



## **The Quest for Stability & Growth**

With the advent of the iPhone 4S, voice/speech recognition software has made its way back into the mainstream light. Almost a decade ago you could not get away from advertisements for speech to text software programs that sought to eliminate the need for typing letters, reports, articles or any other communication. Their presence came and went. The new generation of speech recognition software is far more complex and it will not be a flash in the pan like its speech to text predecessor.

Siri is the name Apple gave the “personal assistant” built into the new Apple iPhone 4S. The software allows the phone’s owner to speak commands rather than manually inputting the commands into the phone to achieve results. The technology is impressive, the improvement in functionality and ease of use are real and every iPhone competitor is worried.

The software known as Siri is produced and owned by Apple, so it’s very doubtful that you’ll see the software appear on any non-Apple device. What are competitors to do then, especially Google who has pitted its Droid mobile operating system against Apple? As an observer, it isn’t hard to see that Google is in a spot where it must act to counter the impact or at least lessen the amount of market share that Siri will possibly take. As an investor you should be thinking, “An investing opportunity might be right around the corner!”

**Nuance Communications (NUAN)** is the pure-play leader in speech recognition technology. Will Google employ NUAN to help counter the success of Siri? I honestly do not know. What I do know is that Siri is a game changer in that it has altered the perception of a growing number of technology users. Once you have seen and experienced the power of a new technological tool, it often is extrapolated within the user’s mind to other technologies. Thus, what might be currently limited to the iPhone will be wanted throughout a number of other technological tools.

As the mindset of the consumer grows as described above, an unknown void will be created and will need to be filled. The company that is currently best positioned to meet the need for intelligent speech recognition software is NUAN.

I would encourage growth investors, who are looking to capitalize on a technology play that is more on the speculative side, to begin researching NUAN in terms of their current fiscal state and their product offering. As speech recognition gains traction, more investors will set their eyes on NUAN. Put this company on your radar screen.

## TheMarketCapitalist.com Portfolio Selection

Company	Ticker	Buy Date	Buy Price	Last Price	Performance	Buy Target
SeaDrill Limited	SDRL	9/7/2011	30.25	35.04	15.83%	Up to \$38
Weatherford International Ltd.	WFT	9/7/2011	16.31	16.75	2.70%	Up to \$26
American Tower Corp.	AMT	9/7/2011	53.75	58.36	8.58%	Up to \$68
PowerShares Water Resources	PHO	9/7/2011	16.42	17.52	6.70%	Up to \$22
Cisco Systems, Inc.	CSCO	9/7/2011	15.42	18.31	18.74%	up to \$21
Deere & Company	DE	9/7/2011	78.97	75.63	-4.23%	Up to \$92

### The American Delusion and Dream

*Time* magazine's Martha White recently released a piece claiming that the American Dream has been reshaped because of the Great Recession. The Dream has now shifted to focus on more modest and personal goals. For example, Ms. White extrapolates her thoughts from a Harrisburg survey to contend that American's have shifted from dreaming of financial success to financial security (being able to retire).

When discussing the concept of "the American Dream" I often feel a certain level of angst when the discussion is couched in defeatist terms about how we're "downgrading" the Dream and how the Dream is perceived as being "unattainable" now. In these cases we're taking the Dream and looking at it in a historical perspective that casts the majority of the spotlight on the previous decade. In taking such a perspective, the reflection we have of the Dream that was is actually an activity of fantasizing about the delusion that was.

The American delusion ate a crushing blow in late 2008 when our economy experienced a liquidity crisis because of a binge that a good portion of our society had been involved in for a number of years in the past decade. Easy credit and irrational dreams of perpetual growth enveloped a lot of people and businesses. It was as if the late 90's early 00's dot-com bubble had been born again, except this time its range and scope were MUCH wider and deeper.

Here we are today looking at what was and what is and considering what this means for our future and "our" Dream. Yet, if we step back we will see a lot of what went on in the last decade was a delusion and the Dream, as it is coming to be known in our current times, is not really that big of a alteration from the Dream that was held in the decades that closed out the last century.

Expectations of perpetual economic growth and levels of risk were greatly distorted in the last decade. In this new decade a recalibration is taking place and it is painful. The pain stems largely from our departure from the delusion to a more realistic state. Cheap and easy credit provided a high like that of a drug addict. The drug is now gone and we're sobering up. It's not a fun process, but a necessary process, if we are ever to get back on our feet and regain greater economic traction.

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Yes, the American Dream is in a state of flux, but it should not be seen as a downgrade, just as the economic growth in the last decade should not be seen as an upgrade. Our entire society is going through a process where we're coming back to reality. Altering our dreams to be somewhat realistic is a good thing. It may seem wrong because the memory of our delusional state is somewhat fresh and many of us haven't come to grips that it was a delusion.

### ***Personal Finance: Finding Sanity Amongst the Endless Chatter***

We live in a world of endless connectivity. If it wasn't bad enough that a handful of 24-hour news networks exist, over the past 10-15 years thousands of news sites have appeared catering to a wide variety of audiences. These audiences can always be connected and are always looking for new content. This is no different in the world of finance and investing. As an investor, how do you find sanity amongst all the 'news' and opinions offered throughout the day?

It can be very difficult to be an investor when you hear on a daily basis 5 different opinions of where the market and/or economy is headed in the next X months. When everyone is saying something different, who can you trust? The 'experts' all proclaim something different, so who knows what the future actually holds? This is the system we live in and it will not change. TV, Internet, magazines, newspapers and other forms of media are all fighting for your attention and they are willing to say 5 different things in 10 different ways, as long as it gets you to their show, article or website.

The situation described above is detrimental for any investor. Being a Jeckle and Hyde investor ultimately means you'll also be a broke investor. Yet, the stream of media we're fed would lead us down such a path. The best advice I have to combat this situation is to know what you're invested in, how it is in sync with your goals and limit the number of sources you rely on for financial information.

Truly understanding what you have invested in and how it pertains to what you wish to accomplish in life can be the anchor you need when the world of investments and finance turns into a tornado like force. In the face of wild news stories and proclamations by 'experts' you will at least be able to understand where your investments stand and the potential implication certain events may or may not have on their well being. Establishing this anchor is no easy task, but progress towards it will help alleviate some of the anxiety often felt when markets become rather topsy-turvy.

To limit the number of sources you turn to for investing information, my advice would be to identify a few professional investors that regularly publish articles or reports that have a similar investing philosophy as yourself. A number of different investing strategies exist and they all have the ability to be successful for the investor, but what really matters to you is how your strategy is going to be impacted by X, Y, Z trend, story and/or event. Not all news moves the entire market the same way and therefore you should focus on where you've placed the majority of your investment.

The world can be a frightening place for an investor and being fed factual and sensationalized

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stories at every turn throughout the day only aggravates the fright. Do not let a false sense of fright and/or anxiety ruin your investment plans. Know your investments, know your goals and limit the chatter to a level that makes sense for you.

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