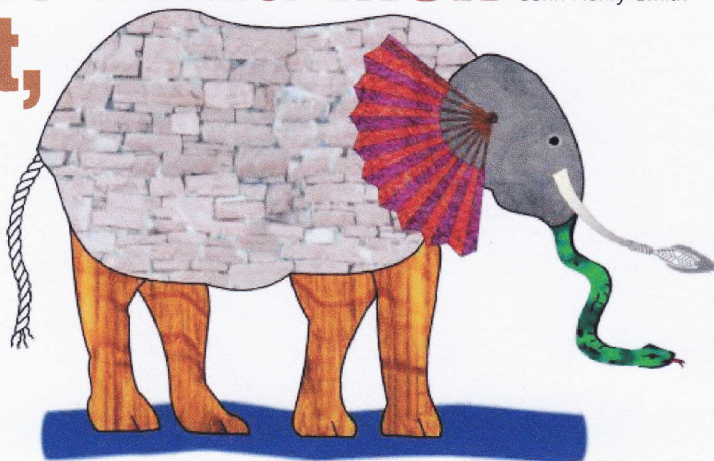




The Parable of the Blind Men and the Elephant, or how market stake-holders couldn't see systemic risk!

by IMCZ Treasurer
John Henry Smith



Adapted from John Godfrey Saxe's (1816-1887) version of the famous Indian legend by John Henry Smith

The Parable

There were six men in a far-off land
To learning much inclined,
Went to see the Elephant,
Though all of them were blind.
That each by observation
Might satisfy his mind.

The Legislator was slow of mind
With this problem to grope.
So the only thing that he could find
That fell within his scope,
Was the tail hanging at its behind,
And concluded the elephant is a rope.

The Regulator, filled with pride,
Stumbling, broke his fall
Against a broad and sturdy hide.
In relief, he began to bawl
That the Elephant at his side
Is like the law's protective wall.

The Investment Banker stroked the ear,
And therewith grasped its plan.
To survive in comfort it had to hear
That making credits without a ban
Would spread its risks far and near.
So this Elephant is a fan.

The Rating Agent, by chance did take
The squirming trunk that made him feel
With careful handling he could make
Good profits from this slimy deal,
Because this Elephant is like a snake.

The Mortgage Broker, who felt the tusk,
Cried out, "What have we here!
It's round and smooth and very sharp
To easily hunt my prey, that's clear,
And if I fail there's always TARP!
So yes, the Elephant is like a spear!"

The Financial Advisor reached out his hand,
And felt about the knee.
"Its strength and girth will bears withstand,
The essential thing for me.
It's clear enough the Elephant
Is very like a tree!"

The Moral
And so these men in this far-off land
Disputed loud and long,
Each in his own opinion
Exceeding stiff and strong.
Though each was partly in the right,
All of them were wrong!

So oft in a financial predicament,
The disputants, I do glean,
Rave on although each one ignorant
Of what the others mean,
And prattle on about an Elephant
Not one of them has seen!

Investment Forum

by IMCZ Treasurer John Henry Smith



Advanced Notice!

Because of considerable interest, it has been decided to form an Investment Forum to further understanding of capital markets through the use of fundamental and technical analysis, strategies and prevailing theories for the educational and private benefit of IMCZ members.

This Forum is for you, whether you know little or a lot about investing. Our objective is that we all learn from each other through presentations, discussions, simulations and competitions. You may surprise yourself by what you know and what you don't know! To this end our planning group is made of up professionals and investors so that we can capture your needs as well as being able to apply your knowledge in helping others.

We are targeting to meet the first Tuesday of every month, starting September 1, 2009 from 7 p.m. and may take up to three worthwhile hours. While we must await the decision from the Parkhotel whether our "Stammlokal" will be there or not, I thought that it's best to let you know in advance what we are aiming for.

As soon as we can resolve the issue of our location, I'll let you know.