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The economy: Are we going up, going down or going under?

It is hard to imagine the economy expanding when credit is contracting. We will remain range-bound or moving sideways, sometimes chaotically, for the remainder of the year. The overall economy is actually quite strong but is being strangled by the financial sector.

What's your advice to conservative investors? What's your advice to risk-takers on where to invest?

Conservative investors should continue to maintain a portfolio that is widely diversified across asset classes, which means large, mid-size, and small companies plus international stocks and, of course, bonds.

For the more aggressive investor, the two worst-performing sectors have been financials and consumer discretionary stocks. Pick the "best-of-breed" and wait for the sectors to recover.

How would you advise small business owners in this economic climate?

Small business owners should invest in their own companies or reduce company debt. If they still have excess cash to invest, they should invest in an industry totally unrelated to their own small business. One strong possibility is gaining exposure to the international market through an exchange-traded fund with the broadest possible international exposure. And, don't waste time trying to outsmart the market: Just outsmart your competition.

What would your advice be for those with millions to invest or for someone who just came into a large amount of wealth?

High net worth individuals should sit down with an experienced adviser to create a real allocation of assets across many asset classes, creating an investment plan that is properly coordinated with their estate plan. With a long-term time horizon, they should pick up plenty of infrastructure, water and global resources. This is also a good time to increase hedge fund exposure. Existing private equity partnerships should be avoided, but new offerings should be very interesting.

Is real estate investment still a smart move in Hampton Roads?

Real estate investing in Hampton Roads is a bad idea for a short-term investor, but still worthwhile for the long-term investor. Good buys are coming up, but it is better to remain a limited partner with an experienced, trustworthy general partner. Again, don't try to outsmart the market by yourself.

What are your top five stocks picks for 2008?

As a registered investment adviser, I am not permitted to name specific stocks, but we like financial stocks and consumer discretionary stocks for the remainder of this year. For the long-term investor, we are bullish on medical technology as well as global infrastructure and resources. We're only in the third inning of the globalization game. ■