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ASSET & WEALTH MANAGEMENT

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WESTOVER MUSINGS

"The Trend is Your Friend"

As some of you know my passion for investing has been a life long one. In the '70's through the '90's, as a young, then middle-aged attorney, I invested for my own account along with my law firm's profit sharing and pension accounts. At the time Marty Zweig was a prolific writer and wildly-successful investor. His *Investment Forecast* newsletter was the top-rated market advisory newsletter for the 15-year period between 1980 and 1995. I read every article written by or about him I could find. He successfully predicted the stock market crash of October 1987, the weekend before Black Friday. His strategy was to be fully invested when market indicators were positive and to sell stocks when indicators became negative. He crystallized this philosophy with the phrase "The trend is your friend."

I've always believed in this philosophy. Looking at today's market that means that financials at (7.46%) YTD are in a funk, have been in a funk and will continue in a funk. That also means that energy at +11.5% and industrials at +8.8% have done nicely and will continue to do nicely.

Zweig is neither fish nor fowl when it comes to the fundamental analysis versus technical analysis debate. He uses both. I try to do that as well. His belief is that greater weight should be given to technical analysis when looking at market movements in a macro sense but that fundamental analysis should be used when viewing and picking individual stocks.

His thesis is not to buy at the bottom and sell at the top, but rather to ride the wave as it rolls toward shore and ebbs back to sea.

Marty has kept a pretty low profile in recent years but that may be because he's made his number by now. Rumors have it that he owns the most expensive apartment in Manhattan -- a \$70 million triplex penthouse on Fifth Avenue. Now there's a man who really practiced what he preached!

June 5th, 2008