



## Investor Bulletin

### Market Comments & Investment Ideas

March 15, 2008

2137 Embassy Drive, Suite 105, P.O. Box 6423,  
Lancaster PA 17607-6423  
717-392-0002 or toll free 800-569-8942 Fax: 717-392-0186

invest@kornco.com  
www.kornco.com

### Investment Ideas and Suggestions

As the markets have been on a roller coaster ride recently, Kornfield Investment Management has made several adjustments to managed accounts. A review of recent trading activity:

- Bought **Zoltek Companies Inc. (ZOLT)**. We are excited about this company's carbon fibers manufacturing potential. The light-weight materials are used in a number of applications, including flame and heat-resistant components for aircraft, cars, and other products where light weight and high strength are needed. The emphasis on lighter weight materials produce cleaner (environmentally speaking) and more energy efficient products. Current price (03/12/28) of the stock is \$21.89. Our target price is \$45.00 in 18 to 24 months. There is no dividend.
- For more aggressive investors, we recommend **Sirius Satellite Radio Inc. (SIRI)**. The company offers over 130 channels to subscribers, often car owners. The possible purchase of XM Radio (their main competitor) will merge their businesses and hopefully result in profitability for the satellite radio industry. Currently SIRI is growing faster than XM, and is more financially stable. Should the merger fall through (the Federal Communications Commission and Department of Justice must rule on the purchase), our feelings are that SIRI is in the better position to thrive and survive. XM is burdened by debt and slower growth. Although for the fourth quarter SIRI reported a loss of 11 cents per share (compared to a loss of \$ .17/ share a year ago), the earnings were ahead of the 13 cents/share loss expected by analysts. SIRI finished the quarter with 8.3 million subscribers, up 2.3 million from a year ago. Current stock price is \$2.83 (03/12/08). Our target price is \$10.00 within 18 months. No stock dividend.

### Market Comments

At this time, overall consumer and investment confidence is low. The price of our houses have declined, our investment portfolios have declined, and we pay more each week for essentials. No one should be surprised if, any day now, the government officially announces the country is in a recession (defined as two straight quarters of negative growth).

We realize it is frustrating, and even upsetting, to watch the value of investments drop. We cannot guarantee positive returns, and past history and performance are no guarantee of future results. But, assuming portfolios are long-term investments, our research, repositioning and patience will result in long-term positive results.

Kornfield Investment Management is constantly seeking investment opportunities in companies we believe are involved in developing future trends and innovative technologies. The global economy is a reality, and in response we search for companies that can take advantage of growth and opportunity not only in the United States, but also in overseas markets.

Our portfolio allocations will vary based on the investment objectives of our client. The portfolios can be:

- growth (100% stocks),
- growth and income (75% stocks, 25% fixed income securities),
- balanced (50% stocks, 50% fixed income), and
- 100% fixed income accounts.

As individuals move through different stages of their life, their investment risk tolerance changes. The accounts are designed to meet client needs while allowing the portfolio manager flexibility to adjust to fluctuating market conditions.

We would encourage you to call us to discuss your portfolio, and specifically your current allocation of stocks, bonds, and other investments. We want to insure that the current investment goals of your account meet your needs now, and in the future.

We would also like to ensure that your overall financial picture is working for you and your family. We would encourage you to make an appointment to review your entire financial situation.

As you approach retirement, we can assist in organizing and arranging assets so that you have a real idea of what your expenses will be, what your income will be, and where the income will come from.

For individuals where retirement is years off, there is nothing like peace of mind knowing that you are on track to meet your retirement and other financial goals.

## Retirement and Tax Planning Reminders

*The income tax has made more liars out of the  
American people than golf has.*

-Will Rogers

The amount of money you can contribute to your retirement plan has been increasing yearly. The table below shows the allowable contributions for 2007 and 2008. If you are age 50 or older, you may be able to put away more with "catch-up" contributions.

Plan type	Contribution limits	Catch-up contribution limits
401(k), 403(b)	\$15,500 for 2007 and 2008	\$5,000 for 2007 and 2008
SIMPLE IRA	\$10,500 for 2007 and 2008	\$2,500 for 2007 and 2008
Traditional and Roth IRA	\$4,000 for 2007 \$5,000 for 2008	\$1,000 for 2007 \$1,000 for 2008

*The deadline for Traditional and Roth IRA contributions for 2007 is April 15th. Don't wait until the last minute! To ensure contributions are received by the deadline, please send contributions (either to our office or directly to your IRA provider) by April 7th, 2008.*

### Notes for

#### Brokerage Account Owners

- We want to make our clients aware of a \$20 fee imposed on non-retirement brokerage accounts that have no trading activity during a calendar year. The fee is assessed each January following the year of no trading activity.
- In the future, few if any companies will issue paper stock or bond certificates. All records of stock ownership will be what is termed "book entry" - electronic records only. Many companies today will not issue stock certificates to shareholders.
- If you currently do not access your account on line and wish to, please call our office and ask for Sandy. She will provide you with the information needed to log on to your account.



### COMPOSITE BOND RATES—YIELD TO MATURITY\*

As of March 12, 2008

Maturity	U.S. Treasury Yields	Certificates of Deposit	Municipal Bond Yields
6 months	1.505%	3.55%	
1 year		3.65%	
2 year	1.691%	3.65%	2.71%
5 year	2.569%	4.30%	3.17%
10 year	3.553%	5.25%	4.00%

\*Rates shown are composite samplings and may not be reflective of actual bonds available. The preceding list is based on information derived from sources deemed to be reliable but is not guaranteed as to accuracy and does not purport to be a complete analysis of the security, company, or industry involved. Mutual funds, annuities, and other investment securities, including stocks, are not FDIC insured, and are subject to investment risks, including possible loss of principal amount invested. Under no circumstances shall this information constitute an offer to sell or a solicitation of an offer to buy any security. Nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification of such securities and brokerage staff under the securities laws of such jurisdiction. We are not accountants or attorneys; see them for specific legal and tax advice. Bond information is subject to change and availability. Some bonds are sold by prospectus only; therefore, contact us for a prospectus and more information. Additional information available on request.

If it weren't for Philo T. Farnsworth, inventor of television, we'd still be eating frozen radio dinners.

**-Johnny Carson (1925 - 2005)**

**Investor Bulletin is a publication of Kornfield Investment Management  
SEC Registered Investment Adviser**

Kornfield Investment Management is a division of Kevin Hart Kornfield & Co. Inc.  
Member FINRA/SIPC/MSRB

We invite reader feedback via email to [invest@kornco.com](mailto:invest@kornco.com)  
Should you wish to have a friend receive this newsletter, or to be removed from our mailing list,  
email [invest@kornco.com](mailto:invest@kornco.com), or call our office at 717-392-0002.