

Match the terms in column A with the explanations in column B.

- | A | B |
|-------------------|--|
| 1. commingled | A. settlement of the affairs by determining the liabilities and applying the assets to their discharge. |
| 2. balanced funds | B. due date |
| 3. debtor | C. similar to a closed-end mutual fund. Investing in real estate or loans secured by real estate. |
| 4. coupon rate | D. failure to meet a financial obligation |
| 5. default | E. the interest rate stated on a bond, note or other fixed income security, expressed as a percentage of the principal (face value). |
| 6. creditor | F. debt obligations of the U.S. Treasury |
| 7. Treasure bill | G. one to whom money or its equivalent is owed. |
| 8. REITs | H. one that owes something to another |
| 9. maturity date | I. a mutual fund that buys a combination of common stock, preferred stock, bonds, and short-term bonds. |
| 10. liquidation | J. mixed, blended. |

Cloze

John Kornitzer is one money manager without much interest in bears-or bulls, for that matter. When it comes to animals, the Vermont native only has eyes for bison. He's long had a weakness for drawings and statues of the brawny beasts. In 1989 the former portfolio manager for Texaco and GE founded his own investment company in Shawnee Mission, Kan., just a 30-minute drive from where the creatures roam freely on the prairie. 1_____

He has trampled the competition ever since. With eight funds and \$5 billion in assets, Buffalo is a pip-squeak compared with Vanguard and Fidelity, which each manage at least \$700 billion in more than 100 funds. 2_____ In fact, Buffalo beats nearly 90% of the 436 fund families with at least \$5 million in assets. The firm's top performer is Buffalo Small Cap (BUFSX). With \$1.9 billion in assets, the fund has gained an average of 13.6% a year over the past five years, beating 97% of its peers. (To keep Buffalo Small Cap from getting too big, the firm sells shares only to investors who purchase directly from Buffalo and not through supermarkets such as Charles Schwab OneSource.)

The secret of Buffalo's success lies in identifying-and betting heavily on-powerful economic trends that are driving growth in particular industries. 3_____ Kornitzer and his team of 21 investment pros-many of whom serve as analysts or co-managers on more than one fund-then look for stocks with valuations near five-year lows, and companies that have both strong cash flow and veteran management teams.

One demographic play that's a longtime favorite in the Buffalo Mid Cap (BUFMX) portfolio is Chico's (CHS, \$29). A specialty retailer based in Florida with

more than 650 stores, Chico's sells casual clothing to women 35 and older. 4_____ But co-manager Bob Male believes the high valuation is warranted: He predicts Chico's will grow sales 25% annually over the next several years.

5_____ With \$840 million in sales, the North Carolina firm conducts clinical trials for drugmakers. Facing skimpy pipelines and patent expirations, big pharmaceutical companies are increasingly outsourcing their clinical research to companies like PPDI, which can run trials in a more efficient and cost-effective manner. Shares sell for 28 times last year's earnings. But Buffalo Science & Technology (BUFTX) co-manager Clay Brethour sees PPDI's profits growing at a 20% annual clip.

- A. A flurry of new-store openings has boosted annual sales to nearly \$1 billion, and the stock now trades for a lofty 35 times the past 12 months' earnings.
- B. The managers are currently playing about two dozen trends and are particularly bullish on demographic shifts, such as the aging of the baby-boomers and changing consumer habits, like the increasing use of digital electronics.
- C. Managers expect interest rates to rise and believe a neutral Federal Funds rate would be 3.7%, up from 3.5%, while debt fund managers peg the figure at 3.8%.
- D. Fund managers have become more cautious and see slower worldwide economic growth ahead. Signs of slower growth have yet to flash a buy signal for bonds because managers believe inflation is a problem and interest rates need to rise.
- E. And when he decided to launch a mutual fund company in 1994, he named his firm-surprise!-Buffalo Funds.
- F. But through March 31, according to Morningstar, Buffalo's funds together posted an asset-weighted, five-year annualized return of 11.6%. Vanguard and Fidelity, by contrast, delivered asset-weighted returns of 2.0% and -0.8%, respectively, during the same period.
- G. Pharmaceutical Product Development (PPDI, \$46) benefits from outsourcing, another trend the managers like.

Translation

Translate the English into Chinese:

In a changed market environment, fund managers are taking an increasing amount of responsibility for their investments, raising the profile and importance of in-house research. "Post-September 11, no-one wants to rely on external research," says Marino Valensise, head of fixed income at Baring Asset Management.

"In this market, it is hard to know if your opinion is right or wrong. If you make a mistake, you at least want to know it was based on your view rather than some one else's. Of course, we still speak to investment bank analysts but the final decision has to be made in-house," he adds.

Buy-side credit analysts are working much more closely with their in-house equity

counterparts. At one major investor, channels of communication have been opened between the two sides so that corporate investment is much more consistent. A bond investor may still be underweight a credit and an equity investor overweight the equivalent stock, but the fund manager will have to justify the reasons for a contrary position.

Sell-side research is not the only area of influence that languishes. As one investor says, annual reports are designed for the population at large and hold little value for a professional investor. Investors want to form their own opinions. Issuers can make a difference. After price, the most important factors in a buy/sell decision are knowledge and understanding of the issuer.

Translate the Chinese into English:

向欧洲人出售基金很不容易，因为他们对基金不感兴趣，他们宁愿将钱投资于债券和保险工具。出售基金的一个出路是说服银行转卖基金。但对于小的基金管理者来说，这并不是一个最佳战略。最好的战略是说服欧洲银行出售带标记的基金。在德国，16%的互助基金是通过独立的金融中介机构出售的。在意大利和西班牙根本没有这样的中介机构。在大多数地方，管理者还没有给予这些中介机构足够的重视。

Key

Match: J I H E D G F C B A

Cloze: E F B A G

Translation:

1. It is not easy to sell funds to Europeans. They have no interest in funds and would rather put their money into bonds and insurance vehicles. One way is to build business by persuading banks to resell their funds, but for smaller fund managers this is a second-best strategy. Their preferred strategy is to convince Europe's banks to sell branded funds. In Germany, 16% of mutual funds at most are sold through independent intermediaries; in Italy and Spain none at all are. In most places, regulators have not yet paid much attention to them.

2. 在一个变化的市场环境中，基金管理人将对他们的投资承担着越来越多的责任，这伴随着越来越多的责任，这伴随着提高其内部研究的透明性和重要性。“9.11 事件之后没有人愿意依赖外部的研究了，”Marino Valensise 说，他是 Baring 资产管理公司固定收益部门的总管。

“在这个市场，想知道的评价是对的还是错的是很困难的。如果你犯了一个错误，至少你想知道这个错是基于你的观点而不是别人的观点。当然，我们仍然对投行的分析师们说，最终的决定必须在内部做出。”他又说。

买方的信用分析师们和他们的内部股权伙伴合作得越来越密切。在一项重要的投资中，双方的交流渠道已经被打开，这样，公司的投资变得更加具有连续性。一个债券投资者也许依然会低估一种债券，并且一个权益投资者也会高估具有同等价值的股票，但是基金管理人必须从对立的位置去论证这些原因的正确性。

卖方的研究不是影响减弱的唯一原因。正如一位投资者所说，为了广大的普通大众，年报的设计对职业投资者几乎没有价值。投资者想形成他们自己的评价。

发行人就不同了，在买卖决策中，除了价格，最重要的因素是有关发行人的信息以及对其的理解。