



# Mossberg's Investor Digest

September 2008

Issue #3

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## From the Editor...

Here are a few of my favorite quotes about investing....

"We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful." Warren Buffett

"Most of the time common stocks are subject to irrational and excessive price fluctuations in both directions as the consequence of the ingrained tendency of most people to speculate or gamble... to give way to hope, fear and greed." Benjamin Graham

"Wide diversification is only required when investors do not understand what they are doing." Warren Buffett

"Why not invest your assets in the companies you really like? As Mae West said, "Too much of a good thing can be wonderful". Warren Buffett

"In this business if you're good, you're right six times out of ten. You're never going to be right nine times out of ten." Peter Lynch

"Go for a business that any idiot can run - because sooner or later, any idiot probably is going to run it." Peter Lynch

I'd like to thank you for your interest in Mossberg's Investor Digest and invite you to become a subscriber.

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## September 2008 Issue

### **Joe's Jeans (Nasdaq: JOEZ)**

*September 7, 2008 Page 2* – Despite the economic downturn, it appears that women are still buying expensive jeans. And at \$125 a pair, it's hard not to make money. This up and coming brand has a lot of room for growth and margin expansion.

### **Sports Supply Group (Nasdaq: RBI)**

*September 17, 2008 Page 3* – For anyone who has bought equipment/ uniforms for their kids' sports activities lately, it's not surprising that the institutional sports equipment/ uniform market is a sizable \$4 billion annually. RBI is the dominate player in this business, 5x larger than the next largest competitor.

### **Alliance Data Systems (NYSE: ADS)**

*September 17, 2008 Page 4* – Alliance Data Systems valuation appears attractive for an industry leader with a track record of 27 consecutive quarters (nearly 7 years) of delivering on expectations. Valuations are likely to improve as ADS continues to perform and investors get a better grasp of customer buying trends and credit risk.

### **Optimal Group (Nasdaq: OPMR)**

*September 29, 2008 Page 5* – Optimal group is divesting a payment processing business to focus on robotic toys. Concerns over exposure to liabilities of its divested businesses are likely overblown, considering the stock trades below its cash value per share and the company is expected to generate significant cash from divestitures and operations.

### **Westport Innovations (Nasdaq: WPRT):**

*September 30, 2008 Page 6* – Westport provides technologies that enable engines to operate using natural gas (NG), hydrogen and biofuels. WPRT has a rapidly growing installed base of more than 17,000 NG engines operating in 19 countries.

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The value proposition of the digest is essentially an "Idea Generator". During the course of my 13-year career in capital markets, I've had the chance to meet and work closely with some very smart professional investors who have consistent track records of outperforming the market indexes. Some of these investors, which include mutual fund managers, hedge fund managers, and other professional investors, are kind enough to share their best ideas with me. I conduct my own analysis of their ideas and publish summaries of those ideas I think represent timely investment opportunities. Over time, I trust the majority of these ideas will pan out and help subscribers generate index-beating returns.

The goal of the Best Idea Profiles in this newsletter is to describe all of relevant investment merits and risks of a company in one page. It is not intended to be an exhaustive report including every detail of a company. With limited space available, I am forced to include only those data points that I feel are most important for subscribers to know before they begin their own due diligence. Thank you for your interest in Mossberg's Investor Digest.

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