

Morningstar PDF Subscriber Printer Optimization

Step 1: Select "File" in Acrobat.

The screenshot shows the Adobe Acrobat application window. The 'File' menu is open, displaying options such as 'Enter New Document...', 'Open...', 'Browse...', 'Organizer', 'Open Recent File', 'Create PDF', 'Combine Files...', 'Start Meeting...', 'Save', 'Save As...', 'Save as Certified Document...', 'Export', 'Attach to Email...', 'Revert', 'Close', 'Properties...', 'Page Setup...', and 'Print...'. The background document is a PDF titled 'MII_0409.pdf' showing a page from 'International Investor' magazine, dated April 2009, Volume 2, Number 2. The page content includes a section on 'Passport Portfolio One-Year Performance' and a sidebar with a table of contents.

Passport Portfolio One-Year Performance

The Passport Portfolio passed its one-year anniversary on March 1, 2009. With that milestone reached, I wanted to spend this issue reviewing the portfolio. We'll examine what did and didn't work on a relative basis, and my current views on the portfolio's stocks.

Several themes have driven a substantial amount of my investment decisions, including infrastructure investment, health care, and the increasing wealth in emerging markets: As the economic news grew worse, I also became more defensive. Sometimes these themes tie together—for example, the increasing wealth in emerging markets and infrastructure spending. As people become wealthier, they demand more goods and services. Many of these items consume electricity, which drives a need for increased power production. Also, as people become wealthier they travel more, increasing the need for roads, bridges, cars, trains, and planes. This increased consumer demand pressures governments and businesses to expand production of goods, power...

demand for years beyond that. As emerging markets, particularly China and India, increase in wealth they will consume more and use more electricity and have greater transportation needs.

Infrastructure
Siemens SI
Direct infrastructure investments in the portfolio include Siemens, Veolia Environnement, CRH, and ABB. I bought Siemens in early April and while it has continued to increase revenues thanks to a very strong order backlog, the market has been concerned that new orders are below last year's level and that existing projects could be delayed. The firm was also hit by the resignation of both its CEO and chairman when they were implicated in an ongoing investigation for bribing foreign officials to win business. Despite the order slowdown, I like this business long term. It is the second-largest builder of turbines and power plants, behind General Electric GE. Although Siemens may have lost some leverage due to the bribery scandal, GE has been hurt by its more extensive finance arm. All things considered, I think Siemens is in a relatively stronger position than in the past.

Veolia Environnement VE
Around the same time, I bought Veolia Environnement...

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Step 2: Select "Print" from the drop down menu.



The screenshot shows the Adobe Acrobat Reader interface. The 'File' menu is open, and the 'Print...' option is highlighted. The background document is a PDF titled 'MII_0409.pdf' showing a page from 'International Investor' magazine, April 2009, Volume 2, Number 2. The page content includes a section on 'Passport Portfolio One-Year Performance' and articles on 'Infrastructure' and 'Veolia Environnement VE'.

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International Investor™

April 2009
Volume 2
Number 2

stocks outside the U.S.

Passport Portfolio One-Year Performance

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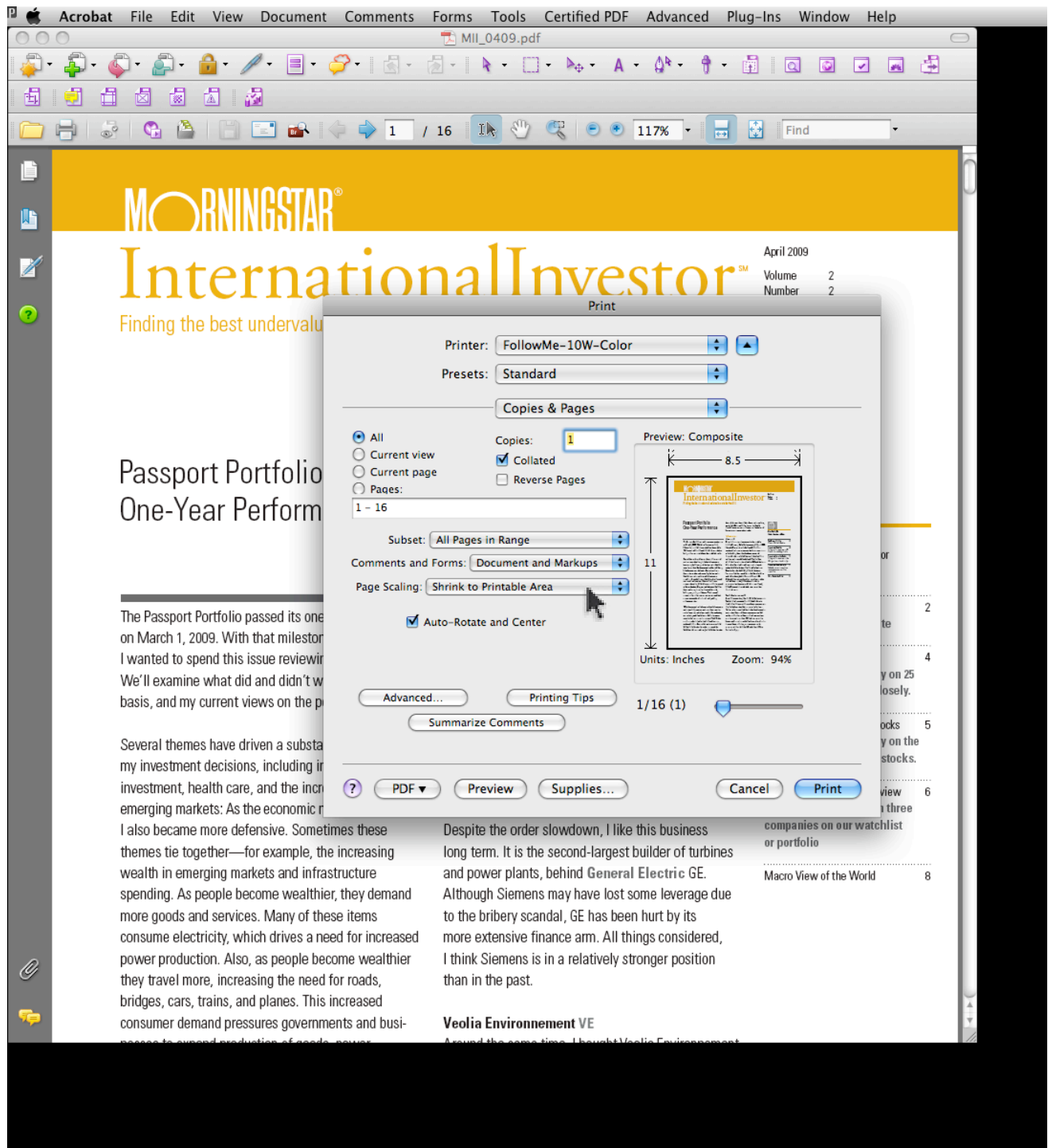
Veolia Environnement VE

Around the same time, I bought Veolia Environnement

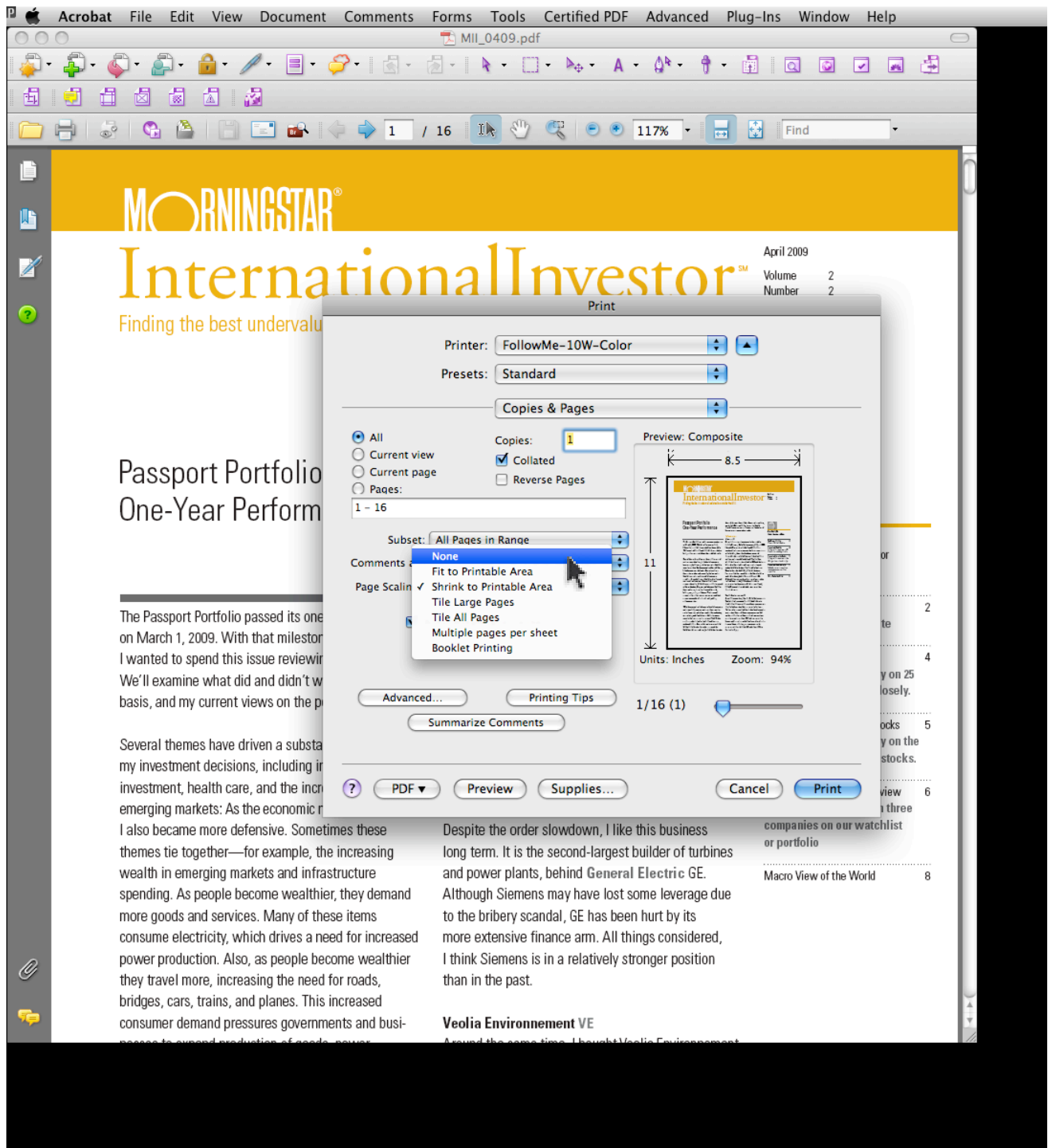
Allan Nichols, CFA
Equities Strategist and Editor

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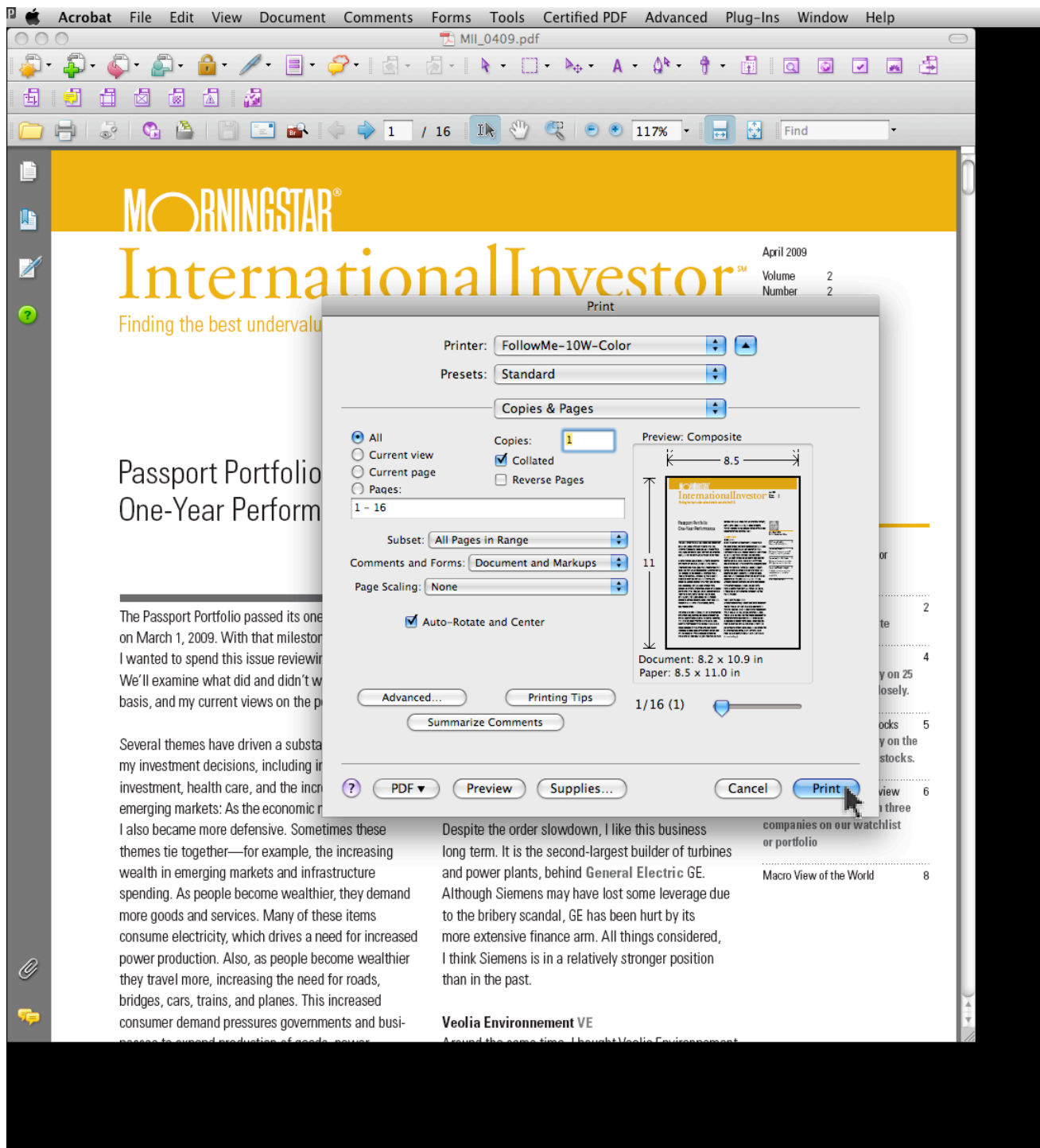
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Step 4: Select "None" from the drop down menu.



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