



TRILLION DOLLAR SURVEY

January 2, 2009

These survey results represent the opinions of 49 of the nation's top money managers, investment strategists and professional economists.

They responded to CNBC's invitation to participate in our online survey. Their responses were collected between December 22 and December 31, 2008.

Except for an opportunity to write comments at the end of the survey, participants were told their answers would be reported only in the aggregate unless CNBC requested and received permission to publicly reveal specific responses. Participants were not required to answer every question.

This is not intended to be a scientific poll and its results should not be extrapolated beyond those who did accept our invitation. Percentages for a particular question may add up to more or less than 100% due to rounding.

How will the S&P 500 perform in 2009?

Up more than 20%	26%
Up 15-20%	9%
Up 10-15%	34%
Up 5-10%	17%
Up less than 5%	9%
Unchanged	0%
Down less than 5%	0%
Down 5-10%	0%
Down 10-15%	2%
Down 15-20%	4%
Down more than 20%	0%
Weighted Average	+12.23%

Results from Trillion Dollar Survey of January 3, 2008:

For the year 2008, the **S&P** will finish:

Up more than 10%	23%
Up 10%	2%
Up 8%	33%
Up 6%	21%
Up 4%	5%
Up 2%	5%
Unchanged	5%
Down 2%	2%
Down 4%	0%
Down 6%	2%
Down 8%	2%
Down 10%	2%
Down more than 10%	0%
Weighted Average	+6.6%



TRILLION DOLLAR SURVEY

January 2, 2009

When do you expect the next quarter of positive growth for the U.S. economy?

2009 – Q1	2%
2009 – Q2	18%
2009 – Q3	51%
2009 – Q4	22%
2010 – Q1	4%
2010 – Q2	2%
2010 – Second Half	0%
2011 or later	0%

Are financial market participants and the U.S. government mostly on the right track or the wrong track in the way they are addressing Wall Street's problems:

Right Track	73%
Wrong Track	25%
No Opinion	2%

What grade would you give to Ben Bernanke's **overall performance** as Federal Reserve Chairman?

Response	December 31, 2008	February 27, 2008	January 30, 2008	August 6, 2007
A (95)	16%	14%	4%	53%
B (85)	53%	58%	67%	40%
C (75)	22%	21%	20%	5%
D (65)	4%	5%	7%	0%
F (55)	4%	2%	2%	0%
Weighted Average	B- (81.6)	B (82.7)	B- (81.4)	B+ (89.4)

What grade would you give to Henry Paulson's **overall performance** as Treasury Secretary?

A (95)	4%
B (85)	24%
C (75)	40%
D (65)	20%
F (55)	11%
Weighted Average	C (73.3)



TRILLION DOLLAR SURVEY January 2, 2009

Do you think the Obama Administration will be better, worse, or the same at handling the crisis?

Better	53%
Worse	9%
Same	38%

Will there be a recovery in housing in the U.S. in 2009?

Yes	16%
Yes, but only in some regions	67%
No	18%

Where do you think the **Fed Funds rate** will be on **December 31, 2009**?

2.00% or higher	4%
1.75%	0%
1.50%	2%
1.25%	9%
1.00%	18%
0.75%	7%
0.50%	13%
0.25%	29%
0.00%	18%

Weighted Avg. 0.60%

What do you expect for the average price of a barrel of crude oil in 2009?

Less than \$30	2%
\$30-50	42%
\$50-75	56%
\$75-100	0%
\$100-125	0%
\$125-150	0%
More than \$150	0%



TRILLION DOLLAR SURVEY January 2, 2009

Comments:

Michael Niemire, International Council of Shopping Centers: The global challenge remains how to restore functioning liquidity back to the financial markets. Until that happens, the global economic risks will remain high. Even under the best scenario it will take time to heal and mend the global financial markets.

Ram Bhagavatula, Combinatorics Capital: Both the Fed and the Federal Government are being reckless with policy accommodation without understanding the limitations of countercyclical policy in addressing wealth loss effects.

Subodh Kumar, Subodh Kumar and Associates: The bottom potentially in place but elevated volatility is likely to remain. High volatility has partially to do with high uncertainty over fundamentals and the aftermath of failed risk diversification strategies of securitization. Until persistent poor returns or client outflows force change, both buy and sell side appear likely to continue to in aggregate to enhance volatility.

Late 2009 we expect a new earnings cycle to start enhanced by aggressive central bank ease being maintained and fiscal stimulus having effect. Meantime even in volatility, the S&P 500 has likely discounted close to 35% decline from peak earnings of 2006 (second only to the 75% decline over 1929/32), with high risk premiums, giving rise to opportunity over time, still focused on quality—quite unlike the post 2002 recovery. Financials, incremental sensitivity to fiscal stimulus via industrials/info tech and restructuring in healthcare are our favorites. Government bonds appear overbought and consumer discretionary is globally likely to lag in the new cycle.

Ernie Ankrin, Russell Investments: The economy will be worse than the dismal expectations until 2Q. Market will be better than expected by 2Q.

James Smith, W. Carolina Univ. & Parsec Financial Mgmt.: We're much closer to the end of the recession than most people think. February could be the bottom.

Arun Raha, Washington State Chief Economist: A large federal fiscal stimulus and a recovery in consumer spending will go a long way in getting the economy out of recession.

John Clarke, Midtown Partners: What would happen if the Government gave a 25% tax incentive for anyone who buys a US manufactured automobile in Q1 2009, and a 10% incentive on a home purchase in Q1 or Q2?

Bernie Schaeffer, Schaeffer's Investment Research: The US oil majors are now the most



TRILLION DOLLAR SURVEY January 2, 2009

overvalued and vulnerable sector since pre-2000 bubble technology stocks.

Diane Swonk, Mesirow Financial: Any "recovery" in housing will be more of a dead cat bounce. Moreover, sales and starts moving up from historic lows won't be enough to reverse the downward pressure on prices, which is expected to persist into 2010.

Richard Sichel, Philadelphia Trust Co.: Investors should be adding to stocks for the long term. However we are concerned re the extremely low Treasury yields...shows how little confidence investors have and keeps Corp. and Muni expenses high. Good for housing though.

Mark Elenowitz, TriPoint Global Equities: With the amount of capital that is being pumped into the system by the Government as well as the Government's actions, the economy will experience positive growth and recovery launching a period of prosperity; however with this positive growth will come with significant inflation. The question is not if, but rather when. Hopefully this time around investors and investment professionals will show restraint.

Clare Zempel, Zempel Strategic: This is more a panic than crisis.

David Dietze, Point View Financial Services: If you are not among the misfortunate forced sellers, do not get into the line to sell in 2009. Distressed sellers do not get good prices. If you've got the gumption, take advantage of those forced sellers. While the future is uncertain, as it always is, we do know prices are as much as 60% off from those prevailing as recently as 2007. That puts the odds in your favor to make some serious money over the next 5 to 10 years. As Warren Buffett says: Be greedy when others are fearful.

What to buy? Usually, the investment experts advise extreme selectivity. While selectivity is always helpful, this is one of those rare moments when investing in anything other than cash or Treasury bonds will prove profitable. As everything else has declined severely, nearly all of it can be expected to turn profitable once confidence and liquidity returns.

William Hummer, Wayne Hummer Investments: The night is darkest before the dawn, but this is a long winter night. Hope may begin to surface in late spring in the wake of unprecedented stimuli.

Richard Steinberg, Steinberg Global Asset Management: We have to weigh the risks of NOT being in the equity markets with a 3% yield with a 0% rate of return on cash. While it will take time for the equity market to see through the next few quarters of economic weakness, the risk/reward is now much better for stocks.

Andrew Busch, BMO Capital Markets: Obama policies: short term positive, long term



TRILLION DOLLAR SURVEY January 2, 2009

negative.

Jack Ablin, Harris Bank: Economists had it wrong in 2008, and now they're overshooting to the downside. The economy will turn out to be not as bad as economists would have us believe. We will see a cyclical recovery later in 2009.

Most of the damage has been sustained on Wall Street; not Main Street. It should take about two quarters for the smoke to clear.

Deflation forces in the first half favors bonds. Eventually (second half) all of the monetary and fiscal stimulus will translate into higher inflation which favors stocks, commodities and REITs.