

BAIL OUT FOR THE BOND KING? 09.04.2007

We were absolutely amazed at the *Where's Waldo? Where's W?*, the most recent investment outlook penned by Bill Gross, the “authority on the bonds”. Mr. Gross is the CIO and founder of Pimco, the largest and most recognized bond management firm in the world. According to current data, his firm manages in excess of \$600B. We, on the other hand, manage less than 0.1% of that amount. Mr. Gross is pleading for the Treasury Department of the United States to bail out the homeowners, the lending institutions, the real estate people, and all others involved in the home mortgage bond fiasco. One of those others just happens to be Mr. Gross himself.

One of his bond funds, Pimco Total Return, has 40% of its portfolio invested in mortgage securities. His total return over the five years ended 8/23/07 has been 4.83%, compared to our Bison Bond I total return of 6.94%. We have *no mortgages*, and are arguably the least recognized bond managers in the world. If ever there was a more self-serving do-gooder approach in the financial arena, we don't know what it might be. In the past, we (the U.S. taxpayers) have bailed out the money center banks, Nobel Prize-winning money manager economists, and foreign countries, and are now being asked to bail out the king of the bond market. All of the above are “big boys”, and we who constitute the “little fish” would like to have some relief from this type of activity. We don't know about you, dear reader, but we have never been bailed out by anybody for anything.

Bill Gross and his immense research organization bought into the new era Wall Street structured finance mania, and we believe he—along with all other parties thereto—should reap what they have sown. Period.