Eastern Europe has been especially hard hit by the global crisis, and these countries have borrowed approximately \$1.7 trillion from abroad, three times more than in 2005.

Other fears lurking behind the global discussions are rising populism and protectionist trade.

Patriotic countries are increasingly looking inwards to the consumption of domestic goods and services in order to limit the negative effects on homeland unemployment caused by the global recession. For example, the U.S. plans retaliatory tariffs on Italian water and French cheese in reaction to EU restrictions on U.S. chicken and beef. I love Perrier and Yoplait, but trade food wars will only create a recipe of indigestion.

for investment decisions. Any mention of past performance may not be indicative of future results.

## Sidoxia Calendar



### "Beating the Market - Investing in Volatile Times" (4/11/09)

American Association of Individual Investors (AAII)  
Costa Mesa, California 9:00 a.m. - 11:30 a.m. (Saturday)  
Information Link: [CLICK HERE](#)

### "Investing in Uncertain Times"(4/25/09)

The Society of Women Engineers (SWE) - Orange County  
[CLICK HERE For Event Flyer](#)  
Irvine, California - 10:00 a.m. - 11:00 a.m. (Saturday)

### Online Webinar (4/28/09). Register Now: [CLICK HERE](#)

#### "Investing in a Recession - Buy, Sell, or Do Nothing?"

Webinar Description: [Click Here For Description](#)  
Hosted by BEW - 11:30 a.m.-12:30 p.m. (Tuesday)

### "It's Your Money" (5/8/09)

Sea Country Senior Center  
Laguna Niguel, California - 1:00 p.m. - 2:30 p.m. (Friday)  
Questions: 949.258.4322 or [info@Sidoxia.com](mailto:info@Sidoxia.com)

### 6/19/09 - 6/21/09

#### Health, Wealth & Happiness Expo: [CLICK HERE FOR INFO](#)

Valdez Hall Convention Center  
"Creating and Preserving Wealth in Uncertain Times"  
Friday 2 p.m.-7 p.m. \* Sat 9 a.m.-5 p.m. \* Sun 11 a.m.-5 p.m.

## Quote of the Month



**"You can always count on Americans to do the right thing - after they've tried *everything* else."**

**-Winston Churchill**

**Wade W. Slome, CFA, CFP**  
Sidoxia Capital Management, LLC  
2901 W. Coast Highway (PCH), Suite 200  
Newport Beach, CA 92663  
949.258.4322

