

1998 INVESTMENT GUIDE

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Forbes

Mark Beckloff
and Daniel Dye,
founders of
Three Dog Bakery

Maybe your
best bet isn't in
stocks or bonds
or real estate
—but in your
own business

Go
for your
Dream



Halfway home, eight bull analysts and three bears are ahead in FORBES' annual stock-picking contest.

Halfway point

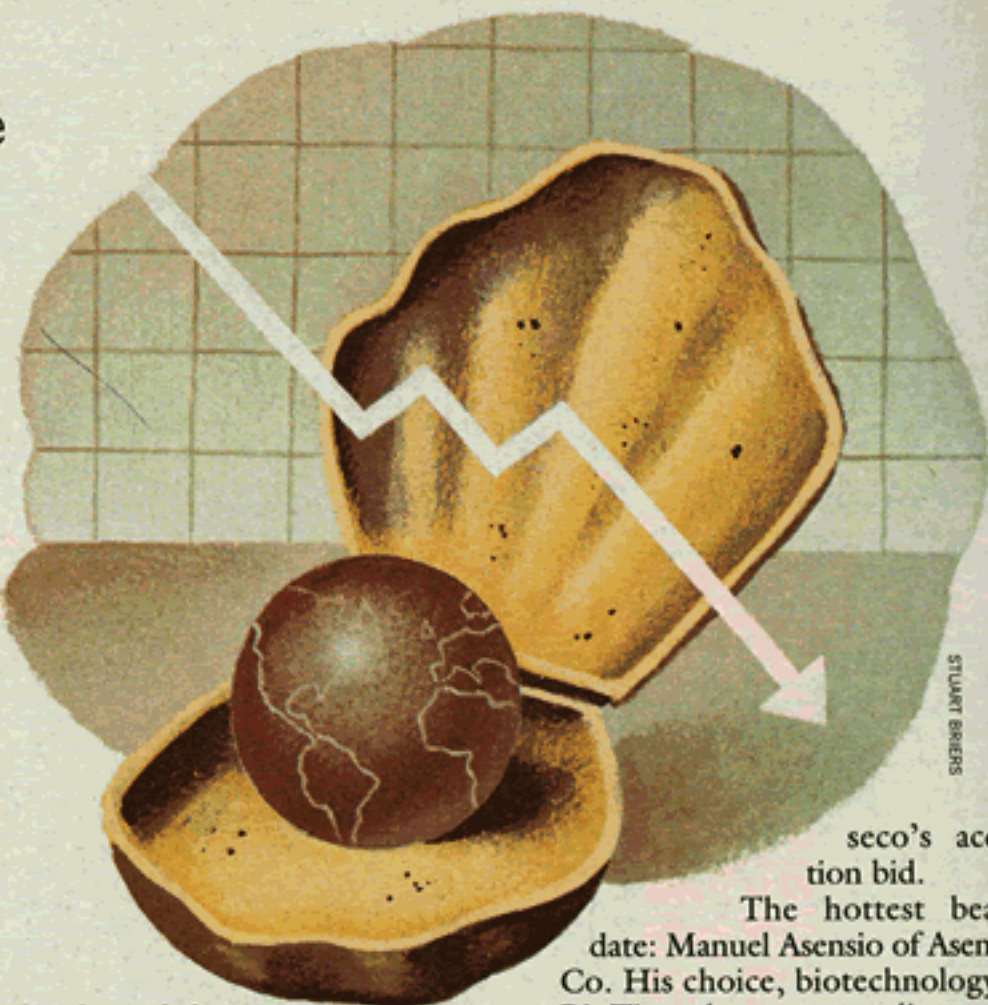
By Ronald Boone Jr.
and Robert J. Sherwood



EARLY IN JANUARY FORBES asked a group of Wall Street experts to pick a single stock to buy or sell short in 1998.

To be a winner at the end of a year, our bullish contestants have to gain more than the Standard & Poor's 500 Index; the bears have to show a loss greater than the S&P's gain.

The S&P is up 14%. Our contestants? On average, the bulls show a 27% increase. As might be expected in a roaring bull market, the bears haven't done well, but at least



STUART BREERS

they lagged the market, their shares gaining only 3%.

The standings so far:

Ronald Muhlenkamp of Muhlenkamp Fund leads the bulls (*see table below*). His pick, Green Tree Financial, is up 66%, thanks to Con-

seco's acquisition bid.

The hottest bear to date: Manuel Asensio of Asensio & Co. His choice, biotechnology firm BioTime, has yet to realize revenue from its products. BioTime is down 55% since January.

Michel Hanigan of SBC Warburg Dillon Read brings up the rear of the bulls pack. Hanigan says that his pick, Nintendo, is suffering from the Asian economic crisis and stiffer competition from Sony's PlayStation. Nintendo is down 1%.

Don't count out our reigning bull, Van Brady. His pick in the current contest, Impath, is near the bottom of the bull group. But at this time in 1997 his previous choice, Advanced Paradigm, was down 28% but rallied to finish the year with a 161% gain.

Thomas Chanos of Badger Consultants selected Musicland Stores as his favorite bearish pick. The stock rose from \$7.31 to \$14.13. Musicland reported a profit of \$14 million in 1997 after losing \$194 million the previous year.

Follow this race on our Web site at www.forbes.com. ■

This year's picks...

Name/affiliation	Ticker	Stock	Recent price	% change
Ronald Muhlenkamp/Muhlenkamp Fund	GNT	Green Tree Financial	\$43.44	65.9%
Phillip Foreman/Composite Research & Management	PHSYA	PacifiCare Health Systems	82.94	65.1
Walter Schenker/Brook Asset Management	CMAF	Comcast UK Cable Partners	14.88	57.6
Peter Canelo/Morgan Stanley	TWX	Time Warner	81.06	30.7
William Edwards/Palo Alto Investors	SDIX	Strategic Diagnostics	2.94	30.6
William Nasgovitz/Heartland Advisors	EE	El Paso Electric	9.19	25.6
Wendy Abramowitz/Argus Research	FDC	First Data	35.13	20.1
Judith Vale/Neuberger & Berman	NOI	National Oil Well	39.75	16.3
Van Brady/Presidio Management	IMPH	Impath	36.00	9.9
Alan Skrainka/Edward D Jones	HLI	Hartford Life	48.19	6.3
Edward Cronin Jr/Manchester Capital Management	TBR	Telebras	116.44	0.0
Michel Hanigan/SBC Warburg Dillon Read	NTDOY	Nintendo	12.13	-1.0

...and pans

Manuel Asensio/Asensio & Co	BTIM	BioTime	8.63	-54.6
Robb Knie/Equity Advisory	SPLH	Splash Technology Holding	17.25	-23.3
Alan Jacobs/Avalon Research Group	NVX	North American Vaccine	20.19	-19.0
David Tice/Prudent Bear Fund	FP	First Plus Financial	45.00	17.2
Thomas Chanos/Badger Consultants	MLG	Musicland	14.13	93.2

Prices through May 15.